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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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</table>
Members of the House of Representatives

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

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

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

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

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

Minister for Veterans’ Affairs
Hon. Alan Griffin MP
Minister for Housing and Minister for the Status of Women
Hon. Tanya Plibersek MP
Minister for Home Affairs
Hon. Brendan O’Connor MP
Minister for Indigenous Health, Rural and Regional Health
Hon. Warren Snowdon MP
and Regional Services Delivery
Minister for Small Business, Independent Contractors and
the Service Economy, Minister Assisting the Finance Min-
Hon. Dr Craig Emerson MP
ister on Deregulation and Minister for Competition Policy
and Consumer Affairs
Assistant Treasurer
Senator Hon. Nick Sherry
Minister for Ageing
Hon. Justine Elliot MP
Minister for Early Childhood Education, Childcare and
Hon. Kate Ellis MP
Youth and Minister for Sport
Minister for Defence Personnel, Materiel and Science and
Hon. Greg Combet AM, MP
Minister Assisting the Minister for Climate Change
Senator Hon. Mark Arbib
Minister for Employment Participation and Minister Assisting
the Prime Minister on Government Service Delivery
Hon. Maxine McKew MP
Parliamentary Secretary for Infrastructure, Transport, Re-
Hon. Dr Mike Kelly AM, MP
gional Development and Local Government
Parliamentary Secretary for Defence Support and Parliament-
Hon. Gary Gray AO, MP
ary Secretary for Water
Hon. Bill Shorten MP
Parliamentary Secretary for Western and Northern Australia
Parliamentary Secretary for Disabilities and Children’s Ser-
Hon. Bob McMullan MP
vices and Parliamentary Secretary for Victorian Bushfire
Reconstruction
Parliamentary Secretary for International Development As-
Senator Hon. Ursula Stephens
sistance
Parliamentary Secretary for Pacific Island Affairs
Hon. Duncan Kerr SC, MP
Parliamentary Secretary to the Prime Minister and Parlia-
Hon. Anthony Byrne MP
mentary Secretary for Trade
Parliamentary Secretary for Social Inclusion and the Volun-
Senator Hon. Ursula Stephens
tary Sector and Parliamentary Secretary Assisting the
Prime Minister for Social Inclusion
Parliamentary Secretary for Multicultural Affairs and Set-
Hon. Laurie Ferguson MP
tlement Services
Parliamentary Secretary for Employment
Hon. Jason Clare MP
Parliamentary Secretary for Health
Hon. Mark Butler MP
Parliamentary Secretary for Industry and Innovation
Hon. Richard Marles MP
<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leader of the Opposition</td>
<td>The Hon. Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition</td>
<td>The Hon. Julie Bishop MP</td>
</tr>
<tr>
<td>Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of the Nationals</td>
<td>The Hon. Warren Truss MP</td>
</tr>
<tr>
<td>Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate</td>
<td>Senator the Hon. Nick Minchin</td>
</tr>
<tr>
<td>Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate</td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td>Shadow Treasurer</td>
<td>The Hon. Joe Hockey MP</td>
</tr>
<tr>
<td>Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House</td>
<td>The Hon. Christopher Pyne MP</td>
</tr>
<tr>
<td>Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design</td>
<td>The Hon. Andrew Robb AO, MP</td>
</tr>
<tr>
<td>Shadow Minister for Finance, Competition Policy and Deregulation</td>
<td>Senator the Hon. Helen Coonan</td>
</tr>
<tr>
<td>Shadow Minister for Human Services and Deputy Leader of The Nationals</td>
<td>Senator the Hon. Nigel Scullion</td>
</tr>
<tr>
<td>Shadow Minister for Energy and Resources</td>
<td>The Hon. Ian Macfarlane MP</td>
</tr>
<tr>
<td>Shadow Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>The Hon. Tony Abbott MP</td>
</tr>
<tr>
<td>Shadow Special Minister of State and Shadow Cabinet Secretary</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Shadow Minister for Climate Change, Environment and Water</td>
<td>The Hon. Greg Hunt MP</td>
</tr>
<tr>
<td>Shadow Minister for Health and Ageing</td>
<td>The Hon. Peter Dutton MP</td>
</tr>
<tr>
<td>Shadow Minister for Defence</td>
<td>Senator the Hon. David Johnston</td>
</tr>
<tr>
<td>Shadow Attorney-General</td>
<td>Senator the Hon. George Brandis SC</td>
</tr>
<tr>
<td>Shadow Minister for Agriculture, Fisheries and Forestry</td>
<td>The Hon. John Cobb MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Mr Michael Keenan MP</td>
</tr>
<tr>
<td>Shadow Minister for Immigration and Citizenship</td>
<td>The Hon. Dr Sharman Stone</td>
</tr>
<tr>
<td>Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts</td>
<td>Mr Steven Ciobo</td>
</tr>
</tbody>
</table>

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

Shadow Minister for Financial Services, Superannuation and Corporate Law  The Hon. Chris Pearce MP
Shadow Assistant Treasurer  The Hon. Tony Smith MP
Shadow Minister for Sustainable Development and Cities  The Hon. Bruce Billson MP
Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House  Mr Luke Hartsuyker MP
Shadow Minister for Housing and Local Government  Mr Scott Morrison
Shadow Minister for Ageing  Mrs Margaret May MP
Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence  The Hon. Bob Baldwin MP
Shadow Minister for Veterans’ Affairs  Mrs Louise Markus MP
Shadow Minister for Early Childhood Education, Childcare, Status of Women and Youth  Mrs Sophie Mirabella MP
Shadow Minister for Justice and Customs  The Hon. Sussan Ley MP
Shadow Minister for Employment Participation, Training and Sport  Dr Andrew Southcott MP
Shadow Parliamentary Secretary for Northern Australia  Senator the Hon. Ian Macdonald
Shadow Parliamentary Secretary for Roads and Transport  Mr Don Randall MP
Shadow Parliamentary Secretary for Regional Development  Mr John Forrest MP
Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs  Senator Marise Payne
Shadow Parliamentary Secretary for Energy and Resources  Mr Barry Haase MP
Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector  Senator Mitch Fifield
Shadow Parliamentary Secretary for Water Resources and Conservation  Mr Mark Coulton MP
Shadow Parliamentary Secretary for Health Administration  Senator Mathias Cormann
Shadow Parliamentary Secretary for Defence  The Hon. Peter Lindsay MP
Shadow Parliamentary Secretary for Education  Senator the Hon. Brett Mason
Shadow Parliamentary Secretary for Justice and Public Security  Mr Jason Wood MP
Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry  Senator the Hon. Richard Colbeck
Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate  Senator Concetta Fierravanti-Wells
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The SPEAKER (Mr Harry Jenkins) took the chair at 9 am and read prayers.

YOUTH ALLOWANCE

Mr PYNE (Sturt) (9.00 am)—I seek leave to move the following motion:

That the:

(1) Government’s proposals for reform of Youth Allowance stand condemned for failing to:

(a) protect young Australians who had relied on the rules as they were to plan their progress to higher education and now find themselves in limbo, unable to access Youth Allowance and in the middle of their ‘gap year’ with their dreams of higher education shattered; and

(b) recognise the reality of the employment market in rural and regional Australia by demanding young Australians work thirty hours a week for eighteen months to qualify for Youth Allowance, a requirement that is clearly beyond the scope of most rural and regional young people, thereby snatching away their dreams of changing their lives through higher education;

(2) Government reconsider its reforms of Youth Allowance with a view to adopting the Coalition’s commitment to:

(a) amend the start date for the abolition of the gap year provision from 1 January 2010 to 1 January 2011 to help those young Australians currently on a gap year;

(b) look after regional and rural students with a targeted scholarship program that will help thousands of needy students from the country who do not qualify for Youth Allowance assistance; and

(c) fix the ridiculous situation under the Government’s proposal where young people in rural and regional areas will be looking for full time work (30 hours per week) for 18 months so they can qualify as independents;

(3) Government recognise its failure to comprehend the disadvantage that rural and regional communities suffer as a consequence of distance, extra costs and a wear jobs market in reforming Youth Allowance in such a way that rural and regional students are even further disadvantaged and isolated from mainstream education opportunities; and

(4) Members for Flynn, Capricornia, Dawson, Leichhardt, Lingiari, Wakefield, Eden Monaro, Bendigo, Ballarat, Corangamite, Hunter, Macquarie, Page and Richmond demonstrate their support for young people in their electorates by voting with the Opposition in solidarity with the people they represent.

Leave not granted.

Suspension of Standing and Sessional Orders

Mr PYNE (Sturt—Manager of Opposition Business) (9.03 am)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Sturt from moving the following motion:

That the:

(1) Government’s proposals for reform of Youth Allowance stand condemned for failing to:

(a) protect young Australians who had relied on the rules as they were to plan their progress to higher education and now find themselves in limbo, unable to access Youth Allowance and in the middle of their ‘gap year’ with their dreams of higher education shattered; and

(b) recognise the reality of the employment market in rural and regional Australia by demanding young Australians work thirty hours a week for eighteen months to qualify for Youth Allowance, a requirement that is clearly beyond the scope of most rural and regional young people, thereby snatching away their dreams of changing their lives through higher education;

(2) Government reconsider its reforms of Youth Allowance with a view to adopting the Coalition’s commitment to:
(a) amend the start date for the abolition of the gap year provision from 1 January 2010 to 1 January 2011 to help those young Australians currently on a gap year;

(b) look after regional and rural students with a targeted scholarship program that will help thousands of needy students from the country who do not qualify for Youth Allowance assistance; and

(c) fix the ridiculous situation under the Government’s proposal where young people in rural and regional areas will be looking for full time work (30 hours per week) for 18 months so they can qualify as independents;

(3) Government recognise its failure to comprehend the disadvantage that rural and regional communities suffer as a consequence of distance, extra costs and a weak jobs market in reforming Youth Allowance in such a way that rural and regional students are even further disadvantaged and isolated from mainstream education opportunities; and

(4) Members for Flynn, Capricornia, Dawson, Leichhardt, Lingiari, Wakefield, Eden Monaro, Bendigo, Ballarat, Corangamite, Hunter, Macquarie, Page and Richmond demonstrate their support for young people in their electorates by voting with the Opposition in solidarity with the people they represent.

Mr Speaker, the—

Mr ALBANESE (Grayndler—Leader of the House) (9.05 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.10 am] (The Speaker—Mr Harry Jenkins)

Ayes………… 72
Noes………… 57
Majority……… 15

AYES
Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.E.
Burke, A.S. Byrne, A.M.
Champion, N. Cheeseman, D.L.
Clare, J.D. Collins, J.M.
Combet, G. Crean, S.F.
D’Ath, Y.M. Danby, M.
Debus, B. Dreyfus, M.A.
Elliot, J. Ellis, A.L.
Ellis, K. Ferguson, L.D.T.
Fitzgibbon, J.A. Garrett, P.
George, J. Gibbons, S.W.
Gillard, J.E. Grierson, S.J.
Griffin, A.P. Hale, D.F.
Hall, J.G. * Hayes, C.P. *
Irwin, J. Jackson, S.M.
Kelly, M.J. Kerr, D.J.C.
King, C.F. Livermore, K.F.
Macklin, J.L. Marles, R.D.
McClelland, R.B. McMullan, R.F.
Melham, D. Murphy, J.
Neal, B.J. Neumann, S.K.
O’Connor, B.P. Owens, J.
Parke, M. Perrett, G.D.
Pibersek, T. Price, L.R.S.
Raguse, B.B. Rea, K.M.
Ripoll, B.F. Rishworth, A.L.
Saffin, J.A. Shorten, W.R.
Sidebottom, S. Smith, S.F.
Snowdon, W.E. Sullivan, J.
Swan, W.M. Symon, M.
Tanner, L. Thomson, C.
Thomson, K.J. Turnour, J.P.
Vamvak-inou, M. Zappia, A.

NOES
Andrews, K.J. Bailey, F.E.
Baldwin, R.C. Bishop, B.K.
Bishop, J.I. Briggs, J.E.
Broadbent, R. Chester, D.
Ciobo, S.M. Costello, P.H.
Dutton, P.C. Farmer, P.F.
Forrest, J.A. Gash, J.
Georgiou, P. Haase, B.W.
Hartsuyker, L. Hawke, A.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. * Irons, S.J.
Jensen, D. Johnson, M.A. *
Keenan, M. Laming, A.
Ley, S.P. Lindsay, P.J.
Marino, N.B. Markus, L.E.
Mirabella, S. Morrison, S.J.
Moylan, J.E. Nelson, B.J.
Question agreed to.

The SPEAKER—Is the motion seconded?

Mr CHESTER (Gippsland) (9.17 am)—I second the motion. They are betraying young people in regional areas—

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (9.17 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.18 am]

(The Speaker—Mr Harry Jenkins)

AYES

Adams, D.G.H.  Albanese, A.N.
Bevis, A.R.  Bidgood, J.
Bird, S.  Bowen, C.
Bradbury, D.J.  Burke, A.E.
Burke, A.S.  Byrne, A.M.
Champion, N.  Cheeseman, D.L.
Clare, J.D.  Collins, J.M.
Combet, G.  Crean, S.F.
D’Ath, Y.M.  Danby, M.
Debus, B.  Dreyfuss, M.A.
Elliot, J.  Ellis, A.L.
Ellis, K.  Ferguson, L.D.T.
Garrett, P.  Gibbons, S.W.
Fitzgibbon, J.A.  Grierson, S.J.
George, J.  Hale, D.F.
Gillard, J.E.  Hayes, C.P. *
Griffin, A.P.  Jackson, S.M.
Hall, J.G. *  Kerr, D.J.C.
Irwin, J.  Livermore, K.F.
Kelly, M.J.  Marles, R.D.
King, C.F.  McMullan, R.F.
Macklin, J.L.  Murphy, J.
McClelland, R.B.  Neumann, S.K.
Melham, D.  Owens, J.
Neal, B.J.  Perrett, G.D.
O’Connor, B.P.  Price, L.R.S.
Parke, M.  Rea, K.M.
Plibersek, T.  Rishworth, A.L.
Raguse, B.B.  Shorten, W.R.
Ripoll, B.F.  Smith, S.F.
Saffin, J.A.  Sullivan, J.
Sidebottom, S.  Symon, M.
Snowdon, W.E.  Thomson, C.
Swan, W.M.  Turnour, J.P.
Tanner, L.  Vanvakinou, M.
Thomson, K.J.  Zappia, A.

NOES

Andrews, K.J.  Bailey, F.E.
Baldwin, R.C.  Bishop, B.K.
Bishop, J.I.  Briggs, J.E.
Broadbent, R.  Chester, D.
Ciobo, S.M.  Costello, P.H.
Dutton, P.C.  Farmer, P.F.
Forrest, J.A.  Gash, J.
Georgiou, P.  Haase, B.W.
Hartseyker, L.  Hawke, A.
Hawker, D.P.M.  Hockey, J.B.
Hull, K.E. *  Irons, S.J.
Jensen, D.  Johnson, M.A. *
Keenan, M.  Laming, A.
Ley, S.P.  Lindsay, P.J.
Marino, N.B.  Markus, L.E.
Mirabella, S.  Morrison, S.J.
Moylan, J.E.  Nelson, B.J.
Neville, P.C.  Oakeshott, R.J.M.
Pearce, C.J.  Pyne, C.
Ramsey, R.  Randall, D.J.
Robb, A.  Robert, S.R.
Ruddock, P.M.  Schultz, A.
Scott, B.C.  Secker, P.D.
Question agreed to.

Original question put:

That the motion (Mr Pyne’s) be agreed to.

The House divided. [9.20 am]

(The Speaker—Mr Harry Jenkins)

Ayes............. 56
Noes............. 73
Majority.......... 17

AYES
Andrews, K.J. Bailey, F.E.
Baldwin, R.C. Bishop, B.K.
Bishop, J.I. Briggs, J.E.
Broadbent, R. Chester, D.
Ciobo, S.M. Costello, P.H.
Dutton, F.C. Farmer, P.F.
Forrest, J.A. Gash, J.
Georgiou, P. Haase, B.W.
Hartsuyker, L. Hawke, A.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. * Irons, S.J.
Jensen, D. Johnson, M.A. *
Keenan, M. Laming, A.
Ley, S.P. Lindsay, P.J.
Marino, N.B. Markus, L.E.
Mirabella, S. Morrison, S.J.
Moylan, J.E. Nelson, B.J.
Neville, P.C. Pearce, C.J.
Pyne, C. Ramsey, R.
Randall, D.J. Robb, A.
Robert, S.P. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. Simpkins, L.
Smith, A.D.H. Southcott, A.J.
Somlyay, A.M. Stone, S.N.
Southcott, A.J. Tuckey, C.W.
Truss, W.E. Vale, D.S.
Turnbull, M. Washer, M.J.
Wood, J.

NOES
Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.E.
Burke, A.S. Byrne, A.M.
Campbell, J. Champion, N.
Cheeseman, D.L. Clare, J.D.
Collins, J.M. Combet, G.
Creen, S.F. D’Ath, Y.M.
Dunby, M. Debus, B.
Dreyfus, M.A. Elliot, J.
Ellis, A.L. Ellis, K.
Ferguson, L.D.T. Fitzgibbon, J.A.
Garrett, P. George, J.
Gibbons, S.W. Gillard, J.E.
Grierson, S.J. Griffin, A.P.
Hale, D.F. Hall, J.G. *
Hayes, C.P. * Irwin, J.
Jackson, S.M. Kelly, M.J.
Kerr, D.J.C. King, C.F.
Livermore, K.F. Macklin, J.L.
McClelland, R.B. McMullan, R.F.
Melham, D. Murphy, J.
Neal, B.J. Neumann, S.K.
O’Connor, B.P. Oakeshott, R.J.M.
Owens, J. Parke, M.
Perrett, G.D. Pliibersek, T.
Price, L.R.S. Raguse, B.B.
Rea, K.M. Ripoll, B.F.
Rishworth, A.L. Saffin, J.A.
Shorten, W.R. Sidebottom, S.
Smith, S.F. Snowden, W.E.
Sullman, J. Swan, W.M.
Symon, M. Tanner, L.
Thomson, C. Thomson, K.J.
Turnour, J.P. Vamvakinou, M.
Zappia, A.

PAIRS
Abbott, A.J. Gray, G.
Billson, B.F. Trevor, C.
Macfarlane, I.E. Ferguson, M.J.
* denotes teller

Question negatived.
Mr PRICE (Chifley) (9.24 am)—I present the report of the recommendations of the whips relating to committee and delegation reports and private members’ business on Monday, 7 September 2009. Copies of the report have been placed on the table.

The report read as follows—
Pursuant to standing order 41A, the Whips recommend the following items of committee and delegation reports and private Members’ business for Monday, 7 September 2009. The order of precedence and allotments of time for items in the Main Committee and Chamber are as follows:

**Items recommended for Main Committee (6.55 to 8.30 pm)**

**PRIVATE MEMBERS’ BUSINESS Notices**

1 **MS 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 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 delay, 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.

**Time allotted—30 minutes.**

**Speech time limits**—

Ms Parke—5 minutes.
First Opposition Member speaking—5 minutes.
Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 6 x 5 mins]

The Whips recommend that consideration of this should continue on a future day.

2 **MR HARTSUYKER:** To move—That the House:

(1) condemns the Government’s decision to allow the importation of bananas from the Philippines in view of the direct threat such imports pose to the disease free nature of the Australian banana growing industry; and
(2) expresses concern that:
there is a high prevalence of banana pests and diseases in the Philippines;

(b) the decision has apparently been taken in disregard of previous failings by the Australian Quarantine and Inspection Service to secure our borders against damaging infections and diseases; and

(c) the health of the Australian banana growing industry will now depend on the inspection regime in the Philippines.

Time allotted—30 minutes.

Speech time limits—
Mr Hartsuyker—10 minutes.
First Government Member speaking—10 minutes.
Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 + 2 x 5 mins]

The Whips recommend that consideration of this should continue on a future day.

3 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.

Time allotted—35 minutes.

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

[Minimum number of proposed Members speaking = 7 x 5 mins]

The Whips recommend that consideration of this should continue on a future day.

Items recommended for House of Representatives Chamber (8.40 to 9.30 pm)

COMMITTEE AND DELEGATION REPORTS
Presentation and statements

1 PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES
Report on an inquiry into agribusiness managed investment schemes.

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

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

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

2 PARLIAMENTARY JOINT COMMITTEE ON INTELLIGENCE AND SECURITY
Review of Administration and Expenditure No. 6.

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

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

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

PRIVATE MEMBERS’ BUSINESS
Orders of the Day

1 RENEWABLE ENERGY AMENDMENT (FEED-IN-TARIFF FOR ELECTRICITY) BILL 2009—Second reading (18 August 2009).

The Whips recommend all speeches to conclude by 9.10 pm
Speech time limits—
Mr Oakeshott—5 minutes.
First Government Member speaking—5 minutes.
Minimum number of proposed Members speaking = 2 x 5 mins
The Whips recommend that consideration of this should continue on a future day.

Notices
1 MR KATTER: To move—
That, recognising the necessity to preserve manufacturing in Australia to address rising unemployment and the plight of people about to be dismissed at Pacific Brands, the House:
(1) calls on the Government to:
(a) introduce ‘an emergency measure under WTO rules’ to provide an interim 15 per cent tariff on goods that are imported to replace textile clothing and footwear (TCF) items such as those produced at Pacific Brands; and
(b) abandon its intention to abolish the existing TCF tariff regime; and
(2) directs the Government to finance a loan to allow Pacific Brands workers to purchase significant shareholdings in the company through salary sacrifice arrangements in order to purchase a share issue made to provide the refinancing funds needed to enable continued manufacturing by Pacific Brands in Australia.
Time allotted—remaining private Members’ business time prior to 9.30 pm
Speech time limits—
Mr Katter—5 minutes.
First Government Member speaking—5 minutes.
Minimum number of proposed Members speaking = 4 x 5 mins
The Whips recommend that consideration of this should continue on a future day.
Report adopted.

COMMITTEES
Public Works Committee
Report
Mr PRICE (Chifley) (9.24 am)—On behalf of the Parliamentary Standing Committee on Public Works, I present the fourth report for 2009 of the committee relating to the proposed construction of a new Australian Embassy complex in Jakarta, Indonesia.
Ordered that the report be made a parliamentary paper.
Mr PRICE—by leave—I very briefly want to inform all honourable members that the committee closely examined the proposed construction of the new embassy in Jakarta and has given it its full support.

EDUCATION SERVICES FOR OVERSEAS STUDENTS AMENDMENT (RE-REGISTRATION OF PROVIDERS AND OTHER MEASURES) BILL 2009
First Reading
Bill and explanatory memorandum presented by Ms Gillard.
Bill read a first time.

Second Reading
Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (9.26 am)—I move:
That this bill be now read a second time.
Much has been said about the international education sector in Australia over recent months. Nearly half a million students come to study every year. They live here, work here and pay taxes. They contribute to our multicultural society while they gain skills and knowledge to take home.
Many in this place—I note the member for Boothby is here and he certainly did this—have joined me in condemning the recent appalling acts of violence against some students. Many too share my concern about
the industry, growing so rapidly with insufficient checks and balances, unfortunately attracting a small number of unscrupulous operators for whom the provision of quality education is not their first motivation.

Recently I announced that Bruce Baird, the former Liberal member for Cook, a person I think respected on both sides of the House, would head up a review of the Education Services for Overseas Students Act 2000. I look forward to working with Bruce on this major piece of work.

Today I am introducing the Education Services for Overseas Students Amendment (Re-registration of Providers and Other Measures) Bill 2009, which makes adjustments to the operation of the Education Services for Overseas Students Act 2000.

The changes to this will require the re-registration of all institutions currently registered on the Commonwealth Register of Institutions and Courses for Overseas Students.

Further, it clarifies the application of various provisions and introduces processes that will increase the accountability of international education and training services providers under the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students. The bill will also seek to make international education providers’ use of education agents more transparent and accountable.

The national code is a set of nationally consistent standards that govern the protection of overseas students and the delivery of courses to those students by providers registered on the Commonwealth Register of Institutions and Courses for Overseas Students. Only courses through providers registered on the Commonwealth Register of Institutions and Courses for Overseas Students can be offered to international students studying in Australia on a student visa.

The national code is established under the Education Services for Overseas Students Act 2000. To become registered on the Commonwealth Register of Institutions and Courses for Overseas Students a provider must demonstrate that it complies with the requirements of the national code. In recommending a provider for registration, the state or territory designated authority must also be satisfied that the provider is fit and proper to be registered.

Reregistration of all providers is intended to restore confidence in the quality of the Australian international education sector and to strengthen the registration process by reducing the number of high-risk providers currently in or seeking entry into the sector. To this end, two new registration criteria are introduced in this bill. These are that the provider must have the principal purpose of providing education and that the provider has demonstrated capacity to provide education of a satisfactory standard.

We want to ensure that educational institutions providing courses for international students can be assured that their courses are the highest possible quality. We want our international visitors who come here to study to know that the government is looking after their interests.

The state governments have already started rapid audits of providers, and these will be extended so that all providers working with international students will need to show they have the best interests of students at heart—not simply a profit motive.

We know that most providers are doing the right thing but we need to weed out the shonky operators. We will take advice from the Baird review, but this reregistration provision is the first important step in the process of cleaning up an industry that has grown too fast, too soon.
The message to providers is: if you are not providing your students with a quality education in a safe environment, clean up your act or risk being shut down.

The national code is a legislative instrument. Breaches of the national code by providers can result in enforcement action under the act. This includes conditions on registration, suspension or cancellation of registration.

The bill will require a registered provider to maintain a list of all of the persons whether within or outside Australia who represent or act on behalf of the provider in dealing with overseas students or intending overseas students. The registered provider will be required to publish the list of those agents either on its website or in any manner prescribed by the regulations. The bill will also provide for regulations to be made dealing with providers’ agents. These regulations will be developed with a view to providing further protections for overseas students through such measures as only allowing providers to deal with agents who have undertaken prescribed training and to only select agents that are registered in their home countries if such requirements exist in those countries. The regulations may also prescribe a requirement on providers to host a website that would allow students to make anonymous comments about their experience with agents. These requirements are currently being considered and will be finalised through consultation with key stakeholders.

The bill will also strengthen the efficacy of suspensions imposed on a provider’s registration on the Commonwealth Register of Institutions and Courses for Overseas Students and reduce the risk of unreasonable financial detriment to a provider arising from a suspension. The bill will provide flexibility by giving the minister the discretion to enable a provider to solicit or accept money for a course from an overseas student or an intending overseas student for part or all of the period of a suspension. This flexibility will allow the minister to adjust the sanction in a manner commensurate with the level of the breach and also have regard to the individual circumstances in each case.

In addition, the bill will facilitate the national alignment of the regulatory actions taken by the Commonwealth, state and territory education authorities relating to the delivery of courses to overseas students. The bill will permit conditions imposed by a state or territory designated authority to be recognised and adopted by the Commonwealth at the time of effecting the registration of the provider on the Commonwealth Register of Institutions and Courses for Overseas Students or at any time after registration. The bill will also provide a discretionary capacity to modify the duration or circumstances in which any condition imposed is to apply.

The bill will also lessen the financial and regulatory burden on providers who may simply be changing their legal entity for the purpose of improving business operations in circumstances where the delivery of courses and outcomes for international students will not be affected.

The bill will also enable the regulations to prescribe the criteria to be applied in considering whether a particular course is a suitable alternative to the obligation otherwise imposed on a registered provider to refund monies paid by a student.

Once this bill is passed by the parliament, hopefully in a timely way to ensure these measures can commence quickly, the cooperation of the states and territories along with the providers and many other stakeholders of the industry will be required. I would like to take this opportunity to thank those groups for their willingness already displayed to address the current concerns and I look for-
ward to working with them in strengthening our international education sector. These amendments improve the protections already in place for both students and the industry.

I commend the bill to the House.

Debate (on motion by Dr Southcott) adjourned.

TELECOMMUNICATIONS LEGISLATION AMENDMENT (NATIONAL BROADBAND NETWORK MEASURES—NETWORK INFORMATION) BILL 2009

First Reading

Bill and explanatory memorandum presented by Mr Albanese.

Bill read a first time.

Second Reading

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (9.36 am)—I move:

That this bill be now read a second time.

Access to high-speed broadband services is critical to Australia’s future economic prosperity and social wellbeing.

This is why on 7 April 2009 the government announced it would establish a company (NBN Co. Ltd) to invest up to $43 billion in partnership with private investors to build a new superfast, fibre-optic based National Broadband Network.

The government is committed to roll out the National Broadband Network as quickly as possible, within an overall eight-year timeframe. In addition, we have indicated we will consider necessary regulatory changes to facilitate the rollout.

The government has announced an implementation study that will provide advice on the National Broadband Network, including:

- Operating and governance arrangements for NBN Co. Ltd;
- Ownership caps and ways to attract private sector investment; and
- Ways to provide procurement opportunities for local businesses.

The implementation study will report back to the government in early 2010.

Accessing information about existing infrastructure that might be used in the network, such as ducts, pits and poles, is important to ensure the network can be rolled out as cost-effectively as possible. This information will support the work of the implementation study, and, if appropriate, the rollout of the network by NBN Co. Ltd.

For this reason, the government is introducing the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009. The bill will amend the existing information access regime in part 27A of the Telecommunications Act 1997.

The current motion in the Senate is preventing bills relating to the National Broadband Network being debated in the Senate. In the meantime, in order to progress this bill and the rollout of the National Broadband Network as quickly as possible, this bill has been introduced in the House. This bill will replace the Telecommunications Legislation Amendment (National Broadband Network Measures No. 1) Bill 2009 currently before the Senate. The only difference in this bill is to the definition of the term ‘NBN Company’, which has been updated to reflect the fact that the company established by the government has recently changed its name to NBN Co. Ltd.

The Senate Standing Committee on Environment, Communications and the Arts Legislation released its report on the bill in the Senate on Monday, 17 August 2009. The
report recommended that the bill should be passed. Concerns raised by coalition senators in their minority report were addressed during the committee’s inquiry.

Part 27A of the act currently provides for specified information to be provided by telecommunications carriers to the Commonwealth. This information was able to be disclosed to companies that made a submission in response to the request for proposal that was issued by the Commonwealth in 2008 for the creation or development of a National Broadband Network.

It is necessary to make changes to part 27A to permit information that is obtained to be disclosed and used for purposes associated with the implementation study for the National Broadband Network. Part 27A also needs to be amended to deal with disclosure of information to, and use of information by, NBN Co. Ltd and any associated companies, for purposes related to a broadband telecommunications network.

The bill:

- amends the provisions in part 27A that impose the requirement to provide information so that the requirement may apply to utilities as well as to telecommunications carriers;
- amends the provisions of part 27A that set out the purposes for which information is permitted to be disclosed and used, so that:
  - information may be disclosed to and used by Commonwealth officials and advisers for the purposes of the implementation study for the National Broadband Network, or for a purpose specified in the regulations that is related to a broadband telecommunications network; and
  - information can be disclosed to and used by NBN Co. Ltd and any other company that is specified by the minister for purposes related to a broadband telecommunications network; and
- amends the sunset periods applying to certain provisions in part 27A so that information can be obtained, disclosed and used during the period of the rollout of the National Broadband Network.

There are limitations on the types of information that may be specified by the minister and that must be provided by carriers and utilities. It must be information about things that could be used for or in connection with the creation or development of a broadband telecommunications network, or the supply of carriage services over this type of network, or a matter ancillary or incidental to those topics. This requirement imposes appropriate restrictions on the type of information that carriers and utilities can be required to provide to the Commonwealth, and reflects the fact that part 27A deals with information relating to a broadband telecommunications network.

The bill imposes safeguards and limitations on the permitted purposes for which information may be disclosed and used. These safeguards will apply to all network information provided to the Commonwealth, whether it is provided by carriers and utilities voluntarily, or in response to an instrument made by the minister to require the information to be provided.

Provisions in part 27A of the Telecommunications Act permit the minister to make rules in subordinate legislation about the storage, handling and destruction of information, which are intended to protect the confidentiality and security of network information. These arrangements will continue to apply to information that is provided under the act as amended, both information that is provided voluntarily or under law.
The bill provides for a draft instrument requiring the provision of information to be circulated to relevant carriers and utilities. Affected parties will have five business days to make submissions—extended from three business days in the existing part 27A—and those submissions will be considered before the final instrument is made. Copies of instruments will be published on the internet. Once a final instrument is in place, affected parties will have a minimum of 10 business days to provide the information, although the minister can set a longer time frame than this.

Where an instrument applies to a utility, it is intended that a copy of the instrument will be provided to the appropriate Commonwealth portfolio minister. For example, if an instrument is made that would apply to one or more electricity suppliers, a copy of the instrument would be provided to the Minister for Resources and Energy.

The bill also includes sunset clauses that will mean the obligation on carriers and utilities to provide information to the government will cease 10 years following commencement of the bill. This will ensure sufficient time is provided for the rollout to be completed and to demonstrate to carriers and utilities there is a time limit on the likely calls for information. The bill also inserts a time limit on the ability to disclose and use information for purposes relating to the implementation study. This reflects the fact that the implementation study is due to report early in 2010.

The bill empowers the Minister for Broadband, Communications and the Digital Economy to impose further conditions on the access to and use of information collected through this process. Those conditions can restrict the use of the information by NBN Co. Ltd, any other designated company that receives the information, and officers of the Commonwealth.

Carriers and utilities will retain ownership of information provided in accordance with the requirements of part 27A.

The legislation retains existing penalty provisions for misuse of information. Breach of the non-disclosure prohibition by an entrusted public official remains a criminal offence under section 70 of the Crimes Act 1914 and breach of the provisions by an entrusted company official would be a contravention of a civil penalty provision.

The bill is an important step in the process for building the new high-speed National Broadband Network that is so important to Australia’s future.

While the government expects that carriers and utilities will provide information on a cooperative or commercial basis, the legislation provides a useful safety net if needed. As such, it will help ensure that the rollout of super-fast broadband to all Australians is not unnecessarily delayed and is done in a cost-effective manner.

I commend this bill to the House.

Debate (on motion by Dr Stone) adjourned.

FOREIGN STATES IMMUNITIES AMENDMENT BILL 2009

First Reading

Bill and explanatory memorandum presented by Mr McClelland.

Bill read a first time.

Second Reading

Mr McCLELLAND (Barton—Attorney-General) (9.46 am)—I move:

That this bill be now read a second time.

As preparations for another bushfire season commence around Australia, we need no reminder of the devastating effects of emer-
gencies and disasters on the lives and welfare of all of us.

In an environment like ours, it is imperative that we have the resources needed to respond quickly and effectively to emergencies and disasters. This bill is directed to ensuring that the states and territories have access to logistical support from overseas to assist them during bushfire seasons.

The Australia-United States exchange program

For some years now, the United States and Victoria have participated in a cooperative exchange program for fire suppression resources.

The program permits firefighters and equipment from one country to be deployed to the other country to provide vital operational assistance during the bushfire season. It also allows Australian firefighters to share and develop specialist skills and knowledge through training and conducting exercises and study tours.

Over 170 United States firefighters have been deployed to Victoria since 2003, including, of course, their very welcome support during the devastating Black Saturday fires this year.

Because of their training and the similarity between Australian and United States conditions, United States firefighters are able to fit straight into crucial roles at short notice. This additional capability is invaluable during bushfire campaigns, when local resources become overstretched and our firefighters exhausted.

The new agreement

Negotiations are currently underway to finalise a new agreement with the United States to ensure the continued success of the exchange program. While the negotiations are being led by Victoria, the new agreement will apply Australia-wide, allowing all states and territories to access United States fire suppression resources.

One aspect of the new agreement which remains outstanding is the status of the United States and its firefighters in legal proceedings that may potentially be brought in Australia. Due to their domestic legal requirements, the United States cannot finalise the agreement unless immunity from tort proceedings is provided concerning the actions of their firefighters in the course of their duties.

The Foreign States Immunities Act and the bill

In Australia, the Foreign States Immunities Act 1985 provides the legislative regime for the immunity of foreign states from the civil jurisdiction of our courts. At present, under section 13 of that act, foreign state immunity does not extend to proceedings concerning death, personal injury or property damage arising from acts or omissions in Australia. This means that foreign governments could be exposed to legal proceedings as a result of sending their personnel to assist in emergencies in Australia.

Understandably, the United States is concerned about the entanglement of their firefighters in legal disputes in another country when acting upon a request for assistance—and usually at the command and direction of Australian firefighters.

The bill amends the act by inserting a power for the Governor-General to make regulations so that a foreign state that assists the Commonwealth or a state or territory in preparing for, preventing or managing emergencies or disasters is immune from tort proceedings arising out of that assistance.

This immunity would only apply to acts and omissions of the foreign personnel in the course of providing the emergency management assistance. This means that any negligence by a foreign official outside of their
duties would remain subject to the jurisdiction of Australian courts.

I note also that the immunity would not apply in any criminal proceedings.

The agreement under negotiation provides for a reciprocal immunity to be granted to Australia and its firefighters under United States law. This will ensure an equivalent level of protection for Australian firefighters operating in the United States.

**Victorian Bushfires Royal Commission**

Before concluding in terms of this bill, I take this opportunity to welcome again the release of the interim report of the Victorian Bushfires Royal Commission.

The government has commenced a detailed analysis of the recommendations in the interim report and will continue to provide whatever assistance we possibly can to the royal commission.

**Conclusion**

In conclusion, this bill is one way the Australian government can assist the states and territories with bushfire prevention and management.

The bushfire exchange program with the United States will form an integral part of the fire management and response capability of the states and territories.

The bill, if passed, will facilitate the finalisation of this significant agreement.

By enhancing our collective ability to withstand disasters and emergencies, the bill will contribute to the safety and security of all Australians.

Debate (on motion by Dr Stone) adjourned.

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

Second Reading

Debate resumed from 18 August, on motion by Ms Gillard:

That this bill be now read a second time.

Mr ZAPPIA (Makin) (9.52 am)—I continue my remarks in respect of the Higher Education Support Amendment (2009 Budget Measures) Bill 2009. I note and welcome that this bill offers increased support for nursing and teaching. These are two professions of which there is a shortage in the community. In the teaching profession, in 1990 the student to teacher ratio was 13 students for every one teacher. In 2006 this ratio has increased to 20 students for every one teacher. Many of the teachers in the workforce are nearing retirement age. As the population ages and the baby-boomer generation begin to retire, we can expect to face serious shortages in both the teaching and nursing professions.

The training of nurses has been given an additional boost by the Rudd government’s investment of $275 million in some 31 GP superclinics around Australia. Recently the Prime Minister and the federal Minister for Health and Ageing were in Adelaide to announce details of three GP superclinics there. These clinics deliver on key promises made during the 2007 election campaign.

The Modbury GP superclinic in my electorate of Makin is a combined $25 million project between state and federal governments. As well as providing a range of GP and allied health services, a critical component of the Modbury GP superclinic will be training. The government is currently in discussions with the University of Adelaide and the University of South Australia to provide much needed opportunities for the education and training of health professionals, includ-
ing GPs, nurses and allied health practitioners, at the Modbury GP superclinic site. This is a further example of what the Rudd government is doing to support the training of nurses and address the shortage of nurses within the community.

The bill also extends HECS-HELP benefits to teaching and nursing graduates. These benefits, which previously applied to maths and science graduates, will mean reduced HELP repayments—that is, Higher Education Loan Plan repayments—for eligible teaching and nursing graduates who go on to work in the field. This measure should encourage graduates from these courses to work in the professions and thereby help address critical shortages of trained workers in these professions.

I also commend the measures in the bill that focus on research, and the rewards and incentives the bill offers Australia’s universities for increasing their research capacity. Universities do more than educate students. They are also centres of research and frequently partner with government, industry and the community to develop critical new ideas and concepts. It is through university based research that we will develop many of the solutions to the issues facing our community in the 21st century such as climate change, water and an ageing population. It is often through research that Australian universities, regardless of their geographical location, are able to compete on the world stage.

Our universities provide some of the best research and development facilities in Australia. In my own region the University of South Australia works closely with many of the high technology and defence industries in the region. In 2002, when the FedSat satellite was launched from Japan, the Mawson Lakes campus of the University of South Australia was associated with the development of a critical component of the satellite. I was privileged at that time to be invited to the university to see a direct telecast of the launching of the satellite. Again, that was only as a result of the local university having been involved.

Only yesterday evening I met Amber Stubek, a young lady from the University of Ballarat’s Internet Commerce Security Laboratory, who is working with the Australian Federal Police, Westpac, IBM and the Australian Defence Force on a cybercrime prevention program as part of a PhD thesis that she has undertaken. This is another example of research being carried out by one of our universities on a matter that is going to become increasingly important in the prevention of cyber based crime. Cybercrime is occurring on an increasing basis not only here in Australia but throughout the world and is difficult to detect and prevent. I believe the work that Amber is carrying out will be very important to our future efforts to prevent cybercrime.

I also welcome the performance funding measures associated with this bill. As recipients of public funding, universities should also be publicly accountable for those funds. Performance funding, properly measured—and I stress ‘properly measured’ because we do not want league tables to be used in a manner which distorts the true performance of universities—is in the public interest. The public have a right to know how public funds are being used and how effectively they are being used.

In summary, this bill contains a number of measures in response to the Bradley review of higher education. It reverses the decline in real public expenditure on higher education in Australia that we have seen in recent years. I welcome these measures and commend the bill to the House.
Mr SIDEBOTTOM (Braddon) (9.58 am)—I am very pleased to support the Higher Education Support Amendment (2009 Budget Measures) Bill 2009, because it is part and parcel of a systematic commitment by this government to improve the quality of education and training in this country and the quality of teaching and learning in particular. The government’s systematic approach to what has been termed an education revolution begins at the earliest stages of learning, with the reforms that we are continuing to introduce in early childhood education. It includes greater funding, improvement and the introduction of programs involved with literacy and numeracy; support and funding for improving the teaching of languages in our schools; and the improvement of facilities in our schools throughout Australia where the teaching and learning will take place. It is very much needed, and I am particularly grateful that so much of the infrastructure resources are to go into primary education.

Further funding and work will go into introducing national curricula—particularly in the areas of mathematics, science, English and history, which are so important—and programs related to training places throughout Australia, including TAFE institutions, VET courses, senior secondary colleges and also now, in this legislation in particular, a commitment to higher education. I congratulate the minister and all those who have assisted her on the excellent work that has been done in this area, and I also congratulate this government for continuing this momentum.

The reform agenda which is inherent in this legislation is based on Labor’s intentions, set out in our 2006 white paper when we were in opposition, and the initiatives that we wanted to introduce into higher education. Now that we are in government, these intentions have been underpinned by the review of Australian higher education, chaired by Denise Bradley, who made 46 major recommendations in relation to higher education. The bill before us deals in part with a number of those important recommendations. This legislation is a response to both these processes and follows the minister’s substantial response set out in the 2009-10 budget. I would like to reiterate that the budget committed $5.7 billion to higher education, innovation and research over four years and that less than half of the additional funding of $2.2 billion will provide additional recurrent funding for university teaching, learning and, importantly, research.

The guiding principles behind this legislation were set out by the minister in her second reading speech. I would like to briefly reiterate those for the record. The minister said:

… the 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.

It is an integrated policy approach. An approach that provides for structural change and improves the financial sustainability of our universities. An approach that guarantees 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 by our best and brightest.

These are very, very important guiding principles behind much needed reforms in higher education. In short, what the minister outlined in her second reading speech was, firstly, basing access to our institutions of higher education on merit, not on the ability to pay; secondly, broadening access to higher education, especially to groups that are traditionally underrepresented; thirdly, the importance of quality in the university system of education to the community and the individual.
In our tendency towards an adversarial system, in both law and government, we tend to fluctuate between black and white. Most Australians, I think, live in the grey area. In the past I have found, as a former educator, an unfortunate tendency in political speak—and I believe there is some truth to this—to underplay the importance of trade training and vocational education. University tended to be promoted as the be-all and end-all in terms of recognising education. I think that tendency was probably more correct than not. But what we saw in the last 10 to 13 years, I think as a matter of political convenience, was a growing view that because we got rid of our technical schools trades and vocational education were at the bottom of the heap in terms of recognition in education and what we value in our society. We began to rebuild this view of the importance of trades and vocational education, quite correctly. But what we started to do in the political speak—and I used to hear it in this place—was to denigrate higher education again. In fact, what we should be doing is promoting the full range of education and learning opportunities. That includes vocational education, training and skills and also university, along with the more traditional skills and values related to the university.

What we tended to get was a ‘them against us’ approach, which was highly unfortunate, and it tended to be reflected, I believe, in the underfunding of higher education that has taken place particularly over the last 10 years in the name of an economic and political philosophy that said ‘the user should pay.’

These amendments seek to restore the balance. That is what I believe mainstream Australia expects and accepts. The bill technically amends the Higher Education Support Act 2003 to implement the Australian government’s reform to the higher education system, as I mentioned and as was announced in the 2009-2010 budget. Two key targets are recommended by the Bradley review, and these are adopted by the government and contained in this legislation, following on the principles of broadening access to higher education, as I mentioned earlier, and practically recognising the importance of quality university education. I do not think anyone or any nation would disagree with the importance of developing a robust, innovative, exploratory university sector, particularly in terms of teaching, learning and research.

The government has adopted two key targets recommended by the review, as I mentioned. The first is a national target of at least 40 per cent of 25- to 34-year-olds attaining a qualification at bachelor level or above by 2025. I recognise that the Bradley review recommended that this should happen by 2020. However, this legislation seeks to achieve these important milestones by 2025. The second key target is that, by 2020, 20 per cent of university enrolments at undergraduate level be for people from low-socioeconomic status—what we call SES—backgrounds. How will we go about achieving these targets? The first point is to free up the sector to fund students rather than places and to encourage quality teaching and learning. It is great to hear that speakers on all sides of the House absolutely endorse these very important principles. This will involve increased funding for promoting and sustaining real future growth in student numbers and ensuring improved quality.

This bill also sets out funding and intentions to try to introduce a system to set out the quality standards and performance indicators that will be required and used to measure this quality performance. It will also reform an indexation formula that did little more than effectively cut public investment in this sector over time. I do not think anybody can deny the fact that the sector has been gradually undercut in terms of funding;
indeed, that was part of the philosophical underpinning of the former government’s attitude toward higher education, which involved forcing more people to pay and opening up more positions to people who would pay a fee.

Let us look at the funding reforms outlined in these amendments. With the bill, a decade of underfunding will come to an end. The national scandal of declining public investment in higher education as a proportion of gross domestic product will come to an end. It has been available for everyone to see, in terms of underfunding compared to other OECD countries. The era of political interference and micromanagement by ministers and officials will come to an end. A new approach to higher education funding, one that acknowledges the primary importance of students and their learning, is needed. One would hope that is the fundamental principle behind all education, no matter what level or what sector. The bill introduces the first stage of a new, student-centred funding system for higher education which will have an estimated cost of $491 million over four years. For 2010 and 2011—the transitional years—the cap on overenrolment for Commonwealth supported places will be lifted from five per cent to 10 per cent in funding terms. The limit on funding under the Commonwealth Grant Scheme for 2012 will be removed. It will be removed to reflect the fact that there will be no overall limit on the number of students that table A higher education providers will be able to enrol from 2012 onwards. That is a great move and, if successful, it will be a very positive outcome for our nation.

This funding is intended to put the student at the centre. The ambition is that by 2025 40 per cent of all 25- to 34-year-olds will hold a qualification at bachelor level or above. The implications for our nation are enormous and necessary in a highly competitive, globalised world. The second key target recommended by the Bradley review is that by 2020 20 per cent of university enrolments at undergraduate level be for people from low-socioeconomic-status backgrounds. The bill introduces landmark measures to improve the rate of participation in higher education by students from disadvantaged backgrounds. The bill amends the act to provide an increase in funding to address Australia’s historically poor record in increasing the participation of low-socioeconomic status students.

The government has announced a commitment to ensure that by 2020 20 per cent of higher education enrolments at the undergraduate level will be from a low-socioeconomic status background. This goal will be directly supported by the injection of additional funding for universities to support the low-SES participation targets. The major barriers to increased higher education participation by students from low-socioeconomic backgrounds include previous educational attainment; low awareness of the long-term benefits of higher education, resulting in little aspiration to participate; and the need for financial assistance and academic and personal support once they are enrolled. These are significant barriers that we need to tackle systematically.

International experience shows that interventions or outreach in the early years of secondary schooling are highly effective in increasing the aspirations of students to attend university. The government has therefore allocated $108 million over four years for a new partnership program to link universities with low-socioeconomic status schools and vocational education and training providers. The intention is to create leading practice and competitive pressures to increase the aspirations of low-SES students to higher education.
The government is putting in place systemic reasons for universities to be engaged with improving the quality of school education—in short, to have programs whereby there is an interconnection between the higher education institutions and those people who are going to make up its population: school students. It makes sense to develop a systematic interrelationship, a communication system, to ensure contact between higher education and students, particularly in secondary schools—and probably even before then, quite frankly. One of the great barriers to retention in years 10, 11 and 12 and then at university is the disconnectedness between the various sectors in education, and probably none more so than between higher education and their potential students in high schools.

Funding will provide schools and vocational education and training providers with links to universities, exposing their students to people, places and opportunities beyond the scope of their own experiences and helping teachers raise the aspirations of their students. I would add that, in trying to do that, you have to help those who have a great influence on children—and apart from teachers and peers, of course, it is parents. Many children aspire because their parents aspire for them. This is a deep-seated trend in our community and will take some time. But this is a very, very important initiative and hopefully it not only gets to students but also gets to their parents. Programs might include scholarships, mentoring of teachers and students, curriculum and teaching support or hands-on activities run by university staff in schools. There is an initiative in my electorate of Braddon which has the very practical component of getting support into schools to teach science and to then have the students go on to do science at university. I commend the legislation. (Time expired)

Ms LIVERMORE (Capricornia) (10.18 am)—This Higher Education Support Amendment (2009 Budget Measures) Bill 2009 is taking us on the first steps down the road of a comprehensive and far-reaching reform of Australia’s higher education system. It is a reform process that will address the decay in public investment in the higher education sector that occurred in the last decade or so under the previous Howard government. That record of neglect has seen Australia fall behind the rest of our competitors in terms of public spending on education, at a time when they have grasped the central role that education plays in increasing economic prosperity and improving equity in their societies. We knew when we took government that we could not achieve our vision of a stronger and fairer Australia without addressing the structural and financial problems in our higher education sector.

The Bradley review of higher education commissioned by our government last year identified the task ahead of us in terms of greater participation in higher education, more funding targeted at meeting student demand and a focus on quality. Denise Bradley’s report laid down a challenge to the government and it is one that we will not fail. This legislation enacts one part of the government’s broader response to the Bradley review that was announced in the budget. In doing so, it heralds a new approach which sees higher education firmly at the centre of our economic productivity and social inclusion agenda. In short, it is about taking us toward a future where we have a high-quality university education system comparable to the best in the OECD by 2020, particularly when looking at access, learning outcomes, engagement and research. We will not achieve this goal on our current path.

As an indication of just how significant the required change is, the government has set bold targets for lifting the rate of partici-
pation in higher education within the Australian population. Currently, 32 per cent of 25- to 34-year-olds have a bachelor’s degree. If current policy settings continue, that is projected to rise to just 34 per cent by 2020. We think Australia can do better. If we are to retain our standard of living and our international competitiveness, we have to do better. That is why the Minister for Education announced that our government is aiming for 40 per cent of Australians aged from 25 to 34 to have a bachelor’s degree or higher by 2025. That equates to an additional 217,000 graduates. We will not reach that target unless we also tackle the persistent divide that exists between those sections of the community who have traditionally gone to university and those who have not had that opportunity. Lifting raw participation rates is one thing but the government and our educational institutions need to go further to encourage and support participation in higher education by those traditionally underrepresented groups—people from low-socioeconomic backgrounds, people from rural and regional areas and Indigenous students.

So, in addition to our overall 40 per cent target, the government want 20 per cent of people enrolled in higher education to come from groups who are currently underrepresented in the system and we want this to happen by 2020. This 20 per cent target for low-socioeconomic status students is one of the key findings of the Bradley review and represents a substantial increase from where we are now with just 15 per cent of students identified as low SES. It is no easy task, but this legislation lays the framework for us to achieve such ambitious and worthwhile targets.

We recognise that it is not enough for the government to set targets, then expect universities to be able to go out and overnight recruit thousands of students from non-traditional backgrounds and then have those students magically graduate in four years. We are talking about students who have no experience of university. They are from country towns with no higher education institutions; they are the first person in their family to attend university; they come from non-English-speaking backgrounds; they are Indigenous and come to university after previous bad experiences in the school system. Universities and schools will need support and financial resources to first of all encourage these students to enrol and to see university as part of their life. There will then need to be additional support available to overcome some of the barriers that might stand in the way of students’ academic success and completion of their degree.

The government has therefore put aside $108 million to be used over the next four years for a partnership program linking universities with low-SES schools and $325 million to universities to fund the intensive support needed to improve the completion and retention rates of students from low-SES backgrounds. That represents an additional $394 million over the next four years directed towards the goal of lifting participation rates of students who have not in the past gone to uni in large numbers. This measure is firmly targeted at electorates like mine in Central Queensland, where the participation rate in higher education is well below the national average. I believe it will also reward the work of unis like the one in my electorate, CQ University Australia, by recognising that encouraging and supporting non-traditional students through their uni experience should be a key function of universities—one we require of all universities and one that should be rewarded when done well.

Over the years, CQ uni has consistently had one of the highest percentages of all Australian universities when it comes to the
number of students from low-SES backgrounds, Indigenous students and students who are the first in their family to undertake university education. The university also has just been awarded five stars for access by the Good Universities Guide. I know the commitment that is there at CQ University to achieve those results. I know the staff involved and the programs that are run, and CQ University is right to be proud of its achievements in this important area.

CQ University has done that because of where it is located and because part of its mission is to serve the needs of Central Queensland. But it is not easy, and it is right that all universities, not just regional unis, should now be required to take that responsibility seriously and have their performance in that task measured and results rewarded. This legislation ensures that that will happen. It provides for a new performance funding grant element under the Commonwealth Grant Scheme, which will be conditional in 2011 and fully operational from 2012. It will ensure that Australia’s reputation for quality teaching and learning remains high by providing universities with a real incentive to ensure that they are providing the best possible learning opportunities for students and investing the effort necessary to help under-represented students achieve their study goals. This will encourage universities to continue to raise the bar with student achievement and learning. After all, the government understands that it is not just about student numbers in a lecture theatre. The students also have to achieve good learning outcomes.

The government will work with universities to establish performance indicators to lay the framework for this funding. These will include the success of various demographics of the student population. These targets will be challenging but appropriate for the circumstances of universities. From 2012, universities will receive this funding if they agree on and meet new targets, and this process will be assessed independently through the Tertiary Education Quality and Standards Agency. Universities will be able to negotiate targets and they will know what is at stake if they do not meet the targets.

I have already referred to the university in my own electorate of Capricornia, CQ University, where the commitment to serving the educational and research needs of our region is stronger than ever. The university has a new vice-chancellor, Professor Scott Bowman, who is enthusiastic and upbeat about the university, and he has a great team around him. With the government’s reform agenda for higher education starting to be implemented, the university, under its new leadership, is well placed to show that it is ready to take up the challenges ahead and indeed can earn some well-deserved recognition and reward for some of its traditional strengths.

With Professor Bowman only a fortnight in the job, his chair is barely warm, but already he is demonstrating that he is the right person for the job. CQ University, with its campuses across the region and interstate, needs someone with his experience and willingness to engage the community, industry and government to move it into the future. After all, the university is not without challenges. A Queensland Treasury Corporation report released recently highlighted that there has been a decline in international and domestic enrolments at CQ University.

Professor Bowman acknowledged this point in his opening address to staff a couple of weeks ago and has also outlined a path to success for the university, setting targets for the next two, five and 10 years. He said that the work would start immediately by refreshing courses, investing in new programs and putting strategies in place that will attract
more full-time students to all of the university’s campuses. I quote from the speech he delivered to about 300 staff, in which he talked about the strategic position of the university and its campuses. He said:

We have to use our geographical location to our best advantage over the coming years to strengthen our links with industry, develop new programs, and fully serve the needs of local communities …

In 10 years, CQUniversity will be known as one of Australia’s great universities and as an employer of choice in the sector.

I am sure everyone in Rockhampton and the region also wants this for the university. As the local member, I certainly do and I will be working to assist the university in any way that I can in the months and years ahead as it find its place in the new future for higher education that our policy is creating. It is pleasing to see strong leadership and vision at the university coinciding with this legislation at the federal level, which will provide a boost to higher education.

This long-term mission for increasing enrolments at CQ University is critical for the university as it works with this legislation into the future. After all, this legislation is also about providing incentives for enrolments and setting benchmarks for education. By setting goals now, CQ University is positioning itself ideally. I do not need to tell the management of the university that they do not have a moment to lose.

As a part of our response to the Bradley review, this legislation sets in place the new student-driven scheme for funding universities in Australia. From 2012, all public universities will be funded on the basis of student demand. To allow for the introduction of a demand-driven system, the bill amends the act to remove the maximum grant amount for the Commonwealth Grants Scheme for 2012. The allocation of funding to universities on the basis of student demand for places at individual institutions presents a challenge to CQU with its recent history of falling enrolments. But our policy and this bill give universities two years to prepare for the new system. I know that it is time that CQU will use wisely.

The current funding floor for universities will be maintained for 2010 and 2011. In that time, CQ University can take advantage of other parts of the package—for example, the structural adjustment money and incentives for enrolling students from non-traditional backgrounds to consolidate—and develop the mission and niche that will carry it forward. Of course, the university will also benefit from the new and long awaited indexation arrangements in this bill that better reflect the true costs of education provision, especially wages costs for academic and general staff.

The structural adjustment funding in particular will be important for a university like CQ Uni that has so much to offer and has a region that needs it to succeed. This part of the package is telling universities to work out: what are your opportunities, what needs do you meet, what do you do well and how do you see your future? It then supports the uni to achieve those goals. To support the transformation that will inevitably take place, the government is providing $400 million over four years for structural adjustment. This means that universities will be able to take the reins and make strategic decisions about their own futures. There is a $200 million capital component to this funding and all of this funding will support broader strategic and capital projects.

To ensure their long-term sustainability, regional unis are also looking to the government to overhaul the system of regional loading. Throughout 2009 the government will continue to work with universities such as CQ University to identify the specific issues...
facing regional provision. We will fully consider the issues surrounding regional provision and the impacts of a demand focus for funding, which will roll out in coming years with this legislation.

It is true to say that Labor governments in the past have been at the forefront of delivering important reform to the tertiary education sector. These reforms, whether they were through the Whitlam or Hawke governments, have helped Australia to the position it is in today. Labor government reforms have opened the doors of education to broad sectors of the community, increased participation and improved the productivity and efficiency of higher education. Australia as a nation is the better for it.

As noted in the Bradley review, past reforms have led to increased performance of the sector overall. However, under the 11 years of the Howard government the higher education sector had been a victim of neglect. Indeed, in cases such as student services, the coalition is still attempting to wage a tired old ideological war against students and their tertiary education.

Today these Rudd government reforms being debated are critical for the sector and for our nation. In fact an OECD report makes the same point as the Bradley review and underlines the urgency of these reforms:

The widespread recognition that tertiary education is a major driver of economic competitiveness in an increasingly knowledge-driven global economy has made high-quality tertiary education more important than ever before. The imperative for countries is to raise higher-level employment skills, to sustain a globally competitive research base and to improve knowledge dissemination for the benefit of society.

We see that as a central role for government, and this legislation is another step towards achieving that vision. I commend the bill to the House.

Ms KATE ELLIS (Adelaide—Minister for Early Childhood Education, Childcare and Youth and Minister for Sport) (10.34 am)—I begin by commending the previous speaker both for her contribution to this debate and also for her ongoing commitment to higher education within her own community and indeed thank all members who have spoken on the bill. The Higher Education Support Amendment (2009 Budget Measures) Bill 2009 amends the Higher Education Support Act 2003 to implement the Australian government’s reform of the higher education system as announced in the 2009-10 budget. It responds to the review of Australian higher education, the Bradley review, which affirmed that the reach, quality and performance of a nation’s higher education system will be the key determinants of its economic and social progress.

The bill is a landmark in the history of Australian higher education. Put simply, this bill transforms the scale, potential and quality of our nation’s universities. It introduces the first stage of a new higher education system with students at its centre, where there is a Commonwealth supported place for every eligible undergraduate student accepted into a course at an eligible higher education provider. 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.

Alongside a student centred system, the government is also introducing measures to ensure quality, address Australia’s skill needs and the broader public interest, and support achievement of our higher education attainment goals. This ambition is that, by 2025, 40 per cent of all 25- to 34-year-olds will hold a qualification at bachelor level or above. We will introduce the student centred system gradually. The bill provides for the
cap on funding for overenrolment in Commonwealth supported places to be lifted from five per cent to 10 per cent in funding terms in 2010 and 2011. This will have an estimated cost of $491 million over four years.

The bill also removes the limit on funding under the Commonwealth Grants Scheme for 2012 to reflect the fact that there will be no overall limit on the number of students that table A higher education providers will be able to enrol from 2012 onwards. The bill takes the steps necessary to open Australia’s universities to a new generation of students. It amends the act to provide for an increase in funding to encourage increased participation by low-SES students. Our goal is to ensure that, by 2020, 20 per cent of higher education enrolments at the undergraduate level will be people from a low-SES background. This goal will be directly supported by the injection of additional funding for universities to support the low-SES participation targets.

The government has allocated $108 million over four years for a new partnerships program to link universities with low-SES schools and vocational education and training providers. The intention is to create leading practice and competitive pressures to increase the aspirations of low-SES students to higher education. The government is putting in place systemic reasons for universities to be engaged with improving the quality of school education. Funding will provide schools and vocational educational and training providers with links to universities, exposing their students to people, places and opportunities beyond the scope of their own experiences, helping teachers raise the aspirations of their students. Programs might include scholarships, mentoring of teachers and students, curriculum and teaching support or hands-on activities run by university staff in schools.

Once students from disadvantaged backgrounds have entered university, they generally do very well. Often, however, they require higher levels of support to succeed, including financial assistance and greater academic support, mentoring and counselling services. The government has therefore allocated $325 million over four years to be provided to universities as 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. Better measures of low socio-economic status will be developed which are based on the circumstances of individual students and their families. Performance funding will be based in part on how effective institutions are in attracting these students.

The steps to improve low-SES student participation will impact on and benefit Indigenous students also. They are significantly underrepresented in our universities and they face distinct challenges. The government will support a review of the effectiveness of measures to improve the participation of Indigenous students in higher education in consultation with the Indigenous Higher Education Advisory Council. At the same time, the government is also introducing major reforms to student income support to assist the access and retention of low-SES students.

The bill amends the act to provide funding for the continuing elements of the Commonwealth Scholarships program. Existing Commonwealth Education Cost Scholarships recipients will continue to receive the scholarships under current arrangements. The CECSs will be replaced by the Student Start-Up Scholarships. A Student Start-Up Scholarship of $2,254 in 2010 and indexed there-
after will be provided as an entitlement to all university students receiving income support and those under veteran schemes. This compares to the current system where in 2009 around 13.7 per cent of commencing student income support recipients at university received a Commonwealth Education Cost Scholarship. The Student Start-Up Scholarships are estimated to benefit 146,600 students in 2010, up from the 12,900 Commonwealth Education Cost Scholarships that would have been offered to commencing students under the current system.

Existing Commonwealth Accommodation Scholarship recipients will continue to receive their scholarships under the current arrangements. CAS will be replaced by the new Relocation Scholarship in 2010. University students receiving youth allowance and Abstudy who have to live away from the family home to study will be assisted by a Relocation Scholarship. This will be available to dependent students living away from home as well as independent students who are disadvantaged by personal circumstances. The Relocation Scholarship will provide $4,000 for students in their first year at university and $1,000 in each year thereafter, and it will be indexed. An estimated 14,200 students will benefit from this measure in 2010—a 75 per cent increase on the number of Commonwealth Accommodation Scholarships which were to be offered that year. By comparison to the current system, in 2009 about 8.7 per cent of commencing students on income support received a Commonwealth Accommodation Scholarship. Indigenous students will continue to receive scholarships under the Commonwealth Scholarships scheme in the future.

The bill makes a provision for an historic increase to university indexation, ending more than a decade of real and brutalising cuts under the previous government. Revised indexation arrangements from 2012 for programs funded under the Higher Education Support Act 2003 will promote improved quality by ensuring that funding for teaching, learning and research keeps pace with increasing costs. This will contribute towards the overall financial stability and viability of the higher education sector and will provide greater certainty for individual institutions when planning for future development.

The bill will amend the act to increase the maximum annual student contribution amounts for students studying education and nursing units from the current national priority rate to the band 1 rate, providing extra revenue for higher education providers that will be available to improve resourcing of education and nursing courses. The HECS-HELP guidelines made under the act will be amended to extend this benefit to graduates of initial teaching and nursing degrees who go on to work as teachers and nurses. Extending the benefit will not only encourage new students into the field; it will also encourage graduates to enter and stay in these professions.

The bill will amend the act so that from 1 January 2010 students who receive an OS-HELP loan will no longer incur a 20 per cent loan fee. The removal of the loan fee will assist universities in encouraging students to undertake part of the studies for their Australian qualifications at an overseas institution. This will improve the productivity benefits to Australia of students undertaking overseas study.

A central feature of the reform agenda will be an increased focus on quality. This will be especially important in a period of growth, when institutions will attract students who have not traditionally considered going to university. The bill reflects the new arrangements for quality and standards which will be initiated during 2009 and 2010, with work commencing on establish-
ing a new standards based quality assurance framework. Funding under the act for the Australian Universities Quality Agency will be replaced with new arrangements to support the development and establishment of the Tertiary Education Quality and Standards Agency by 2010.

Universities will be accountable for the quality of their learning and teaching and their efforts to improve outcomes for students from equity groups. At-risk funding tied to their performance in these areas will be introduced. Each university will be required to enter into an agreement with the Australian government to meet individual performance targets for teaching and learning as well as the attainment and participation of those students who are currently underrepresented in higher education. The targets will be based on robust performance indicators that will be developed in close consultation with the sector over the coming year.

In 2011 those universities that have agreed targets will receive a facilitation payment representing a share of more than $90 million. This funding will help them to position themselves to meet their targets. In 2012 up to $135 million will be distributed to the universities that have met their targets. The new Tertiary Education Quality and Standards Agency will provide an independent assessment of whether universities have met these targets.

It may take some time for the higher education sector to adjust to the reforms arising from the Bradley review. A new structural adjustment fund has been established to support transformation in the sector and will be available to universities to enable them to develop diverse missions. This funding will promote long-term sustainability in the sector by assisting individual universities to make strategic decisions about their future missions and ways to enhance their place in the new higher education environment. The new fund will also lay the groundwork for the provision of more sustainable higher education in regional areas ahead of decisions being taken about funding models for regional delivery.

Universities play a pivotal role in the national research and innovation system through the generation and dissemination of new knowledge and through the education, training and development of world-class researchers. Amendments to the act will assist universities to address the current gap in funding for the indirect costs of research. The Sustainable Research Excellence in Universities initiative aims to raise the average support for the indirect cost of university research to 50c per dollar of direct competitive grant funding by 2014. The measure will also provide greater accountability for public investment in university research.

Through the joint research engagement measures, the bill will encourage universities to diversify their sources of research income and increase collaboration with industry and other end users. The postgraduate research students support measure will ensure Australia’s research students are adequately supported in order to improve Australia’s capacity to attract the best research students needed to sustain our research workforce into the future. The bill’s reform agenda will be underpinned by the increase to HESA indexation to better reflect actual increases in costs associated with research and research training.

The bill will enable Australia to achieve a university research sector that produces world-class research, that is responsive to end-user needs and that attracts the best and brightest minds to develop the skills that underpin Australia’s innovative capacity. Measures in the bill are complemented by
additional investments of $2.1 billion from the Education Investment Fund for education and research infrastructure and $1.1 billion for the Super Science Initiative. Taken together, these comprehensive reforms will invigorate the higher education sector, fund a new era of student participation and promote new benchmarks of educational excellence.

The tertiary education revolution will change and enlarge Australia’s economic potential. The investments and reforms will drive improvements in productivity and create a smarter and more competitive economic future for Australia. For these reasons I urge all members to support the bill and commend it to the House.

Question agreed to.
Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Ms KATE ELLIS (Adelaide—Minister for Early Childhood Education, Childcare and Youth and Minister for Sport) (10.49 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

VETERANS’ AFFAIRS AND OTHER LEGISLATION AMENDMENT (PENSION REFORM) BILL 2009

Second Reading

Debate resumed from 12 August, on motion by Mr Griffin:

That this bill be now read a second time.

Mrs MARKUS (Greenway) (10.50 am)—I rise to speak on the Veterans’ Affairs and Other Legislation Amendment (Pension Reform) Bill 2009. This bill will deliver a pension increase that will be welcomed by veterans who receive the service pension, as well as war widows and recipients of income support supplement. This bill will increase the single maximum basic rate of the service pension by $1,560 per year, or $30 a week, from 20 September—in just over four weeks time. The bill will ensure that the Rudd Labor government deliver on their promise to pensioners—a promise that was forced on them after their failure to recognise pensioners in last year’s budget.

Since becoming shadow minister for veterans’ affairs in September last year, I have been criss-crossing the country and meeting with stakeholders in the veteran community. I have listened to the concerns, both wide and diverse, of members of the veteran community, and many of the issues of concern to the veteran community have been reflected around the country. The pension increase is a win for the veterans. As shadow minister, I critically evaluate and, of course, monitor government initiatives and policy to ensure that everything that is done will not only reinforce, strengthen and add value to the nation’s commitment to our veterans but also not undermine their entitlements. In the short time available, I have done my best to scrutinise this bill, to look beyond the simple headline ‘$30 a week extra’ and to look at the finer detail and make sure, to the best of my ability, that there are no hidden traps for veterans.

This is a complex bill with 12 schedules of amendments—the majority of which are to the Veterans’ Entitlement Act 1986 but there are also minor amendments to the Social Security Act 1991 and the Aged Care Act 1997. The increase in the single maximum basic rate of the service pension will deliver, to quote the second reading speech of the Minister for Veterans’ Affairs:

… increases of $32.50 per week for single service pensioners and $10.10 per week combined for couples on the maximum rate.

War widows and widowers will benefit from an increase of $30 per week.
Income support supplement recipients will also receive an increase in the supplement and the ceiling rate will be increased.

I would like to note that I have very recently been advised that due to rounding the figure for couples is now $10.15. I support this measure as it responds to an issue of concern to the veteran community and the change will benefit veterans and dependants.

The service pension is indexed twice a year, and I note within the bill that a new indexation is proposed—to be known as the pensioner and beneficiary living cost index, the PBLCI. The maximum basic rate of service pension will be indexed to the pensioner and beneficiary living cost index. The PBLCI will be used to adjust the maximum basic pension rate where movement of the PBLCI is greater than movement in the CPI for the relevant indexation period. I understand that the rationale for the new PBLCI is the desire to have an index that closely resembles the cost-of-living expenses experienced by pensioners. The Australian Bureau of Statistics is developing the PBLCI. The index is yet to be made available. I have no idea of the inclusions in the ‘basket of goods’ so am unable to comment on its benefits or otherwise. I can only assume that it will deliver what is hoped for.

There are changes in this bill to the couples benchmark. From 20 March 2010 a new combined couple benchmark for pension rates will be 41.76 per cent of the annualised male total average weekly earnings, MTAWE, figure. The maximum basic rate of service pension that can be paid to a person who is a member of a couple will be half the maximum combined couple rate of pension. The single pension will be benchmarked at 66.33 per cent of the combined couple benchmark, effectively 27.7 per cent of MTAWE.

A change that simplifies a payment to veterans is always welcomed. Schedule 4 consolidates a number of smaller payments and allowances into one pension supplement. The explanatory memorandum also says that an increase to pension payments of an estimated $10.10 per week—which, as I noted earlier, is now $10.15—for couples combined and $2.50 per week for singles is to be provided. From 20 September 2009, the pharmaceutical allowance and telephone allowance will be replaced by a veterans supplement under the Veterans’ Entitlements Act 1986 and MRCA supplement under the Military Rehabilitation and Compensation Act 2004. The veterans and MRCA supplements will be payable to eligible persons not in receipt of service pension, income support supplement or an income support payment under the Social Security Act 1991. It will be very important to communicate carefully to the veteran community this combining of a number of well-established individual allowances into one payment. I understand that plans are in hand, and I encourage and will look closely at that communication as it progresses.

I also support the decision to retain the current pension age arrangements for veterans. The male veteran age will remain at 60 years. Pension age for female veterans and partners does not appear to be impacted by this bill. The introduction of a new work bonus in schedule 7 will provide an incentive for those veterans and dependants who wish to take up or continue to work. The new work bonus will allow for a certain amount of employment income earned, derived or received in a pension period by a person who is of qualifying age on a service pension or income support supplement to be disregarded for the purposes of the income test. For each fortnight the amount disregarded is 50 per cent of $500 where the person earns more than $500 in the pension period or 50 per
cent of the person’s total employment income for a period, where the person earns less than $500. The work bonus will enable pensioners who have reached qualifying age and who undertake some paid work to supplement their pension.

The proposed change to the income test taper will, I believe, be unpopular. The income test taper rate will increase from 40c to 50c per dollar of income over the ordinary income-free area. This will remove the additional income test free area for dependent children from the calculation of the amount of a person’s ordinary income-free area. The income test taper will have an impact on the amount new claimants can earn from additional income. This is, in my view, a disincentive and contradicts the sections of the bill, such as the previous measure, the new work bonus. However, I understand that the reason for the change is the need to ensure that the pension system is sustainable and targeted to those most in need.

There is one entitlement that is not addressed in this bill that I would like to discuss, and that is the indexation of TPI pensions. The indexation of TPI pensions has been raised regularly with me over many months—in fact, ever since the pension reform was first announced in the budget. I wish to put on record the importance of maintaining the relativity of the TPI pension benchmark to reduce the risk of erosion back to past pension rates. The bill includes a provision for the future. An amendment provides increases and future adjustments of indexation for pensions to compensate for the expected increases in the cost of living arising from the introduction of a Carbon Pollution Reduction Scheme. This amendment provides for increases to pension payments of one per cent in July 2011 and 1.8 per cent in July 2012. When I asked how this was derived, I was informed that this was Treasury modelling. Not being able to cite the modelling, I am unable to comment on the adequacy of this amount. Labor know that veterans are going to be impacted by the Carbon Pollution Reduction Scheme and are planning compensation, but will this be sufficient and are veterans going to struggle to pay for their food and electricity bills?

I also have concerns about the limit on the number of advanced payments in one year having been relaxed. Veterans will no longer be limited to one advance in any 12-month period. Given that those people on fixed incomes will be able to apply for multiple advances, I am concerned that this will create unnecessary and avoidable pressure on already financially vulnerable people who will have to pay more than one debt. An accrual of multiple debts will have to be paid back in
the same period that is available now for those who have applied and received only one advance. I know that advances are important, particularly in times of unexpected financial stress, but multiple advances have to be repaid in the same time frame as if there were only one advance. Is this adding unnecessary stress in times of uncertain cost of living increases? I caution that this change should be carefully communicated and monitored.

In closing, I recognise that any increase in veterans’ entitlement will be of benefit, and the coalition will not be opposing this bill.

Mr NEUMANN (Blair) (11.02 am)—I speak in support of the Veterans’ Affairs and Other Legislation Amendment (Pension Reform) Bill 2009. My electorate of Blair in South-East Queensland is home to thousands of veterans, service personnel and service pensioners. Some 320,000 service pensioners, war widows and widowers will benefit from the pension changes. The 2009-10 veterans’ affairs budget funding of $11.8 billion is demonstration that the Rudd Labor government is committed to improving the circumstances of veterans, their partners and their families and also the system which supports them.

I am pleased to speak on this particular bill because I know that the many RSL groups in my electorate of Blair—in Ipswich, the Fassifern Valley and the Lockyer Valley—are very supportive of this legislation and the pension reforms which will improve the financial living circumstances for veterans and their families. I want to pay tribute to those organisations and also to the Goodna RSL in the federal electorate of Oxley, neighbouring mine. They have been active participants in supporting so many people and their families across so many years. Particularly in Gatton, the RSL and the veterans communities are very active in supporting

people in circumstances which are adverse and in financial circumstances which are difficult. They have a dedicated house there, and support workers who do a wonderful job in helping veterans and their families.

The extra financial support will be much welcomed because many veterans have chosen to live in Ipswich and in rural communities outside of Ipswich. We have the RAAF base at Amberley there, and 3,500 personnel serve there. Many of them are in the Royal Australian Air Force, but also we have 9 FSB, an Army battalion based in Ipswich. The legislation here will support veterans and their families enormously.

It is important to note that it is Labor governments across many decades which have made the major changes and reforms when it comes to veterans, pensioners and their families. It was the Rudd Labor government which made a commitment in this legislation, but it was the Hawke, Keating and Whitlam governments who helped pensioners so much by lifting the rates of pensions and lifting the linkages, which will give a decent lifestyle and show a degree of humanity towards veterans and pensioners who struggle so much to meet the needs of their living circumstances.

The legislation here is really about securing and sustaining our pension reforms. It is identical in many ways to the legislation that deals with nonveterans and their families as well. I am pleased to speak on this, because I know so many of my constituents will benefit from this legislation. The recipients of the service pension and income support supplement, from 20 September this year, will receive $32.50 per week for singles on the full rate, with a minimum increase of $10.10 per week. With respect to couples, there is a rounding up to $10.15 combined per week. So we are seeing an increase of $30 a week in the base pension, which is an important
reform and a fulfilment of our commitment to veterans and their families. For a war widow or widower there is an increase of $30 a week in the war widow’s pension and a further $2.50 increase to the income support supplement ceiling rate. It is not just the higher base rate which will improve the financial circumstances of veterans and their families; the increase on top of the indexation is important, and the linkages are important as well.

The new pension supplement will simplify a number of the supplementary allowances currently available and given to pensioners, with a better arrangement and a more sensible and concise payment. The value of the existing GST supplement, the pharmaceutical allowance, the utilities allowance and the telephone allowance at the higher internet rate will be incorporated in the pension supplement. It will be increased by $2.50 to match the 66.33 single to couple ratio, and for couples there will be an increase of $10.15, as I said. This will be a big difference in people’s financial circumstances. It will help them meet their housing costs. It will help them meet their food and clothing needs as well.

The seniors supplement will also assist. It replaces the seniors concession allowance and the telephone allowance currently available to holders of a Commonwealth seniors healthcare card—and gold card holders over the veteran pension age are not eligible for the seniors concession allowance or the utilities allowance. That is important because many people will benefit accordingly. The seniors supplement will also be available as a quarterly payment.

I will not go through in detail many more of the changes because the previous speaker did that, but I think the income test taper rate will tighten, strengthen and sustain the system. It will increase from 40c to 50c per dollar of income over the income test free area. And I think the work bonus will make a big difference to people’s lives. It will allow pensioners over veterans pension age to get access to greater wage income, which will help them meet their weekly needs.

The adjustment in March and September each year in line with CPI increases and the male total average weekly earnings benchmark is also important, and the linkages there with a new index will help, of course. We are developing a new index—the Australian Bureau of Statistics will do that—to reflect the real cost-of-living changes for pensioners. It has been a complaint from many of my constituents that their real costs are much greater than the CPI. This new index will be known as the pensioner and beneficiary living cost index. The bill before the House provides for pension rates to be adjusted each March and September by whichever is greater, the CPI or what will become known as the PBLCI. On the linkages: as I said before, the bill sets the rate of single pensions at 66.33 per cent of the combined couple rate, which is equivalent to 27.7 per cent of MTAWE, and that is important because that is an increase, again, on the current 25 per cent.

I am pleased that there is no change to the pension age for veterans. I was concerned about that, and I am pleased that it will remain unchanged despite the increase in the nonveteran pension age from 65 to 67 by six months every two years starting from 1 July 2017. I was concerned that our veterans might lose faith with what we are doing in terms of caring for them, but I am pleased that the government has listened to the stakeholders and the voices of veterans communities and has not changed that.

I think the pension bonus scheme will provide an incentive for older people to defer claiming age or partner service pensions or
income support supplement and remain in the workforce as well. The tax-free lump sum pension bonus to members is also important in that regard. The Harmer pension review found that the system is enormously complex, and that is what veterans and their families tell me in my electorate, so any reform that simplifies or gets rid of red tape and the bureaucratic nightmare that veterans so often find themselves subject to will be important for constituents across the 150 constituencies represented in this House.

In the time remaining, I want to make comment on something that I experienced in my electorate where many veterans were also present, and that was the ceremony for Victory in the Pacific, which we recognised recently at Manson Park, at Cemetery Road, Raceview. Representatives of the Manson family were there. Manson Park, in Ipswich, was the home of the graves of many American service personnel. You can see the indentations where those graves were. Those bodies went back to the USA, but Mrs Manson looked after the graves of the young men who died and were buried at that place. She communicated with their mothers and their families about what she was doing to care for their lost and loved ones who had died. So representatives of the Manson family were there. There is an eagle on top of the flagpole at Manson Park, Cemetery Road, Raceview, in Ipswich, and we have started to celebrate Victory in the Pacific there.

I commend Ipswich City Council for what they did in putting on that ceremony. Colonel Andrew Britschgi, from the American military, was there. Mayor Paul Pisasale was there. Air Commodore Chris Sawade, also known as ‘Noddy’ Sawade, who is the senior ADF officer at the RAAF base at Amberley, and Lieutenant Colonel Andrew Fidge, the commanding officer of 9th Force Support Battalion, known as 9FSB, were also there. Many representatives from the local RSL were there, and many veterans were there. I talked to the veterans about these types of issues and what we are doing about pension support as well. I am also pleased that John O’Neill, Post Commander, American Legion, was there. I have seen and met John on a number of occasions. He tells me that he is moving to Ipswich, which is great, because he will become one of my constituents.

Also present was Ms Donna Reggett, who was appointed by the Rudd Labor government to give the ex-service community a greater voice at the highest level of government. She is a member of the Prime Ministerial Advisory Council on Ex-Service Matters. Donna is the partner of a long-serving RAAF veteran who served as a peacekeeper in Somalia, and she is the daughter of a RAN veteran who served in Vietnam. She has been involved for a long time in the Australian Peacekeeper and Peacemaker Veterans Association and is a member of the National Treatment Monitoring Committee. She has undertaken many courses in counselling and mediation and has helped veterans in my community. She did those courses at the Southern Cross University. She has trained under the department’s program as a level 3 advocate. She is actively involved in my community helping veterans. I know that Donna and other people who are involved in that community have very warmly welcomed the legislation that is here today.

I want to make note of her daughter, Nicole, who spoke at that service last Saturday. Nicole is a wonderful young woman and a great representative of Ipswich. She is Ipswich Young Citizen of the Year and she spoke movingly and brilliantly that day about what victory in the Pacific meant to her generation, and to honour the veterans in the Ipswich community.

Nicole has a motto. She has told everyone that this is what she believes. She says, and I
commend her for it, ‘If you see something that needs to be done, you pitch in.’ I think that is fantastic and says everything about Nicole. She is the sort of young woman who would travel to Africa to work in orphanages as part of the RSL Youth Development Program. She is undertaking tertiary studies in psychology at the University of Southern Queensland at the Springfield campus in Ipswich. She has won several youth development awards, all geared towards helping veterans in my local community. She has helped to raise funds and bring awareness of youth and homelessness issues, through her position on the Ipswich City Youth Council.

Nicole was a recent winner of the Pride of Australia award in the Young Aussie category. When at school, she helped set up a student welfare fund for her school and raised funds for her local veterans community. Her dad served in Somalia in 1994 and suffered terribly with post-traumatic stress disorder. She said, ‘So I know what it is like to deal with these issues as a child.’ She is a tribute to her parents and a tribute to the City of Ipswich. I thank the council of the City of Ipswich for their support and thank the veterans community in my area and the RSL for their ongoing support of Nicole. I also want to thank the veterans for their involvement in the 2009 VP Day commemoration service at Manson Park, Cemetery Road, Raceview.

I spoke to the veterans on that day about what is going to happen in terms of the pension changes. They know we are keeping the faith with this legislation. But they raised a couple of other issues with me. One of these—and I have spoken to the Minister for Veterans’ Affairs in relation to it—is the F111 deseal-reseal report, which was tabled in parliament on 25 June 2009. This issue was raised with me that day. It certainly affects the military personnel and former military personnel in my community. We had a parliamentary inquiry into the health support needs of RAAF deseal-reseal workers and their families. The Joint Standing Committee on Foreign Affairs, Defence and Trade’s Defence Subcommittee, chaired by the member for Brisbane, Arch Bevis, looked into this. We had made an election commitment before 2007 in Ipswich. Alan Griffin, the shadow minister at that time, the now Minister for Veterans’ Affairs, came to the RSL at North Ipswich and made the commitment that we would undertake a parliamentary inquiry.

The aim of the parliamentary inquiry is to work out whether the response of the Commonwealth government—that is, the previous government—was adequate and consistent with the findings of the 2004 Study of Health Outcomes in Aircraft Maintenance Personnel and if the overall handling and administration of the ex gratia program was sufficient. More than 130 submissions were provided to the community. Six public hearings were held and 18 recommendations were made to the government. As I have said to the minister, and have said publicly, I hope the government will accept the recommendations, lock, stock and barrel, and implement them. The veterans community in my area are strongly supportive of the legislation that is before the House today. I know they are strongly supportive of a fair, just, decent and humane response to the deseal-reseal report which has been tabled in federal parliament. But they are also supportive of wonderful young women, like Nicole Reggett, who have done so much to advance the cause of the veterans and their families in the Ipswich community. I commend the legislation to the House.

Mr BALDWIN (Paterson) (11.19 am)—I rise today to speak on the Veterans’ Affairs and Other Legislation Amendment (Pension Reform) Bill 2009. This bill will provide eligible veterans and their dependants with a much needed pension increase and is designed to ensure that those veterans or de-
pendants in receipt of the pension receive the same level of support as age pensioners. The bill also provides for an increase in certain payments under the Veteran’s Entitlements Act, to compensate low- and middle-income households for the expected increases in the cost of living following the introduction of this government’s Carbon Pollution Reduction Scheme. Finally, the bill will make a number of minor amendments to the social security and aged care secure and sustainable pension reform measures enacted earlier this year.

The veteran community has given a lot to this country and so it is only fair that this country look after them, when they are no longer able to fight—even though I am sure most of them would if only given half a chance. That is why I am pleased that this government has finally acted to ensure that our veterans’ pensions will increase from 20 September 2009.

Under the new measures proposed in this bill, the most important for our veterans will be the long-awaited increase to the single maximum basic rate of the service pension. This measure will increase the pension for all Veterans Affairs’ income support recipients, war widows and widowers. In real terms, this change will deliver an extra $32.50 per week for single service pensioners and $10.15 per week for couples on the maximum rate. The new measures mean war widows and widowers will receive an extra $30 per week.

I take you back two budgets ago, when it was the coalition who pushed the idea of increasing the age pension by $30 per week to support our pensioners. Here it is—15 months later—and finally a bill increasing the pension, supporting our veterans, comes to this House.

One area of great concern to our veteran community is the way in which their pensions are indexed. Currently, their pensions are indexed by the CPI, which many believe does not reflect the true cost of living increases experienced by pensioners and beneficiaries. Under the new measures, the maximum basic rate of a service pension will be indexed to the CPI or the pensioner and beneficiary living cost index, whichever is the greater.

The new arrangements are designed to better reflect the cost-of-living increases experienced by pensioners and beneficiaries, whose costs may increase faster than those of the general community. I certainly hope that the PBLCI, which was recently developed by the Australian Bureau of Statistics, will serve this purpose. I also urge the government to redress this issue if the PBLCI fails to address the cost-of-living increases that pensioners, including veterans, experience.

In conjunction with the new indexation arrangements, this bill will also provide for an increase to pension payments, in line with an expected increase in the cost of living as a result of the Labor government’s Carbon Pollution Reduction Scheme. The increase, according to Treasury modelling, will be one per cent on July 2011 and 1.8 per cent on July 2012. I am quite surprised that we have Treasury modelling available that will predict an exact percentage amount, yet in this House during question time the Prime Minister failed to address what the price of a litre of milk, a litre of petrol or a leg of lamb will be; whether grocery baskets will go up; or detail what the cost of electricity will increase by, for all Australians not only for pensioners. Yet we have Treasury modelling that will define an exact benefit increase for our pensioners.

This bill will also introduce a new combined couples benchmark for pension rates: 41.76 per cent of the annualised male total average weekly earnings figure. The single
pension will be benchmarked at 66.33 per cent of the combined couple benchmark, or 27.7 per cent of the annualised MTAWE figure. This new arrangement will apply to service pensions and, indirectly, to most disability pensions, components of war widows pensions and ceiling rate income support supplement and service pensions. These changes will help ensure that the MTAWE benchmarks continue to operate effectively for pensioners.

This bill will also serve to reduce the complexity of current arrangements as they pertain to allowances and supplementary payments. Under the new measures, a number of smaller payments and allowances will be combined into one pension supplement. This will result in an increase to pension payments of an estimated $10.15 per week for couples and $2.50 a week for singles. This payment will be made fortnightly; however, pensioners will be able to request payment quarterly. Under this measure, the pharmaceutical allowance and telephone allowance will be replaced by the veterans supplement under the Veterans’ Entitlement Act 1986 and by the MRCA supplement under the Military Rehabilitation and Compensation Act 2004.

While this measure is set to simplify payment arrangements, I again urge the government to ensure that the veterans community is properly informed of any changes. Small changes to payments may seem innocuous to those in government, but they can have a dramatic effect on the way pensioners budget on a day-to-day basis. I also urge those who represent the different sectors of the veterans community to communicate these changes to their fellow veterans and to approach the Department of Veterans’ Affairs should any problems be encountered.

Under this bill the income test taper rate will increase from 40c to 50c per dollar of income over the ordinary income free area. It will also remove the additional income test free area for dependent children from the calculation of a person’s ordinary income free area. This change will tighten the income test. The purpose of that is to ensure the pension system is sustainable and targeted to those most in need.

One particularly welcome change is the introduction of work bonus. This measure will provide an increase for those veterans and dependents who wish to take up or continue work. Under this arrangement, a qualifying veteran will have 50 per cent of $500 disregarded each fortnight where they earn over $500, or 50 per cent of their total fortnightly income disregarded where the person earns less than $500.

I will now briefly canvass the remaining changes to be enacted under this bill. Firstly, in accordance with the Harmer review’s recommendations, the pension bonus scheme will be closed to new entrants from 20 September 2009, as the scheme was judged to be too complex and was not meeting its objectives. The scheme will remain open to existing members. Secondly, existing arrangements will be improved to make pension advances more accessible. This is a welcome change. However, again I urge the government to ensure that such change is properly communicated to the veterans community so as to avoid a situation whereby a veteran is unable to pay back the advanced pension amount. Thirdly, it is welcome news that there will be a minor amendment to ensure that pensioners are not unintentionally charged higher aged-care fees as a result of pension reform packages. Lastly, the pension age for veterans will not be increased from 65 to 67 years of age as it has been for the rest of the community. This provision also applies to veterans’ partners.
It is important to note that the government has finally listened to the opposition with regard to ensuring that transitional arrangements ensure that veterans are not disadvantaged by any new amendments. As I said to this House before, any amendment that concerns a cessation or a change to a payment of a person’s pension, allowance or salary must be thoroughly examined before being implemented. The extra level of diligence needs to be applied when altering a payment system. This is particularly the case given the Rudd Labor government’s poor track record in this area, and given that the amendments in this bill concern those who are least able to compensate for poorly enacted policy.

I support the measures presented in the Veterans’ Affairs and Other Legislation Amendment (Pension Reform) Bill 2009, and I am sure that it will also be welcomed by the majority of ex-service veterans and current ADF personnel. However, the measures contained within the aforementioned amendments still fall well short of what they could have done for our veterans if the Rudd Labor government had not recklessly spent $14 billion on cash splashes. Although this bill will see an increase in the pension paid to eligible veterans, it has done nothing more than ensure that their pension increase follows that given to the wider community. Veterans will once again see the Rudd Labor government’s continuing wilful neglect of their service to this nation. This shameful policy of neglect has been demonstrated in their not resolving the outstanding issues surrounding ADF superannuation benefits. This is most surprising, as superannuation is a key component of the total remuneration package for ADF personnel and is therefore critical to recruitment and retention of service men and women. Again, the Rudd Labor government favours rhetoric over results.

There is a considerable amount of frustration within the defence and veterans community due to the lack of initiative shown by this government in addressing ADF superannuation contributions. The inaction of this government has failed our Australian service men and women, past and present, whose current superannuation arrangements fall well below modern standards.

Dr Emerson—What’s coalition policy?

Mr BALDWIN—There are many emails from the veteran community being circulated, and these emails have gone from reflecting the Minister for Veterans’ Affairs, Alan Griffin, in a glowing light to, now, reflecting him in a growling light. He has gone from being their pin-up boy to being a person they hold in disdain. The member opposite interjects and asks what the policy is. Let me tell this member what the policy of the coalition was. The coalition was called on to conduct a review into military superannuation. That review was conducted. The same minister, the now Minister for Veterans’ Affairs, said at the time that three months—12 weeks—was too long for a report to be handed down. What we have seen since the report was handed down, on 24 December 2007, by the then Minister for Defence Science and Personnel, Warren Snowdon, is nothing more. On Monday, 24 August, it will be 20 months of no response—20 months of no response to a report that the government, when in opposition, demanded be expedited.

Dr Emerson—What is your policy?

Mr BALDWIN—There has been not one ounce of rhetoric in response. The minister opposite sits there like a smartypants and asks what our policy is. Our policy was: we had a review. We had a report. The report was presented. It has been tabled by your government. Your minister has sat on his hands and done nothing in response, despite the veterans community asking for a response. You are the government. You are in control of the purse strings. You have the
opportunity to provide a response and, where deemed fit, to provide an increase in the superannuation benefit. But you have done absolutely nothing. There has been 20 months of no action whatsoever, and yet you interject with rhetoric—

The DEPUTY SPEAKER (Ms S Bird)—The shadow minister will address his comments through the chair, please. I have taken no position on these issues.

Mr BALDWIN—Thank you, Madam Deputy Speaker. This minister has done nothing. This minister refuses to be a part of any action that will see a benefit, under superannuation benefits, to former and currently serving members of our Defence Force. They were left with a budget surplus in excess of $20 billion. As I said before in this speech, we saw a $14 billion cash splash with no account or reference to any ADF person, past or present, in relation to their superannuation. So today—as he will come in and sum up this bill—I say to Minister Griffin: today is the opportunity, as you bask glowingly about your increases in veterans affairs pensions today, to actually enunciate your response to the review into military superannuation. If needs be, admit to our defence people, past and present, that you have an inability to do anything to increase their service pension because you are part of a government that blew the budget.

The DEPUTY SPEAKER (Mr S Sidebottom)—I am not part of the government that blew the budget, thank you. Address your remarks through the chair.

Mr BALDWIN—The Minister for Veterans’ Affairs is part of the government that blew the budget. The Minister for Veterans’ Affairs is one of the people who signed off on the $14 billion cash splash that probably took away the opportunity for this government to provide an increase in the military superannuation arrangements. So today, Minister for Veterans’ Affairs, when you come into this House to sum up this bill, provide a response to your report. You have seen the emails that are going around that outline that you, the Minister for Veterans’ Affairs, have failed to address their concerns; that you, the Minister for Veterans’ Affairs, have ignored their requests; that you, the Minister for Veterans’ Affairs, have gone from being their pin-up boy to being a person of shame. I ask you today to come into this House and provide a response. You should not have to wear the burden of this on your own, as the Minister for Veterans’ Affairs. The Minister for Defence Personnel, Materiel and Science should also come into this House and put forward his response to the review into military superannuation arrangements report, because jointly you have responsibility.

The person who has the most responsibility and who is most accountable in this would have to be the Minister for Veterans’ Affairs, because when he was in opposition he was the person who singularly said that three months was too long. He said that three months was too long to deliver a response. As I said, on Monday, 24 August, it will be 20 months since the report was handed down. We have seen 20 months of inaction. How many more months of inaction will we see before the issues surrounding defence superannuation payments are addressed? The veterans are not asking for much. They are asking for it to be changed from a CPI index to the MTAWE index.

Dr Emerson—Is that part of your policy?

Mr BALDWIN—Obviously the minister opposite does not agree with that policy.

Dr Emerson—No, I am asking you.

Mr BALDWIN—Obviously he does not agree.

The DEPUTY SPEAKER—Don’t ask and don’t respond. Just continue, thank you.
Mr BALDWIN—Here is a minister who has a lot to say, and the rubber is yet to hit the road. Today is the day. This is the week in which Vietnam Veterans Day occurred. Yesterday, 18 August, was Vietnam Veterans Remembrance Day. Today should be the day in which our defence military superannuants should be remembered for their service, and a response should be forthcoming about their superannuation arrangements.

Ms HALL (Shortland) (11.37 am)—I rise to speak on the Veterans’ Affairs and Other Legislation Amendment (Pension Reform) Bill 2009. At the commencement of my contribution to the debate I inform the member for Paterson that that is the legislation that we are debating—

Mr Baldwin—So you don’t count service personnel?

The DEPUTY SPEAKER—I will decide that; you continue to speak.

Ms HALL—the minister at the table, Dr Emerson, asked the member for Paterson what his policy was. I would have to say the answer is easy: he does not have a policy. They do not have a policy. They have never had a policy. He weaves, he ducks, he goes around in circles, but when it comes to giving an answer the answer is no policy. The member for Paterson could be asked what the Howard government’s policy was when they were in power.

Mr Baldwin—Mr Deputy Speaker, I rise on a point of order. Do I take that—

The DEPUTY SPEAKER—That is not a point of order. Sit down, thank you.

Mr Baldwin—The point of order is on relevance. The member should address the legislation that is before the House.

The DEPUTY SPEAKER—Your point has been made. Sit down, thank you.

Ms HALL—I say to the member for Paterson that when the Howard government was in power the coalition had no policy. And when then Minister Abbott took to cabinet a request for a $30 per week increase in the pension, the Howard government cabinet said no, they were not interested in looking after pensions. That is in stark contrast to the Rudd government, who have always had the interests of pensioners and veterans at heart.

I acknowledge the enormous contribution that veterans have made to our community here in Australia. Without their contribution, Australia would not be the country it is today. At the weekend I attended two ceremonies that recognised the contribution of Vietnam veterans to Australia and that also celebrated the victory in the Pacific. In that context, it really brings home to me the importance of looking after our service men and women. And that is exactly what the Rudd
government has done. They conducted a review into pensions and veterans entitlements, and coming from that review are this legislation and commitments that were made in the budget. This legislation implements key elements of the Rudd government’s secure and sustainable pension reform package for the veterans community. We have already had legislation through this House that has done exactly the same thing for pensioners. This legislation covers veterans. The increases and the changes included in this legislation will come into effect next month along with the changes for pensioners.

The measures are not at all dissimilar to those reforms already enacted for social security pensions. The variation in this bill just reflects the difference between the repatriation and the general social security pensions system, and I think it also acknowledges the importance of the contribution that veterans have made to our community. This bill delivers on the government’s strong— I emphasise strong— commitment to the service community, providing certainty for so many in such an uncertain time. What this legislation does is show our genuine concern for veterans. It does this not only with words but by putting in place the right sort of system so they get the right sorts of payments. It is what the Howard government failed to do in the time that they were in power. They totally ignored the needs of ex-service men and women and of pensioners.

The Rudd government do not do that. We have put in place substantial increases, as you will see as I continue with my contribution to this debate. The bill, as part of the pension reform package, prepares Australia to meet future challenges, and the reforms provide a long-term, sustainable, more responsive, fairer and simpler pension system. Pensioners will also benefit from improved indexation and can receive more concessional treatment for the first $500 of wages income a fortnight, encouraging older Australians to join the workforce. So half of the first $500 of income earned will be discounted, and that will act as an incentive for ex-servicemen and pensioners to work that little bit longer. For those who are currently working, it will also benefit them enormously. They are good changes. They are changes that really benefit our veterans. They are changes that this government have embraced because we believe in our veterans and we believe in the contributions they have made to our community.

From 20 September this year, the full single service pension will increase by $65 a fortnight. That is a very significant increase. Partnered service pensions will rise by $20.30 combined a fortnight. Those single service pensioners on part pensions because of other income will still receive an increase of not less than $20.20 a fortnight. These increases are on top of regular indexation due in September. The regular indexation will come through and then on top will be the $65, the $20.30 and the $20.20. The normal September indexation will be calculated and applied to the pension. War widows will receive an extra $60 a fortnight and there will be an increase to the income support supplement of an extra $5 a fortnight.

I should at this point acknowledge that the member for Paterson wholeheartedly supported this legislation. He acknowledged the fact that the Rudd government had prepared outstanding legislation, that the legislation will deliver to veterans and pensioners. It is a pity that when the member for Paterson was part of the previous government he did not encourage them to develop similar legislation.

Another important aspect of this legislation is the changes to the pension supplement. The pharmaceutical allowance, the utilities allowance, telephone allowance and
the GST supplement will be replaced by a pension supplement to be paid with the pension each fortnight. It will be a little higher for those who receive a supplement for the internet. The current supplement system is a bit of a mish-mash. Bringing together all these supplements and paying them fortnightly I think will provide certainty for our veterans. Pensioners have already had this change made to the way their supplements will be paid. The supplement will provide a payment of up to $56.10 a fortnight for singles and $84.60 combined for couples. Each and every fortnight they will receive that supplement. I think that gives them a greater ability to manage their income. Pensioners who would like to take half of this payment as a quarterly lump sum will be able to do that from 2010. In that way they will benefit from the flexibility within the legislation. They can still have the certainty of half the supplement being paid to them fortnightly and then get the lump sum to help them with the big bills that come in from time to time.

War widows, widowers and income supplement recipients will have their former allowance added to their base rate of pension. For veterans, members and dependants who will not benefit from another supplement, the bill also establishes two new supplements that replace pharmaceutical and telephone allowances. These are the veterans supplement for those under the Veterans’ Entitlement Act and the MRCA supplement for those under the Military Rehabilitation and Compensation Act. Self-funded retirees or pensioners of qualifying age who are holders of the Commonwealth seniors card or the repatriation gold card will also receive the new seniors supplement. The seniors supplement will be a quarterly payment of $196.30 for singles and $296.40 combined for couples. They are good changes; they are sensible changes. It is workable legislation streamlining the payment system and providing more certainty and more income.

One of the major reforms is the changes to the indexation and benchmarking of income support pensions. New indexation arrangements will better reflect cost of living increases for pensioners and the ABS will calculate the new pensioner and beneficiary living cost index, which will be known as the PBLCI. This index has been designed to better reflect the cost of living and the costs incurred by pensioners and veterans. From 20 September, the maximum basic rate of relevant veterans pensions will be adjusted in line with the PBLCI or the consumer index, whichever is the highest. No matter what happens, our veterans will not lose. Pension rates will also continue to be benchmarked to the male average weekly earnings.

This is really good legislation. It delivers an increase to our veterans and a change to the way veterans pensions and veterans affairs payments are made, and it delivers those things in a way that ensures veterans will receive more income. It is legislation that combines the supplements and provides them on a fortnightly and quarterly basis from July 2010. It is legislation that implements a new work bonus scheme, which I talked about earlier; it is legislation that delivers transparency; and it is legislation that will benefit our veterans.

I wholeheartedly support this legislation and, in doing so, acknowledge the enormous commitment of the Rudd government and the Minister for Veterans’ Affairs to our veterans. We know that their service to this country is immeasurable, we know that their service has benefited all Australians and we know that it is our role to ensure that they have strong income support. We recognised the fact that they needed an increase in their payments—an increase that had been needed for some considerable time. It is an increase
which the Howard government failed to deliver, but the Rudd government listened and we have delivered to our veterans community.

Mr TUCKEY (O’Connor) (11.53 am)—The Veterans’ Affairs and Other Legislation Amendment (Pension Reform) Bill 2009 is important legislation. We have a new group of veterans coming into a period in which they will require the sort of support that is proposed in this legislation. They are the Vietnam veterans, and I am just wondering where the member for Shortland was when they came home and were treated with absolute contempt.

Dr Emerson—Oh, come on!

Mr Hale—That’s a live one!

Mr TUCKEY—Well, let’s get something straight. It is amazing how you can rewrite history in this place. I can see Tom Uren and the others marching in the street and giving our soldiers a hard time. For your information, I am a nasho. I did not go to Vietnam but I do know what it is all about.

Putting that aside, the fact is that this legislation, as it applies to veterans, is virtually a replica of what Brendan Nelson put to this House, and he was treated with contempt when the government failed to address these matters in its first budget. Let’s get a few things on the record. When Brendan Nelson brought forward a proposal that primarily recognised the relative needs of single pensioners he was attacked because he did not mention everybody—at a time when the government was supporting nobody. They are the facts of the matter. They are clearly recorded. The member for Shortland carries on about it being a good idea, but it was acted on very slowly.

Pensioners who voted for this government were promised reduced grocery prices and fuel prices. Of course, any reduction in the cost of groceries and fuel is the same as an increase in the pension. How were those promises delivered? There was Grocery-Watch, which the minister at the table, the Minister for Competition Policy and Consumer Affairs, had the good sense to cancel after it had cost about $8 million or thereabouts. That was absolute tokenism. And of course it took the good sense of the opposition to stop the government from—

Dr Emerson—Why aren’t you designing the coalition’s emissions trading scheme?

Mr TUCKEY—I will get to that, because you have given me an opportunity within the legislation. Let’s just talk about the fact that it was the opposition that prevented the government from knocking off another $8 million, $10 million, $20 million, $30 million—whatever—on a Fuelwatch scheme that by any measure is not working in Western Australia. It was implemented over there by a Liberal government, under Richard Court, but that does not stop me being even-handed. I do not always cast my vote on the basis of my loyalty to my party; I have a loyalty to my constituents. It is a silly scheme and, what is more, that was all the pensioners got from the Rudd promises in the election campaign—tokenism.

That, of course, can be added to the plethora of broken promises that are materialising from this government. Don’t you think veterans are concerned about the intentions of the government with regard to the health insurance rebate? Be they wealthy veterans or otherwise, they all went and fought for us. Some of them are on military pensions. Why should they be denied the rebate? That was a solemn promise made by the government and negated. I note that there are people in the Senate who have not been voted in as Liberals or Nationals who are taking a similar view, and they are entitled to. The Senate has a responsibility to see the government keeps its promises.
This legislation is belated but it is welcome. Above all, it recognises what the former Leader of the Opposition brought to this parliament by way of a private member’s bill to start this debate and eventually embarrass the government into doing something. Again, there are issues. It is a fact that I wrote the Howard government’s veterans affairs policy as the shadow minister leading up to the 1996 election. Whilst I did not serve in that role, the member for Maranoa, Bruce Scott, certainly implemented many of those measures dealing with issues which the previous government had failed to address and yet were of grave importance to people.

During that period the Keating government, to its credit, implemented Australia Remembers and I, as the shadow minister, gave it full endorsement. It was an appropriate recognition of our veterans and the contribution they have made. What is more, it refocused the Australian people’s attention on that contribution and on the issue of defence. Since then we have seen an ever-increasing number of people attending dawn services, parades et cetera.

In the present debate, it is interesting to note that up to that point the Commonwealth government actually ran some hospitals. They were called ‘repatriation hospitals’. There was one in every state. And they were run so badly that the response of the Keating government was to dispose of them. In absolute foolishness, I thought, New South Wales and Victoria—one under a Labor government and one under a Liberal government—took over those hospitals. The premiers of Queensland and Western Australia declined the offer; a private health firm called Ramsay Health Care took those hospitals over. I can tell you that there was grave disquiet and concern within the veterans community and the RSL that the hospitals were coming from under the umbrella of government ownership. The veterans really worried how their future would be managed by the private sector. About two months into its ownership, they came to me and said, ‘Wilson, this is the best thing since sliced bread. We don’t want you to make any criticism that this has gone to the private sector. For instance, we no longer, as veterans, get frozen TV dinners served up to us, because Ramsay has reopened the hospitals’ kitchens and are serving cooked, hot meals delivered within the premises.’

And then, of course, at that time there was a 10-month waiting list for elective surgery. That was eliminated over a three-month period. How did Ramsay do that? They opened the operating theatres on Saturdays and cleaned it up. Yet we have this government telling the states that it is going to run hospitals better than the states are. When it had the opportunity, it ran crummy hospitals. There is nothing in this legislation, I hope, that is going to alter that arrangement in Western Australia, where the veterans have got some of the best conditions—brand-new sections of the hospital built and invested in.

Fundamental to all this is that Ramsay gets paid by the Commonwealth for delivering the service. That is the only way you will fix the entire health system. When you give public hospitals budgets, you make a patient a liability. Ramsay had an incentive to get rid of waiting lists because every service it provided it got paid for. That is not the way we function in the public hospital sector. You wonder why, as health professionals will tell you, waiting lists are part of the management process. The pity of it is that, as one highly ranked hospital representative said at a conference I attended as shadow minister for health, whilst waiting lists are a necessary part, there are problems with the administration of the waiting lists. This lady, very high ranking, complained about the administration of the waiting lists. We saw that in Canberra when a former Treasurer’s wife had gall-
stones and needed an elective operation. It was done in a private hospital by the specialist of choice, notwithstanding that the then Treasurer boasted of not having private health insurance.

There are other issues in this legislation worthy of comment. I give considerable credit to the government on the issue of initiating a ‘pensioner CPI’, if you like. It was by coincidence that I raised that matter the other day in relation to some other veterans legislation. I have long had the view that the standard CPI does not represent the cost structures of retirees. The government can be commended for investigating that. I am surprised that it is going to cost $18 million, but I still think such an approach is worth it. And I endorse the decisions they have made in shifting the percentage of MTI to a pensioner couple rate—41.76 per cent of the MTAWE rate. I endorse the fact that the veterans community now has three options, virtually, and they will always be provided with a pension increase relevant to the highest of those three. Yet, at the same time, the government are increasing the taper clawback from 40c in the dollar to 50c, and I criticise that.

I welcome the initiative regarding personal exertion, which is my choice of words, where people remain in the workforce or continue in the workforce. They deliver an economic benefit, in my view. If they are fit and well, they will have a personal benefit over and above the extra remuneration. It is at least a reasonable proposal that, were they to earn in excess of $500 a week—or a fortnight, I think it might be—they will be credited with 50 per cent of it. If it is an amount less than $500 then they will be able to earn all of it without loss of benefit. That is a good move. I am sorry that the government, nevertheless, has in this legislation taken the Harmer criticism to heart and removed the bonus that people who chose to continue working past 65 could get if they took their working age to 70. Harmer said it was complex and not understood. That was true, but that was not an excuse to remove it. Pensioners and persons approaching that age were never properly informed. Some discovered it after the event. They had decided to retire and then found that they really should not have, but it was too late. Every person approaching 64 years of age should have been properly notified as to their options in that regard, particularly in the past few years, when there was a grave shortage of reliable labour.

But there are other measures within this bill. One of which I am highly critical is that the government is choosing to set the price increase that is going to arise in a veteran’s budget from the emissions trading scheme. To suggest that an increase of one per cent in 2011 and an increase of 1.8 per cent in 2012 will be the ceiling for assistance is a joke. Yesterday the major representative groups in the retail food industry said the price increase will be seven per cent. Furthermore, as I have asked in this House previously, what does that provision tell us? It tells us that, for instance, electricity generators are not going to lower their pollution. It makes a farce of the label ‘carbon pollution reduction scheme’ because the government admits openly—

The DEPUTY SPEAKER (Hon. DGH Adams)—Order!

Mr TUCKEY—No. This is in the legislation. It is in there. There is a provision here for an increase in the pension in response to the government’s misnamed CPRS, so please do not tell me it is not part of my opportunity to speak on this matter. I am making the point that the government, by their process of giving people compensation, are making an admission that the electrical coal fired generating system is not going to reduce pollution. They are going to pay the price. Be-
cause they have a reasonably captive market, they are going to send it on to consumers and homeowners.

The DEPUTY SPEAKER—Order!

Mr TUCKEY—The irony arises when you compensate people for that cost and expect they will respond to the market signal and actually use less energy. I have never seen anything like it.

The DEPUTY SPEAKER—I ask the member to come back to the bill.

Mr TUCKEY—I am on the bill.

The DEPUTY SPEAKER—I ask the member to come back to the Veterans’ Affairs and Other Legislation Amendment (Pension Reform) Bill 2009.

Mr TUCKEY—No. You cannot instruct me not to talk about segments of the bill. This is quite clear in the bill. I will quote you the section. You will cost me time in making a very relevant point. I copied out the section. When you assume control of the House, it is not a bad idea to be cognisant of the legislation.

The DEPUTY SPEAKER—Order! Do not reflect on the chair. I ask the member to speak to the bill before the chair.

Mr TUCKEY—The bill before the chair makes provision for a one per cent increase in the pension in 2011 as a result of the CPRS, and it makes another provision for 1.8 per cent as of 2012. I am saying that that identifies the fact that the government admits that there is going to be no reduction in pollution at coal fired power generators because they are going to pay for certificates, some of which Treasury says they can buy from China. They are going to pay for them and pass the costs on to veterans. The veterans are going to get some compensation but over in the supermarket the cost arising from the ETS is going to be seven per cent, not one per cent. That is the point that arises in this particular situation, and I can assure you that it is to be found in the legislation. I have made that point. To prevent a member from addressing actual issues in this place would be a great pity.

The reality is that this is a very important aspect of the bill of which veterans should be aware. There are veterans in various income groups and some of them will say, ‘I am prepared to pay a price to reduce pollution,’ when in fact they will be paying a price to maintain pollution. That is why I constantly argue for renewables—and they are available in your state, Mr Deputy Speaker Adams—that would reduce emissions and reduce the price of electricity if they were properly applied. There is the difference. This is an admission contained in this legislation.

Now let me talk about other things. I have touched on the pension bonus, and I think that is a pity. The reality is that these are belated measures. Some are positive for veterans and some are not. I am happy that I have had the opportunity to address both sides of that. You will note that I gave credit where credit is due and criticism where I believe the veterans community is not being properly assisted through this legislation.

Mr HALE (Solomon) (12.13 pm)—It is with a great deal of pleasure that I rise today to voice my support for the Veterans’ Affairs and Other Legislation Amendment (Pension Reform) Bill 2009. This bill is yet another example of this government’s commitment to both senior Australians and those who have served their country. The key elements of this bill will ensure our government delivers a sustainable and secure pension reform package for veterans and their dependants. The pension reform package addresses three key areas: it addresses the adequacy of income support pensions, it makes their operation simpler and more responsive to pensioners’ needs and it secures long-term sustain-
ability. It prepares Australia to meet future challenges, including the ageing population, through changes to social security, family assistance, veterans affairs and aged-care legislation. The reforms will provide significant increases in pensions and result in a simpler, fairer and more flexible pension system. I know that that is something those I have spoken to in my electorate of Solomon look forward to.

We have a very vibrant veterans community in Darwin and Palmerston. In fact it would be remiss of me at this stage not to mention the very special day that we commemorated this week. Yesterday, on 18 August, Vietnam veterans and their families paid tribute to those who have served, suffered and died in and as a result of the Vietnam War at the annual Vietnam Veterans Remembrance Day service at the Darwin cenotaph. Vietnam was Australia’s longest involvement in war, with around 60,000 personnel serving over 10 years from 1962 to 1972. Some 2,400 Australian service men and women were wounded in the conflict and 521 made the ultimate sacrifice.

I would like to take this opportunity to acknowledge and thank the Vietnam Veterans Association Northern Territory branch for all their hard work in the community. Like so many community groups helping out those who need it most in the community, the great work the Vietnam Veterans Association does often goes unnoticed—but I know the difference they make is significant. It was something that the very hardworking Minister for Veterans’ Affairs talked to me about earlier this year when he was up in Darwin for the bombing of Darwin commemoration.

More than 320,000 veteran pensioners will benefit from these reforms, boosting their income by $1.1 billion over the next four years. The bill will see a number of changes. Single service pensioners and war widows and widowers with income support supplement will receive up to $65 extra a fortnight. All service pensioners and couples will receive a guaranteed increase of just over $20 a fortnight. These increases are in addition to the regular indexation due in September.

The pension system will be simplified by combining the value of the fortnightly and quarterly allowance payments into a single pensioner supplement to be paid fortnightly from September this year. The pensioner supplement will be made up from the quarterly payments of the utilities allowance and telephone allowance and the fortnightly GST supplement and pharmaceutical allowance. The telephone allowance component of this payment will now be paid to all those eligible at the higher internet rate, regardless of whether or not recipients have the phone or internet connected.

To ensure the reforms are more responsive to recipients’ needs, from July next year pensioners will be able to elect to have some of their pension supplement paid quarterly instead of fortnightly. The pension reform package introduces a new pensioner and beneficiary living costs index. The new living costs index recognises that the cost of living for pensioners and beneficiaries may increase faster than the cost of living for the general community, as measured by the consumer price index.

From September this year the maximum base rate of income support pensions will be adjusted in line with either the consumer price index or the new pensioner and beneficiary living costs index, whichever is higher. Pension rates will also continue to be benchmarked to male average total weekly earnings. Lump sum advance payments are a popular mechanism to allow pensioners to budget for those unexpected one-off expenditures. The maximum advance will be in-
creased to $1\frac{1}{2}$ times the fortnightly pension rate and the minimum advance will be set at half the fortnightly rate. A new work bonus will be introduced to provide an incentive to encourage those over the pension age who are able to continue in the workforce to do so. In fact only 50 per cent of the first $500 a fortnight of income will be counted in the income test.

This pension reform bill will improve the pension system and make it simpler and more sustainable into the future as the population ages. These changes have been a long time coming as part of the reforms. This bill delivers a stronger and fairer pension system that will serve both the recipients and Australia well into the future. These are people who have seen us through our darkest hours as a nation and we need to support them. Australia has a proud wartime history, and that has been part of the lives of so many Australians. The government remains committed to honouring those who have served and continue to serve, ensuring their legacy is remembered for generations to come.

I was very pleased when the Minister for Veterans’ Affairs announced funding for the Northern Territory branch of the Royal Australian Regiment Association for a reunion and a dinner to be held in Darwin commemorating the 40th anniversary of the Battle of Binh Ba. Commemorative activities in local communities play a major role in encouraging Australians, especially younger Australians, to learn about our wartime experiences and provide an opportunity for veterans to share their stories.

Through a whole-of-government approach the pension reform package prepares Australia to meet its future challenges, including the ageing population, through changes to various pieces of legislation, including veterans affairs, social security and aged-care legislation. This government is delivering on its core values to support those most in need in our society and to give all Australians the opportunity to lead a decent and fulfilling life. As the very hardworking Minister for Families, Housing, Community Services and Indigenous Affairs said last month at the centenary of the age pension commemoration:

Today’s celebrations coincide with the Australian Government’s recent landmark reforms of the pension system, delivering a simpler, fairer, and flexible safety net for millions of age and disability pensioners, carers and veterans.

These long overdue reforms will provide greater certainty for pensioners, and meet the new challenges of an ageing population in the 21st century.

In conclusion, the veterans in my community of Darwin—and I have many, and we will have more veterans in the future because of our involvement in the coalition forces in the last eight or so years—are very happy. Pensioner entitlements was one of the things that veterans often bought up with me when I was doorknocking in my electorate during the election campaign. To be able to bring on an increase at a time of a fairly tough global financial environment is very important so that we can look after these people who have looked after us in the past.

There could be a certain element of criticism regarding spending, but the budget demonstrates the government’s strong commitment to the veteran community—and these increases show that. They provide certainty to the veteran community during these uncertain economic times. This spend, as I said, will be $1.9 billion over the period to 2012-13—this having been injected into the veterans’ affairs portfolio since the election of the Rudd government. It includes $1.1 billion, in response to the Harmer review, to some 320,000 veteran pensioners. So a large number of people will be directly assisted by the Rudd government’s reforms in this area.
It is a tough area. I know that it would be easy to be critical of the former government; however, when it comes to our veterans and support for our people who are fighting overseas, defending our democracy and the rights that we hold dear, I think it is really important that this place is united in its support for those people. There is very strong support on the government benches. The member for O’Connor mentioned the past with regard to Vietnam. We do not look to change our past, but we certainly look to the future as a Labor government. I know that, on many issues to do with defence, we have the support of the opposition. There is very rarely a point of difference between our position and the position of the opposition when it comes to our Defence Force personnel, their safety and their deployment. As a member of this House I certainly take very seriously our role whenever any sort of legislation that affects our service men and women is before the House, whether it be increases to pension benefits for veterans or deploying our troops into a dangerous area. These are things that all members take very seriously.

I have 1st Brigade in my electorate, and I am very proud of the role that 1st Brigade play. On 8 August this year we had a welcome home parade in Darwin for some 1,200 personnel coming back from Afghanistan, Iraq and East Timor. I really enjoyed the feeling in the crowd. It was a day for our veterans and the people who have served. The crowds really turned out in Darwin to welcome back 1st Brigade. They are an institution in my electorate. They contribute fantastically well in fundraising for charity events—for example, when they push the gun through the city each year and collect money. They help young people from disadvantaged backgrounds. They contribute in the sporting area very strongly. The Army, Navy and Air Force are involved in local sporting activities. They are a massive part of the fabric of the Northern Territory.

I think Darwin has probably more of an affinity with the Defence Force than other places—and I will probably have to take a bit of flak from colleagues on both sides of the House for saying that—through the bombing of Darwin and our close ties to the violence of war, experienced when it came to the shores of Darwin in 1942. Some 250 people lost their lives in those bombings. We have a very proud history of engagement in war on the shores of Darwin during the Japanese bombing raids at that time.

The community of Solomon fully support all endeavours to make things easier for those people who have come back. And it is probably about that, as much as anything. There are often financial constraints put on people who may be injured in war. Their ability to earn better incomes in the future is always jeopardised when they have been to war. There is obviously the physical damage that can occur but there is also the emotional trauma that many of our veterans have been through. The people of Darwin understand that and they turn out in great numbers whenever there is an opportunity to support the veterans, the returned service men and women and the people who have been in the services but who, in times of peace, have not been deployed. The fact that they were on standby, ready to go to defend Australia, means that we need to give them our utmost gratitude and respect. In Darwin we have a special relationship with our ADF. We have a booming ADF community. I am very proud to represent ADF personnel in this place. I am particularly proud to have 1st Brigade in our city. As I said, they do a wonderful job.

In speaking to veterans, I found that this pension increase and reform package has been very well received, including the fact
that we have been able to put some of the bonuses into the fortnightly payments, that they are getting the utilities allowance to assist with power bills and the like, and that they are getting the internet. For some veterans who have disabilities the internet is their contact with the outside world. They can do all their shopping online. They can do all their banking online. They can talk online to friends through Facebook and those other mechanisms. So the internet is very important to them. I am proud, as a member of this government, that we have been able to assist in giving them a quality of life after they have served us.

I do not think you would not get too much dispute from anyone about this bill. I am glad to see that the opposition are supporting it. I did not doubt that they would support it, but it is good to see that they are supporting it. As I said halfway through my contribution today, I really believe our Defence Force goes above politics. Sure, we debate things in this place but, when it comes to an issue affecting the men and women of the services, that is an issue that is above politics. It is about supporting those people who look after our interests and let us enjoy the democracy that we live in. These reforms will deliver a stronger and fairer pension system to veterans and their dependants. I commend the bill to the House.

Mr HAYES (Werriwa) (12.29 am)—I congratulate the member for Solomon on his heartfelt contribution. I know how proud he is of his Defence community in Darwin. He is right: it is a community that we need to support. Particularly with our overseas commitments, we must have a concerted view on how we approach the support of our military personnel. I am proud to support the 1998 Budget Measures Legislation Amendment (Social Security and Veterans' Entitlements) Bill 1998, which primarily boosts the income support paid to our veterans. The government and the Australian community are justifiably proud of our ex-service men and women. The measures contained in this bill will go some way towards improving the wellbeing of Australian veterans and the wider ex-service community. The member for Solomon was a bit charitable in his comments about the former government, but I will not be. Unlike the former government, which, when it came to dealing with our ex-service people, was long on rhetoric but did very little, this government has embraced the issues of the ex-service community so that they can have certainty.

The new measures in this bill will inject $1.9 billion into the Veterans' Affairs portfolio in the period from 2012-13. We consider the provision of robust services and support to the ex-service community to be an appropriate way to express our gratitude for, and recognition of, the bravery of these Australian men and women and the sacrifices they have made for this country. They are people who deserve the highest respect we can give them, and we should recognise the service they have given to this country. How we approach this following their service is a measure of not only our respect and recognition but also our undying gratitude for their contribution. This should stay front and centre in the minds of legislators whenever they make laws that affect people who have committed themselves, rather heavily at times, to the wellbeing and future of this country.

Yesterday, as we all know, was Vietnam Veterans Day. I would like to take this opportunity to honour the service and sacrifices of the 60,000 Australians who served in Vietnam in the 10-year period between 1962 and 1972. Yesterday 300 people gathered at Mawson Park in south-west Sydney, in my electorate of Werriwa, led by Bob Ellen, the Secretary of the Macarthur Sub-Branch of the Vietnam Veterans Association, to recognise and commemorate the contributions
made during the Vietnam War. It is interesting to note the Australian community’s long overdue embrace of our Vietnam veterans. Whilst I was unable to attend that gathering yesterday because parliament was sitting, members of my office were able to attend and they reported to me that many school kids descended on that particular venue in Campbelltown—as they should. This is about understanding that the history of this country is steeped in not just what occurred in Vietnam but also the contribution over time of men and women who have been prepared to fight for this country’s future. That is something we should all take forward with us and, certainly for young people growing up, it is something that should never be taken for granted.

I would also like to briefly mention a few other people who are heavily involved in the ex-service community in my electorate, including Ron Brown OAM, the President of the New South Wales Branch of the National Servicemen’s Association of Australia, and Mr Ken Foster, the Secretary of the Vietnam Veterans Information Service. Ken travels around as an advocate for Vietnam veterans. Unfortunately, Ken is seriously ill at the moment and is recovering in hospital. I wish him all the best. I have never heard this bloke whinge for himself, but I have certainly heard him advocate very strongly on behalf of his fellow Vietnam veterans. He is a person who believes in putting service ahead of the individual. I wish Ken all the best for his recovery.

I would also like to mention Geoff Grimes. As a matter of fact, I rang the office just to check what Geoff’s title is. I always see him at Vietnam veterans functions. He runs the Ingleburn mower shop. Whenever I visit that shop, he is invariably sitting in the corner with another Vietnam veteran talking about various things, helping him to channel his issues and directing him to people who can help him. I never fail to be impressed by the commitment of Geoff and people of his ilk who go out of their way to look after their mates.

We remember also those men and women who made the ultimate sacrifice in the Vietnam War. There were 521 Australians who lost their lives in that conflict. We should never forget the deplorable way our service men and women were treated during the course of that conflict. It certainly did not do this country well, and it is a blight on our history. We are entitled to have our different political views, but it is absolutely deplorable to take that out on our service men and women. And it is our current generation who are now recognising the contribution, sacrifice and commitment of those men and women.

It is also important to acknowledge the effect war service has on the individual and their family. Many Vietnam veterans suffer long-term health impacts from their services, and the effects still resonate today. I see the work that people such as Ken Foster and Ron Brown do. It is clearly something that will not simply go with the passage of time.

From my various discussions locally with the veterans community throughout my electorate—with people in our local subbranches and with Max Chin from Dredges Cottage in Campbelltown, where a number of our ex-servicemen’s organisations meet—I certainly know, as I said a little earlier, that they are not a pack of whingers. They are very strong, they are very forthright in their views, and they do unashamedly stand up for their mates. They have only ever asked for what they considered was a fair go. They did not want anything more than that. They wanted proper recognition of their service and, as a consequence of their service, of their position in life. They wanted financial security
and assistance with their various medications or treatments as they grow into later years.

This bill that is before the House today demonstrates that this government is committed to the Australian veterans community. I would like to discuss in a little bit of detail what this bill delivers and what it makes better in their lives. The bill before the House will introduce a range of measures from the government’s Secure and Sustainable Pension Reform package announced in the 2009 budget and will provide certainty for Australian pensioners in these uncertain economic times. This particular bill is part of a reform package which prepares Australia to meet the challenge of the future. The reforms provide for long-term sustainability and a more responsive but fairer and simpler system for these people.

It was a rather unequivocal finding of the Harmer review that single pensioners were in financial stress as opposed to couples. In response, some 320,000 veterans affairs pensioners across Australia will receive direct benefits. In my electorate in the south-west of Sydney alone, that represents payments to 1,500 people. That total payment under this provision is $1.1 billion. From 20 September this year the full single rate for service pensioners and war widows will receive a boost of up to $32.50 a week. Service pensioners on the couples rate will get an extra $10.15 combined a week. Those single service pensioners on part pensions because of other incomes will still receive an increase no less than $20.20 a fortnight. It should be noted that these increases are on top of the regular indexation payment which is due in September this year.

One of the reform’s major improvements is the indexation and the benchmarking of the income support pension. This government understands that the pension rate should not be tied to the cost of living faced by pensioners. This bill allows the introduction of the new pensioner beneficiary living cost index, which will be developed to measure the increasing costs of goods and services that would typically be used by people in this group. From 20 September 2009 the pension will be increased to the higher of either the consumer price index or the pensioner beneficiary living cost index, and then that will be compared to the male total average weekly earnings rate.

The current system of payment of allowances will also be simplified by combining the value of the fortnightly and quarterly allowance payments into a single pensioner supplement to be paid fortnightly from 20 September. This pension supplement will provide a payment of up to $56.10 a fortnight for singles and up to $84.60 for combined couples.

A new work bonus will be introduced to provide an incentive and to encourage those who are over the pension age and wish to continue in the workforce. Under these rules, only 50 per cent of the first $500 a fortnight of employment income will be counted in the income test. This is great news for many veterans in my electorate who I know are still working and who still wish to work. This money will certainly go a long way to assisting them and their families.

The bill also brings greater flexibility and access to the existing arrangements for advanced payments. I know there are many calls to my office about, and I have certainly received plenty of letters on, this particular subject. Lump sum advance payments are a popular mechanism that allows pensioners to budget for the unexpected one-off expenditures in their lives. The improvements will increase the maximum allowable advance from $500 to $1,000 for singles and $1,500 for couples combined. We will link these amounts to movements in service pension
They will also enable pensioners to access more than one advance payment over a 12-month period. These changes modernise the advance payments system to better reflect the needs of pensioners and help them meet the challenges, particularly the one-off expenses that do occur.

Under the Rudd Labor government, the veterans community can expect our unrelenting effort to address a range of issues around veterans entitlements, services, wellbeing and recognition. This government will ensure that veterans and the ex-service community get a fair go. Australians are justifiably proud of our veterans and our ex-service men and women. This government believes that the provision of robust services and support for the ex-service community is a sincere way to show our gratitude and recognition of the bravery and sacrifice of these Australian men and women. As the Prime Minister said in the House on 13 August 2007:

There is perhaps no greater duty that we as a nation and as a parliament have than to honour, remember and express our gratitude to those Australians who have served in the defence of our nation in times of war, because our security and liberty have not come without a price.

The measures in this bill clearly demonstrate that this government is serious about looking after those in the veterans community and their families. I commend the bill to the House.

Mr Griffin (Bruce—Minister for Veterans’ Affairs) (12.45 pm)—in reply—The Veterans’ Affairs and Other Legislation Amendment (Pension Reform) Bill 2009 gives effect to the key elements of the government’s secure and sustainable pension reform package in relation to veterans and their dependants. The measures in this bill closely parallel for veterans and their dependants the reforms recently enacted in relation to certain social security pensions. These reforms stem from a major review of the pension system conducted by Dr Jeff Harmer, Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs, and a dedicated team of officers. Officers from my department provided advice and assistance to the review team in relation to veteran specific issues. I thank all those who worked on this monumental task.

As has been said before but is worth repeating, these are the most significant pension system reforms to have been undertaken in the past 100 years. This government is very pleased to be delivering a simpler, more responsive, more adequate and more sustainable pension system for veterans, their dependants and social security recipients. These reforms prepare Australia to meet future challenges, including an ageing population, through changes to social security, family assistance, veterans’ affairs and aged-care legislation. This bill delivers these goals for veterans and their dependants.

More than 320,000 veterans’ affairs pensioners will benefit from these reforms, boosting their incomes by $1.1 billion over the next four years. A key feature of the reforms is the increase to pension rates. From 20 September 2009 the secure and sustainable pension reform package will increase pensions for all veterans’ affairs income support recipients and war widows and widowers. The reforms will deliver increases of $32.50 per week for single service pensioners and $10.15 per week combined for couples on the maximum rate. War widows and widowers will benefit from an increase of $30 per week. Income support supplement recipients will also receive an increase in the supplement and the ceiling rate will be increased. These increases are in addition to the regular indexation due in September.
A significant improvement will be made to the indexation of income support pensions, benchmarking them against a more realistic indicator of changes to the cost of living for pensioners. The pension reform package introduces a new pensioner and beneficiary living cost index that actually measures the cost of living for pensioners. The new pensioner and beneficiary living cost index recognises that the cost of living for pensioners and beneficiaries may increase faster than the cost of living for the general community, as measured by the consumer price index. From 20 September 2009 the maximum base rate of income support pensions will be adjusted in line with either the consumer price index or the new pensioner and beneficiary living cost index, whichever is the higher.

Another important increase being delivered by this package of reforms is the increase in the relativity of the single pension rate to the combined couples rate. For a person being paid the single rate of pension, the relativity of that rate will be increased from the current 60 per cent to a rate of 66.33 per cent of the maximum rate payable to a couple. This reform is further complemented by the new male total average weekly earnings benchmark arrangements. From 20 March 2010 a new pension benchmark will be introduced for the maximum combined couple rate of pension. The benchmark will be 41.76 per cent of the annualised amount of male total average weekly earnings. Therefore, the new benchmark for the maximum single rate of pensions will be 27.7 per cent of male total average weekly earnings, an increase of more than 10 per cent from the current 25 per cent benchmark.

The current complex system of allowances and supplementary payments will be simplified and made more flexible with the introduction of a new pension supplement for service pension recipients. Telephone allowance, pharmaceutical allowance, utilities allowance and the GST pension supplement will be consolidated into a single pension supplement for service pensioners. From 1 July 2010 income support recipients will have the option of receiving a portion of this payment quarterly instead of fortnightly. This introduction of the new pension supplement arrangements will provide income certainty for veterans and their dependants while maintaining flexibility in managing their budgets. War widows and income support supplement recipients will have the former allowances added to their base rate of pension. Self-funded retirees of pension or qualifying age will also benefit from the pension reforms.

A new senior supplement for holders of a Commonwealth seniors health card or gold card holders over qualifying age will be introduced from 20 September 2009. The senior supplement will replace the existing seniors concession allowance and telephone allowance. In addition, all senior supplement recipients will now be paid telephone allowance at the higher internet rate regardless of whether or not they were previously in receipt of the allowance. The senior supplement for a single person will be $785.20 per annum. For couples the combined payment will be $1,185.60 per annum. Depending on what allowances they are currently in receipt of, all senior supplement recipients will benefit from an increase of up to $266.40 per annum for a single person and $148 per annum for couples. The senior supplement will be paid quarterly.

The bill also establishes two new supplements to replace pharmaceutical and telephone allowances for those veterans, members and dependants who do not receive a veterans’ affairs or social security income support payment. The veterans supplement replaces pharmaceutical and telephone allowances under the Veterans’ Entitlements
Act. The MRCA supplement will replace pharmaceutical and telephone allowances under the Military Rehabilitation and Compensation Act. These new supplements will commence on 20 September 2009.

A work bonus will be established to provide an incentive for those who wish to take up or continue to undertake paid work. The work bonus will apply to those veterans and dependants who are over veteran pension or qualifying age and will provide concessional treatment for their employment income. With the bonus, only 50 per cent of the first $500 a fortnight of employment income will be counted in the income test.

The work bonus provides a real and timely incentive for those veterans and dependants who are able to continue contributing their skills and experience in the paid workforce. With the introduction of the work bonus the existing pension bonus scheme will be closed to new entrants from 20 September 2009. The Harmer pension review found that the scheme is not meeting its objective of encouraging workforce participation among older Australians. The existing members of the scheme will be able to remain in the scheme and claim a pension and their bonus when they finish working.

The reforms in the bill introduce greater flexibility to the pension advance arrangements from 1 July 2010. The maximum advance amount will be increased for income support recipients and will link the maximum and minimum advance amounts to future movements in the service pension rate. More flexibility will be provided in the frequency of advances with up to three advances being available within a 12-month period. This will enable pensioners to better manage large, unforeseen costs.

To secure a pension system that is sustainable into the future, this government has had to make responsible but hard decisions. One of these decisions was to tighten the pension income test to ensure that the pension system is targeted at those most in need. From 20 September 2009 the pension income test taper rate will increase from 40c to 50c for each dollar of income over the income test free area. In the case of a pensioner couple their combined pension will reduce by 50c for each dollar of combined income over the income test free area. The pension as paid to each partner will reduce by 25c for each dollar of combined income over the income test free area. In addition to bringing the veterans entitlements income test in line with other means-tested payments the additional income test free area for dependent children will be removed.

As part of the reforms, new transitional payment arrangements are being introduced so that part-rate pensioners who would otherwise face a reduction in their payments as a consequence of the reforms will have their current payment rates maintained. The transitional safety net will maintain indexation in line with increases in the consumer price index and will provide an increase of $10.10 per week for singles or $10.15 per week for couples combined. The transitional rules will continue to apply until changes under the pension reforms result in a higher payment.

It is important to recognise that the pension reforms will have no impact on veteran pension age and qualifying age under the Veterans’ Entitlements Act. There will be no increase in these ages. The pension age for persons other than veterans, which is currently aligned with the social security age pension age, will increase from 65 to 67 for both men and women. These changes will be phased in gradually commencing in 2017. This was another of the responsible but hard decisions that this government had to make to maintain a viable and sustainable pension system. The delayed start date and gradual increase will allow those individuals who
will be affected by the change time to make their retirement plans. The change in age pension age will allow the government to respond to the long-term costs of an ageing population.

Finally, the bill will provide a vehicle for the Carbon Pollution Reduction Scheme increases to be payable to service pensioners, war widows and disability pensioners. This government is acting to introduce much-needed and long overdue reforms that significantly improve the adequacy of the pension, and simplify and strengthen the nation’s social security and repatriation pension systems. These reforms will make for a more secure repatriation pension system, provide greater certainty to veterans and their dependants, and ensure the system remains both adequate and sustainable.

There have been a number of issues regarding aspects of this bill raised by speakers and I will endeavour to address some of them that were raised particularly by the opposition. The shadow minister, the member for Paterson and the member for O’Connor raised the issue that this is overdue and that it should have been done in the budget last year when the opposition, then under the member for Bradfield, moved for an increase in the single age pension of some $30. I think we need to go back and remember exactly what happened at that time.

There was a debate that was going on in the community, and understandably so, about the adequacy of income support pensions, particularly for those on the single rate. There was recognition in the community that something needed to be done. That is why a review was established and that is why the government took action. With respect to the argument that it could have been done 12 months ago, I think you have to go to the question of what was proposed 12 months ago. Initially, under the member for Bradfield, the opposition proposed a $30 increase for the single age pension. For example, if we look to this bill, what would have happened 12 months ago if we had acted on the proposal of the member for Bradfield, the then Leader of the Opposition? Frankly, nothing would have happened because aged service pensioners were not included. I know this because at the time I raised this matter with the national president of the RSL, who said that he felt sure it would be included and he would seek advice to that effect. The advice he got was that it was not included.

With respect to the $10.15 per week increase for couple pensioners, again, there was nothing in what the opposition proposed last year for couple pensioners. The circumstances are that what is included in this bill overwhelmingly would not be put in place under what the opposition then proposed. Subsequently, with the member for Wentworth as opposition leader there was an adjustment to the proposal of the opposition. This was some months later. Then they included the single rate age service pension in their proposal, but once again there was no inclusion which related to the circumstances around couples, and so again significant components of the veteran community would have missed out entirely under what was proposed at the time.

Let us not forget when it comes to the question of what support was provided. With the first stimulus package we had over 325,000 members of the veteran community receive that bonus. As members would recall, that was a bonus which initially was supported in the House by the opposition but was subsequently rejected. With the second stimulus package, which the opposition opposed right down the line, it is estimated that some 130,000 in the veteran community received that bonus. I would ask those members in the veteran community who received those bonuses to remember that what this
opposition—which now says we could have acted 12 months ago on dealing with these issues—proposed then excluded them overwhelmingly. When they adjusted their position it then included some but excluded most, while at the same time they voted for and then rejected one stimulus package in terms of the public forums and opposed the second package right down the line. So, frankly, their issue around this question, that it could have been dealt with earlier, smacks of hypocrisy when it comes down to what it actually means for the veteran and ex-service community in this country.

The shadow minister raised an issue around advances, which I gather to mean a concern about the effect of too many advances. I would say that this came about as a result of requests for additional flexibility in the operation of the system. Advances in total cannot exceed the maximum amount and so the repayments cannot exceed a reasonable repayment amount. The issue of the work bonus and the taper rate as a disincentive was also raised, as I understand it, by the shadow minister for veterans’ affairs. I make the point clearly with respect to its operation that it does not provide a disincentive to those to work for the income that they earn because the additional increase in the free area overcomes any impact on the movement from 40c to 50c in the taper for the individual who is earning the income. There is no doubt that there are impacts for those who have investment income, there is no doubt there are impacts for those who have superannuation income, but again it is mitigated by transition mechanisms and overwhelmingly people will still be in front. They are in front now and they will be in front for some years, and in most cases they will be in front right the way through.

Both the shadow minister for veterans’ affairs and the shadow minister for defence, science and personnel have raised the question of how the changes will be communicated to recipients. Communication will be a priority because there is no doubt this is a complex issue and a complex reform. I want to assure the House that everyone receiving a payment will get a personal letter describing the change as it affects them. Additional communication with the veteran community will include a hotline, articles in Vet Affairs, the website and press and radio ads from Centrelink that also mention veterans and the circumstances as they will impact upon them.

Another issue which got some discussion was the question of the indexation of TPI pensions, how it fits into the system and the basic point we are dealing with today of increases in income support pensions and the argument that it should also have included disability pensions as paid under Veterans’ Affairs. I want to put a few points on the record with respect to that. The key question resolved just prior to the last election was the method of indexation to be used to adjust disability pensions relative to income support pensions. The argument was that it was only fair that they should be treated in the same manner to maintain indexation relativities over time. This was the argument that Labor championed in the lead-up to the election and which the coalition government belatedly acted upon. It is not the same argument as the need to adjust the base rate of income support pensions to allow those who rely on them the opportunity to try to maintain a reasonable standard of living, particularly when around 80 per cent of TPIs will also benefit from the changes made to income support pensions. A percentage of part-pensioners over a number of years will drop back, but there will be an immediate gain to just over 80 per cent.

One of the major issues regarding the indexation method was the argument that over time there was an increasing gap between the
TPI pension and the percentage of male total average weekly earnings that it represents and that this led to greater inequity for TPIs regarding the value of their repayment. The link was to MTAWE and not to income support pensions like the age or service pension. The point relating to income support pensions is that they had the benefit of the better indexation method—that is, to maintain their relative value as a percentage of MTAWE. Because the overwhelming majority of TPIs receive some form of income support pension, there was an inconsistency of indexation methods across different types of pensions that were being received.

The indexation method for disability pensions of all sorts and income support pensions will remain the same. In fact, an additional indexation formula has also been added to ensure that the value of pensions is better maintained. The means of maintaining the value of both income support and disability pensions over time has been secured. What has altered, on a one-off adjustment basis, is an increase to the base rate and pension supplement for single income support pensions in recognition of the inability of those who rely solely or substantially on them to make ends meet. There has also been a one-off adjustment to the pension supplement for couples. As the one-off increase to income support pensions also flows on, completely or in part, to more than 80 per cent of TPIs and is only denied to those who have substantial other sources of income, it shows that the increase is targeted to those most in need. It is not an adjustment that relates to how damaged you have been in service to your country. It is not designed for compensation pensions where income support pensions are still available for those who qualify for them. It is an adjustment designed to provide additional income support to those who must rely on income support payments to survive. That this includes a majority of TPIs should be expected and it is deserved.

(Time expired)

The DEPUTY SPEAKER (Ms JA Saffin)—Before I move to put the question, I shall make a comment about two events that just took place in this chamber. You might have noticed that we had a stranger in the House and then we also had a telephone going off. I will not name the members but it is disrespectful to the House. I would ask those two members who were involved in those events to please take note.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr Griffin (Bruce—Minister for Veterans’ Affairs) (1.07 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

AUTOMOTIVE TRANSFORMATION SCHEME BILL 2009

Cognate bill:

ACIS ADMINISTRATION AMENDMENT BILL 2009

Second Reading

Debate resumed from 23 June, on motion by Dr Emerson:

That this bill be now read a second time.

Mr Truss (Wide Bay—Leader of the Nationals) (1.07 pm)—The Automotive Transformation Scheme Bill 2009 and the ACIS Administration Amendment Bill 2009 provide a new tranche of assistance to the Australian automobile manufacturing industry. The opposition strongly backs Australia’s car manufacturing industry and the 57,000 jobs that it supports. We also accept
that there is a need to provide further funding to the industry to ensure its long-term sustainability in the face of lower tariffs and one of the more open car markets in the world.

However, this particular legislation is part of a new generation of legislation being brought into this House by the government which is being referred to as ‘coathanger legislation’. It contains very little detail and merely authorises the preparation of a whole series of regulations. The real important issues about the nature of this new industry assistance package are all relegated to the regulations. This is a pretty unsatisfactory procedure because it does mean that the key elements of legislation are not subject to proper parliamentary scrutiny.

We have serious concerns about the nature of this bill, which is just 18 pages compared with the existing ACIS bill, which contains 124 pages. The government’s increasing predilection to coathanger legislation means that the critical detail of the bill is reflected in the regulations and the guidelines, and that is concerning. It robs the parliament of any real and meaningful opportunity to properly scrutinise and amend the legislation. When the regulations come in, the parliament certainly has the option of rejecting them; but we cannot reject them any way other than in total, and so all of the regulations have to be rejected, in which case the government then has to take them away and cannot bring them back for a certain period. There can be no discussion about the detail of those regulations, and when there is virtually nothing in the bill the regulations do matter.

I appeal to the government to look at the legitimacy of the process that it is following in relation to this legislation and, indeed, other bills. They cannot expect oppositions to give blanket approvals for legislation when there is no real detail in it. The real problems are most likely to arise in the regulation. You have all heard the old phrase ‘the devil is in the detail’. That is absolutely true of this legislation because there is nothing in the legislation itself about the detail of the way these proposed schemes will operate.

There is a huge amount of taxpayers’ money on the table with this legislation. Not a few dollars, not a few hundreds of millions but many billions of dollars are being authorised in increasing support for the car industry. However, with such a large amount of taxpayers’ money on the table there clearly ought to be greater focus on what the government is actually trying to achieve with this funding. There need to be strong accountability measures and, clearly, the legislation, and the taxpayers’ money, ought to be directed towards delivering economic outcomes—a more sustainable car industry. You cannot simply keep coming into this House, decade after decade, with another massive assistance package for the car industry. Sooner or later, surely, we expect this industry to be able to stand on its own two feet and to be competitive without massive government and taxpayer subsidies.

So it is important that the objectives of the bill clearly demonstrate the economic outcomes that are proposed. Improving economic outcomes must be a key requirement of the bill. It is not satisfactory to contain in the objectives a requirement to improve environmental and work skill outcomes, although those are worthy objectives. Surely the most important reason to spend billions of dollars is to make this industry economically sustainable. Further, as the bill stands it contains no benchmarks or requirements for public reporting on how the money is spent. It is particularly important that that also be a part of the bill’s objectives.

The opposition proposes to move amendments in relation to the bill to try and improve these elements. In the moments before
the debate on the bill started, a copy of proposed amendments that the government plans to make to the legislation in these two areas was handed to me. I welcome the fact that they recognise the bill is defective in these areas. I understand that there had been negotiations between the government and the shadow minister in relation to these issues, and we thought those negotiations were going on in good faith. However, we are disappointed now that they seem to have abandoned the negotiations, and the amendments that are on the table simply do not reflect our position on the bill, particularly in relation to disclosure requirements and accountability. So we will vigorously pursue proper amendments on this matter, particularly in the Senate.

The legislation itself involves the expenditure of very large amounts of money to support the Australian car industry. There are currently three motor vehicle producers in Australia: General Motors Holden, Ford Australia and Toyota Australia, who between them produce of the order of 300,000 vehicles, although, of course, the number built this year will undoubtedly be less than in previous years because of the economic situation in this country and in other parts of the world. There are over 56,000 people employed in the motor vehicle and the motor vehicle parts manufacturing industry in Australia although, again, those numbers are declining as factories, understandably, lay off workers because of the lack of demand.

Well over half of this industry is in Victoria, with a further 18 per cent in South Australia. States like New South Wales and Queensland have a very small share of the industry—about 11 per cent each—and the other states even less. This is an industry very definitely concentrated in a few key areas in Victoria and in South Australia. It is a relevant observation that this industry is heavily focused and heavily located in Labor electorates. Perhaps that is the reason why this industry has been singled out for this massive level of government support and continuing financial assistance.

The Ford Motor Company of Australia is a wholly owned subsidiary of America’s Ford Motor Company. It has two plants at Broadmeadows and Geelong in Victoria. They produce the Ford Falcon range and the Ford Territory. From 2001 Ford had plans to build the smaller Focus vehicle at Broadmeadows. On 22 August 2008, Ford announced that, as a result of the downturn in vehicle sales, it would cut production by 25 per cent and shed 350 jobs. However, Ford subsequently announced on 20 November that it would keep its Geelong engine plant, which it had been planning to close, by reactivating a previously abandoned $13 million ACIS grant. Ford has somewhere around 4,500 employees and 230 dealers, and, in 2007, produced about 68,000 vehicles, with only a very small percentage of them exported.

On 24 July this year the Australian and Victorian governments announced $42 million would be provided to Ford to produce a new four-cylinder engine version of its Falcon as part of a $230 million total investment. The engine will be fully imported. At the same time, Ford announced it would not proceed with its proposed new locally-built Ford Focus from 2010. The early plans and optimism that Ford may shift some of its capacity to smaller cars, perhaps better suited to the new world market, have now been dashed. Ford Australia’s full-year financial result for 2008-09 was a loss of $274 million, comprising a restructuring cost of $162.2 million and a sales revenue fall of 74 per cent.

Holden is a wholly owned subsidiary of General Motors Corporation and its plant in Elizabeth, South Australia, produced about
108,000 Commodores in 2007. Engines are made at its Fishermens Bend plant in Melbourne, which will close at the end of this year with the loss of 500 jobs. Holden has been particularly hard hit by the current downturn in vehicle sales and uncertainty surrounding the future of General Motors. It has reduced production to 310 vehicles per day when the plant is operating. However, unlike Ford, it has not shed staff, instead reducing shifts and making employees take forced holidays et cetera.

On 22 December 2008 the Prime Minister announced that the Australian government would provide $149 million from its green car fund to help Holden produce a new four-cylinder vehicle from 2010. The government claimed the new car—to include both petrol and diesel variants—would support up to 600 jobs at Holden and up to 600 jobs in the automotive supply chain. It was also stated that the new car would provide Australian motorists with an Australian made car that is around 20 per cent more fuel efficient and produces 20 per cent less in carbon emissions than current larger vehicles, and that families travelling 20,000 kilometres a year will save almost $500 a year in fuel costs and produce about 1.7 million tonnes of carbon emissions.

Holden exported 36,534 vehicles in 2007 and was hoping to expand its export program. However, the axing of the Pontiac brand by General Motors will certainly place that whole ambition in doubt. Holden’s total exports are down by more than 80 per cent in the current year. For the year ending 31 December 2008, GM reported a loss of $70 million due largely to declining volumes, with demand for the locally-built Holdens down by nine per cent.

I was surprised to read recently that the Export Finance Insurance Corporation has been used to support the export programs of General Motors Holden with a working capital line of credit of up to $200 million. This loan to General Motors does not seem to meet the guidelines for EFIC lending. There is only one EFIC program that is advertised on its website that funds working capital and this is a loan—we are told—for working capital. However, there are rules in relation to who can apply for this funding; for instance, you have to have a maximum turnover of $50 million a year. I know that Holden is in trouble, but nobody suggests that their turnover is down to less than $50 million a year.

The government has never explained why the government itself approved a special loan for GMH under the EFIC Act. Apparently this decision was not made by the EFIC board, according to the press release that was put out; it was in fact made by the government. The government, it seems, is now using EFIC, an organisation with a substantial and deserved reputation for its support for Australian industry, to prop up General Motors Holden with working capital. This was initially unannounced but became public information. There has been no satisfactory explanation as to why the rules and the legislation for EFIC have in fact been ignored in the provision of this loan. Is this yet another example where the Labor government has one rule for the car industry and another one for everyone else?

I refer now to the Toyota Motor Corporation of Australia, which manufactures Toyota Camrys and Aurions at its Altona plant in Victoria. In 2007 Toyota produced almost 150,000 cars—111,891 Camrys and 37,040 Aurions. Toyota is much more export focused than Australia’s other passenger vehicle manufacturers, with total exports reaching almost 100,000 vehicles in 2007. The principal export market for Camry is the Middle East. It would surprise many Australians and indeed many visitors to the Middle
East that the taxis and many of the other vehicles that drive around on the roads and streets of the Middle East are in fact Australian made. It is a real tribute to Toyota that they have been able to penetrate so substantially into that Middle Eastern market. I think they set an example which perhaps other Australian manufacturers have not followed so enthusiastically.

On 10 June 2008, the Prime Minister and the Minister for Innovation, Industry, Science and Research, Senator Carr, travelled to Japan to announce that Toyota would receive $35 million from the government’s Green Car Innovation Fund so that Toyota could manufacture a hybrid Camry in Australia from 2010. Doubts were raised about the need for this grant when the Toyota president, Mr Watanabe, said, ‘We are not sure in what way we would like to use that amount.’ Subsequently a spokesman for Toyota was quoted in the Australian newspaper:

“It would have happened regardless and we wouldn’t bring it to the market unless we were going to make money,” Mr Breen said.

“It’s always nice to have support but it comes back to a business decision.”

So we had the government throwing $35 million of taxpayers’ money at Toyota, as a surprise to Toyota. It was money they said they did not need, for a project that was going to go ahead anyhow. It subsequently emerged that the engine for the hybrid Camry would be totally imported from Japan and that Toyota was planning to start building generation 2 lithium-ion-battery plug-in Camrys in the US, Japan and Europe while building a gen 1 car in Australia. So Australian taxpayers have thrown $35 million at Toyota for a project they were going to do anyhow, and for yesterday’s technology. And yet we are told by the government that this bill is about encouraging innovation and encouraging Australian industry to be leaders in technology in the motor vehicle manufacturing sector. What we are going to get is throwaway Japanese technology which is already being superseded in Toyota’s own factories. Why on earth Australian taxpayers would want to spend money on yesterday’s technology is simply beyond me.

For the year from 1 April 2008 to 31 March 2009, Toyota reported a net profit of $123 million. These are three companies that are employing a lot of Australians and have made an excellent contribution to our nation’s economy over the years, but it has been at continuing high cost to Australian taxpayers through direct grants and subsidies and through tariff protection and a whole range of tax and other measures which advantage the Australian car-manufacturing industry. The Productivity Commission, in its research report of May 2008, said:

On the Commission’s reckoning, each job currently ‘saved’ in the industry—the car-manufacturing industry—requires around $300,000 in support each year from the Australian community.

That is $300,000 per job for the privilege of having a car industry in this country. I think it is important to have a car industry in this country. I accept that it operates in a corrupt world market, but so do a lot of other Australian industries. How many other investors in this country would welcome a $300,000 subsidy for every worker that they employ? The car industry certainly has a pampered and subsidised history in this country, and we pay a very high price for this industry operating in our nation.

It must be a huge embarrassment to our Minister for Trade, when he goes overseas and he argues for other countries to cut their tariffs and subsidies, to have to admit that Australia is again putting up its support for the Australian car industry. The trade minister has been happy to give up tariffs in the Australian food industry, on our agricultural...
production, but when it comes to the car industry it has some kind of special place. With the recent ASEAN-Australia-New Zealand Free Trade Agreement, the Australian government immediately, for all of our trading partners in Asia, got rid of all of our tariffs and support for the Australian agricultural sector and food industry. All those tariffs went to zero immediately. But, when it was announced that this agreement was signed, there was no text available. The minister had nothing to show the people about what was agreed. We were told that there were still some ongoing negotiations. Surprise, surprise—the ongoing negotiations were about the car industry. Our government was still holding out for some ongoing protection for the car industry, even though it had given away all the protection—and it was quite, quite small in percentage terms—for all the other sectors in the Australian economy. In the end, a special deal was done for the car industry so that there would be tit-for-tat-type tariff reductions in the far distant future. Once again, this government made special arrangements for the car industry that were not available to other sectors.

The Prime Minister went to the G20 summit and, with the other leaders, called for an end to subsidies and a renewed commitment by world leaders to the Doha Round of trade talks. Within weeks, 18 of the 20 presidents, prime ministers and leaders who were at that summit had gone home and introduced new subsidies, announced new tariffs, announced new trade protectionist measures. Included among those 18 was the Australian Prime Minister. Overseas he boldly talks about the need to reduce tariffs and subsidies, but when he comes home he announces a major new program to subsidise the Australian car industry. So our Prime Minister is just as hypocritical as all the leaders that he has chosen to criticise around the world. Eighteen of the 20 countries broke that promise, including Australia—and in our case it was once again the car industry that received the benefits.

There are many, many Australian industries that would love to have a subsidy of $300,000 per job. Think what could happen to the Australian aviation manufacturing sector if there were a $300,000 subsidy for every job in that industry. We manufacture a lot of aircraft in Australia and we do it very well, but we do it with a very lean and competitive industry. We would like to do more. I am proud of the achievements of companies like Gippsland Aeronautics, who have now made around 150 of their GA8 aircraft and are seeking funding to start remanufacturing the Nomad aircraft in Australia. Wouldn’t Gippsland Aeronautics love to have a $300,000 subsidy for each of their workers? They would introduce real new technology. They could become leaders in the avionics and aviation manufacturing sector if they had access to the kinds of support programs that are offered in Australia to the car industry.

Mr Chester—Great company!

Mr TRUSS—I see the honourable member for Gippsland here. We visited the Gippsland Aeronautics factory together. They are a wonderful example of Australians pioneering in a difficult sector with an aircraft that really does a wonderful job. The Jabiru operations in the electorate of the honourable member for Hinkler have sold well over 1,000 aircraft and something like 2,000 engines. They are an entirely Australian produced aircraft, with Australian engines in them as well. Wouldn’t they love a $300,000 subsidy for each of their employees? They would take the world by storm if they had that opportunity. If we go down to Hervey Bay, where the Seabird Seeker is manufactured—about a dozen or 15 of them—Seabird Aviation have had to move a lot of
their manufacturing operations to Jordan—Jordan!—because of the difficulties of being able to operate in this country. Wouldn’t they like a $300,000 subsidy for their workers? The Seabird Seeker would be flying in a lot more countries in the world than it is now if the government were prepared to offer them that kind of support. In your own electorate, Mr Deputy Speaker Scott, the Whitney Boomerang is being manufactured in Kingaroy. Dean Wilson Aviation are battling to get a new training aircraft accepted in the world market. It is a huge investment for a small family business. They have done that. They have got the aircraft operational. But wouldn’t they love a $300,000 subsidy for each of their employees? We could be world leaders in aviation if we were prepared to offer the aviation industry the same support that we give to the car industry. We could be world leaders in chemicals manufacturing, in food processing—in almost every sector—if the government were prepared to give these people a $300,000 annual subsidy, but we have these special arrangements only for the car industry.

I turn to an industry in my own area that would love just a bit of sympathy from the government, let alone a $300,000 subsidy. At the Queensland state election, Premier Anna Bligh promised to create 100,000 new jobs. She, incidentally, drives around in an American Dodge, not an Australian car. Anna Bligh also promised to protect existing jobs by preferring local contractors in tenders to supply publicly funded infrastructure. But, behind the scenes, she has endorsed the tendering on the international market of a $2 billion Queensland Rail contract which will supply 200 new QR trains. Rail is a very significant and important industry in Maryborough in my electorate. Downer EDI Rail in Maryborough employs approximately 600 people and supports at least 1,000 jobs. It is not asking for a $300,000 per job subsidy; it just wants a fair go in competing for a tender to provide trains to the Queensland rail network rather than having the government run overseas seeking to buy Chinese or Indian trains. The company just wants a fair go. It wants some support, and surely it is entitled to it.

Downer EDI has a strong tradition of supplying trains to Queensland Rail, having secured a contract to supply 20 three-car passenger trains valued in excess of $200 million as recently as February this year. Given the successful relationship between Downer EDI and Queensland Rail and Anna Bligh’s public statements about protecting Queensland jobs, it came as a shock to learn that the new $2 billion contract is at risk of going offshore. It is incredible that the Bligh Labor government, with all the trouble that the state is in—its huge debt, its rising unemployment—would send jobs overseas, threatening the livelihoods and families of businesses who rely on Downer EDI jobs, especially when the Premier was so explicit during the election campaign about keeping the jobs in Queensland. Anna Bligh offered jobs as an excuse for her government’s economic incompetence in running up an $85 billion state debt and a $2 billion budget deficit. In the light of the news that a foreign company is amongst those short-listed for this tender and for this process, her excuse seems more like spin, just like her promise to keep the Queensland fuel subsidy.

Downer EDI’s contribution to the Fraser Coast economy cannot be underestimated. They have got a proven track record going back well over 100 years. Downer EDI—or its predecessor, Walkers—built the first trains in Queensland. They built, I think, the first steam engine produced in Australia—it was certainly the first one produced in Queensland. A replica of that train still runs around the streets of Maryborough on weekends and on special occasions as a result of
the tremendous work of local volunteers. They built Queensland’s first steam trains. They built the first diesel and diesel-electric trains. In fact, they have had almost 100 per cent of the market. They built the electric trains and, of course, the tilt train. This is an innovative and progressive company. They succeeded in devising and building a tilt train where companies around the world had failed, and we have this high-standard technology operating in Queensland. They built passenger trains not just for Brisbane. Maryborough trains run on the Perth network and also in Kuala Lumpur, and they have been active in producing products for other places. Wouldn’t they love $300,000 per employee subsidy when they are trying to bid against Korean and Chinese companies to build trains for Queensland?

The government in Queensland is well aware of what is at stake. If Downer EDI lose a contract of this magnitude, which amounts to the loss of decades of work, the factory will simply have to close. At a time when jobs are becoming harder and harder to get, these jobs in a regional centre are so important to maintain. A responsible government would not lose the double standard of providing massive subsidies to car manufacturing plants in Melbourne and Adelaide while allowing major heavy industry, such as the manufacture of trains, to close in regional centres. A responsible Queensland government would understand and act on its obligation to the Queensland economy by supporting local businesses and securing local jobs, but if the Bligh Labor government will not do it then the federal Labor government most certainly ought to. If it can find billions to subsidise the car industry, surely it can give proper consideration to other, innovative manufacturers in this country who are battling against the high costs and the changes to industrial relations in this country in a way that means the loss of flexibility, so increasing the costs to this sector.

The opposition supports the legislation. We are concerned that the car industry depends year in, year out on ongoing government support. It must look forward to a day when it can stand on its own feet and compete fairly and properly with manufacturers in other parts of the world. We commit ourselves to working with the industry to achieve economic self-sustainability and we hope this is the last time that governments have to come into this parliament with major assistance packages through legislation such as this for the car industry.

Mr SYMON (Deakin) (1.37 pm)—I rise to speak in support of both the ACIS Administration Amendment Bill 2009 and the Automotive Transformation Scheme Bill 2009 before the House today in this cognate debate. These bills are a clear and unmistakable sign of the Rudd government’s commitment to stand together and support a local automotive industry that, according to 2007 figures—from the 2009 yearbook Australian Automotive Intelligence—directly employs more than 67,000 Australians. This includes people from my local electorate of Deakin and people from my city of Melbourne—Victoria being a base of automotive manufacturing. Companies such as Holden, Ford and Toyota all operate out of Melbourne and have done for a long time. Of course, they also operate out of other cities in Australia, being based, notably, in South Australia.

The automotive manufacturing industry is one of our major exporters, which earned export revenues of $5.8 billion in 2008 alone. That was from the export of around 159,000 vehicles, both passenger and light commercial. In 2007 the industry had a gross turnover of over $24 billion and, importantly, an R&D spend of $635 million. The passing of these bills would ensure a smooth
transition from the previous Automotive Competitiveness and Investment Scheme, the ACIS regime, to the new Automotive Transformation Scheme, the ATS, commencing in January 2011. I support these bills, as someone who is a Labor Party member, as someone who is committed to supporting jobs in the manufacturing sector and as someone who believes that our next generation of cars needs to be more fuel efficient, more environmentally friendly but, importantly, built here.

As an electrician in years gone by, I have been employed at various times at automotive factories such as Ford in Broadmeadows, at the old GMH plant in Dandenong, at Altona Toyota and at the GMH engine plant at Fishermen’s Bend. They were all good, well-paying jobs at the time. It was a different era. For most of the time there was much more manufacturing then of cars locally. Even though the jobs were hard and dirty they were consistent. There was always ongoing work at the car factories. It is important that there is that sort of continuity and support for people who are after jobs who have skills. Sometimes there is not much work happening in other sectors of the economy, but there has always been that fallback for some skilled trades in the automotive industry.

What is often forgotten when discussing jobs in any particular sector or industry is the flow-on effects for contract services and supplies and, as I said, in the automotive sector particularly for skilled tradespeople. It flows down the line. It flows back to the local workshops that do metalwork, fitting services or electrical switchboards, for instance, that are supplied to automotive manufacturers every time a production line is rejigged or changed or a new one put in place. There are also maintenance workers at those plants. The plants in Melbourne, both Ford at Broadmeadows and the GMH engine plant at Fishermen’s Bend, have large teams of maintenance staff to ensure that things do go right and that they operate at maximum capacity.

Component manufacturing and design is the other side that is associated with the industry. Many companies, especially in suburbs, are not what you would regard as heavy-manufacturing suburbs but are light industry suburbs, do work, do design and do produce components that are not only used by car manufacturers here in Australia, particularly in Melbourne, but are also exported to other countries in the world. Just as the FX Holden was the first car for Australians, produced by Australians, this bill will ensure that Australians will keep producing Australian cars and components for markets not only in Australia but, as I said, across the world for years to come.

As members may be aware, $3.4 billion ATS was a key recommendation of the government commissioned review of the automotive industry, popularly known as the Bracks review. Of the then proposed ATS, the honourable former Premier of Victoria, Mr Bracks, said:

In particular, the Review recommends that the existing Automotive Competitiveness and Investment Scheme be reformed into a new Global Automotive Transition Scheme, which supports greater innovation through enhanced research, development and design.

He continued:

The emphasis on exports of assembled vehicles and component parts is also reinforced, noting that the Australian automotive industry is crucial to our worldwide trading position.

The automotive industry, from the local producer manufacturing hinge components for car doors in Bayswater North in Victoria to the Holden Commodore that rolls off the line in Elizabeth, South Australia, is a key employer in these states and across the nation. Supporting this industry and insisting on innovation in this industry is about jobs. That
is the bottom line: jobs now, jobs in the future.

These bills will amend the current ACIS and replace the current ACIS regime. The ATS will include a shift from an import credit based transfer of payments to a grants system. This change was requested by the manufacturers—a clear sign that this government is willing to work with and listen to the stakeholders in the industry, delivering a package of government assistance that supports manufacturers and, in turn, supports local jobs. Importantly, the government will also boost the maximum rate of assistance for eligible research and development from 45 per cent to 50 per cent—again, done as a result of industry feedback, aimed at strengthening the focus of manufacturers on research and development.

This is a 10-year plan. The ATS will include secure funding streams from its beginning in 2010 until its planned conclusion in 2020. Capped assistance will be $1.5 billion for 2011 to 2015 and then a further $1 billion from 2016 to 2020. It is this capped assistance that will provide the much needed certainty to local car manufacturers throughout the coming decade.

There are, of course, some common-sense strings attached to this assistance. Manufacturers will be required to show that they are improving environmental outcomes and, importantly, the development of better workplace skills and capabilities. This is one of the reasons that the Australian Manufacturing Workers Union supports this legislation. There are tens of thousands of jobs on the line, and there are opportunities for the up-skilling of the workforce. The five per cent increase in the eligible assistance rate is also expressly aimed at increasing our export capabilities and boosting productivity.

In supporting the industry but also insisting on a move to less-polluting vehicles and more productive manufacturing processes, the Rudd government aims to future-proof the industry to ensure its long-term viability. The Rudd government believes in sensible trade liberalisation, but it will encourage the local car industry to modernise as one of only 15 concept-to-completion car-producing nations in the world. We can do this by changing tack and developing a more modern industry that is well placed to capitalise on its proximity to markets such as India and China.

We are all aware of the effect that the global financial crisis has had across the world as credit has dried up and economies have shrunk. The automotive industry globally has been hit hard, with no greater examples than the short-term bankruptcy of Chrysler and then General Motors filing for bankruptcy in the United States in June this year. The Obama administration in the US has changed its approach in how it has dealt with automotive companies, compared to US administrations of the past. As part of dealing with the problems that came to the surface in the US, it ordered both companies to reform work practices, modernise their approach to environmental impacts and, especially, look at the fuel efficiency of their finished products. The Obama administration made a range of commitments, including money for the development of cheaper batteries for electric cars, tax credits for the retooling of factories to build plug-in vehicles, and tax offsets—all aimed at fostering modernisation.

Thankfully, in Australia we are not facing the complete collapse of our major producers, as was almost the case in the US, but a good government can see that it is better to prevent rather than cure the ills of its major industries. The composition of the global car industry is changing as well. For the first time, China has overtaken the United States as the second biggest car producer, as more
plants across the US are set to close, with estimates showing that up to half the existing plants in the US will close in the coming years.

In 2008, more than 70 million motor vehicles were produced worldwide. Certainly, due to the effects of the global financial crisis, that number will be smaller in 2009, but, going forward, one would hope that it does pick up and that the industry also picks up with that increase in demand. Changing attitudes and rising fuel prices have seen diesel car sales rise sharply in Europe. Legislative changes in California have spawned a shift to hybrids and especially driven a new interest in electric cars in the US. The threat of climate change has seen people change their preferences when buying a new car. People are moving to smaller cars with greater fuel efficiency and fewer cylinders or better engine management controls. The Australian car industry needs to shift with these changes, and the government needs to help it do so as quickly as possible.

I want to also take this opportunity to remark on our Green Car Innovation Fund. Many years ago, the then Minister for Industry and Commerce, John Button, put forward the motor industry development plan known to many as the Button plan. That helped kick-start a rise in exports and greater efficiency in the industry back in the 1980s. For instance, the number of vehicles exported from Australia in 1988 was a grand total of 1,921, some 150,000 vehicles fewer than were exported from Australia in 2008. Again it is left to a Labor government, some 25 years later, to usher the Australian car industry into a new era, and the Rudd government is doing so through the introduction of the Green Car Innovation Fund.

The fund includes a $1.3 billion investment over the coming decade, targeted specifically at boosting the environmental performance of our locally produced vehicles. The ATS requires improved environmental outcomes; the Green Car Innovation Fund will help the industry deliver it. This funding is not just for producers but also for component makers and, importantly, our local researchers and developers. Importantly, this funding will operate on a funding basis of one dollar to every three dollars, ensuring that we as a government are supporting and bolstering research and development, all aimed at multiplying the value of our initial contribution. As I remarked before, trends in consumer preference are changing. This fund will help the industry place itself front and centre in the development of new, more fuel efficient technologies, particularly with a focus on export markets.

When discussing issues of climate change, which I note have been a popular topic round here lately, the issue of the creation of ‘green-collar’ jobs comes up with people that I talk to. It is government initiatives such as these that will help develop a viable green-collar job base in this country. Ongoing increased demand will then lead to more employment opportunities. This fund in particular is part of a much wider commitment on the part of the government to tackle climate change. The Minister for Innovation, Industry, Science and Research, Senator Carr, put it quite plainly:

“Labor’s new car plan is a car investment scheme and companies will not get any benefit unless they undertake new economic activity,” he said.

“Therefore, there is a direct link between the level of assistance and the level of economic activity.”

In conclusion, the Rudd government is committed to stand with and support a local car industry that directly employs more than 67,000 Australians. We stand with an industry that is also one of our major exporters, major employers and major drivers of research and development. The ATS, along with amendments to the ACIS, will bring the
automotive industry forward into a new era of more modern, internationally competitive, greener domestic motoring options. In time, I am confident that future generations may look back upon this scheme as some look back upon the Button scheme and say to themselves, ‘This was the point where we set up the automotive manufacturing industry in Australia on an economically sustainable footing.’ I commend the bills to the House.

Mr BRIGGS (Mayo) (1.52 pm)—I also rise to speak on the Automotive Transformation Scheme Bill 2009 and a related bill. I follow the member representing the Electrical Trades Union in this place and I acknowledge that that member has had a bit to do with the car industry over time. He mentioned some of that at the beginning of his speech, and I am sure he also had ETU members that he used to service in the car industry as well, being, of course, the member who represents that union for those on the other side.

I rise today as a member from South Australia to talk about what is an important industry in our state, although in Mayo we do not have a car manufacturing plant or component sector. The member at the table, the member for Boothby, used to have in his electorate a more significant car manufacturing and components industry and would be able to talk about his experience on this issue, I am sure, a lot more thoroughly than I could.

However, what I want to say about this bill is that I think it is important that this country starts to take stock of how much money we are actually spending on this industry and whether we are getting the value for money that we expect. Prior to my position here, I had some involvement in the former Prime Minister’s office, looking after the issues related to this industry. It is a complicated industry that employs many Australians. It is an industry which has a significant structural basis, particularly in Melbourne and Adelaide. In the northern part of Adelaide, the Holden plant and the related component sector employ many thousands of people and it is a very important part of that economy. However, the question that we must ask ourselves—given that this government has taken us from a position of having no debt 18 months ago, zero debt, to a position where we have $315 billion of debt, 15 per cent of our GDP, all lined up—is whether these are some of the issues that we need to start considering going forward. We need to ask whether we are, as a country, able to afford this amount of money. It is $3.4 billion over a decade, not including the $1.3 billion for the so-called green car fund, which is a fascinating concept they have established, a very clever hollowmen type term. You have to wonder whether we can as a country afford that $5 billion over 10 years, given that we have significant debt to pay off, substantial debt, all because of the reckless spending of this government—ill-thought-through decisions to hand out $900 cheques, which is borrowed money, to everybody. That will genuinely impact on our ability as a country to respond to these sorts of industries with such large amounts of money.

I come from South Australia, and, over the last 10 years, South Australia has restructured the base of its economy quite substantially, largely due to the hard work done by Dean Brown, John Olsen, Rob Lucas and Stephen Baker, who had to rescue the South Australian economy and budget from the disaster that was left by the South Australian Labor government in the early nineties. We restructured so that it was no longer ‘a rust bucket economy’—as it was formerly described. It is now a highly skilled economy. We have light manufacturing. We are focusing on the defence industry. Obviously our wine industry is the best in the world. We no
longer rely wholly and solely on this industry to be our No. 1 mainstay, as we did in the past. That was, as I said, because of the work of the South Australian Liberal government, in conjunction with the work of the former Howard government.

So, in relation to this bill, the opposition has moved several amendments on the amount of money spent, trying to put into this bill a better outlook or overview of how the money is being spent, trying to get some value and trying to ensure that the Australian taxpayer—including people in the gallery today, who I am sure care deeply about the spending of over $4 billion on this industry—is getting value for money, because there have been questions over time, I think, about the value we have got from the support to this industry.

It is important that we ensure the money that we are spending on this type of industry assistance is worthwhile, because it will be a difficult issue for us going forward. Higher taxes will no doubt be part of the strategy to pay back the large level of debt left by this Labor government to future generations. We have seen over the last couple of days in this place that the Treasurer and the Prime Minister will not rule out new taxes to pay off the very large debt that we are building up.

Mr Albanese interjecting—

Mr BRIGGS—There’s Albo—Gollum. He is chatting away.

The DEPUTY SPEAKER (Hon. BC Scott)—The Leader of the House will not interject while out of his seat.

Mr BRIGGS—Mr Albanese has a lot of familiarity with this industry, of course, because of the AMWU, the union that he is from—although not so much in New South Wales, because there is not so much of a car industry there.

We do have to put some analysis into the amount of money we are spending on this industry. Because of the large amount of debt that this government has built up, we will not be able to spend like we have in the past, when we managed the economy properly, when we managed the economy well. Let us not forget that we left this government 18 months ago with no net debt. Now we find we have $315 billion in debt, and it will reduce the amount of money that can be spent on industries such as this. It will mean higher taxes. It will mean a very difficult time ahead for the Australian economy.

This is a large amount of money. That is why we have moved these amendments: to have some better analysis of government spending on this. So it is very disappointing that Senator Carr has walked away from the negotiations we were undertaking with him on this bill. We wanted to have strong analysis of how this money was being spent to ensure it was being spent well. I think there is great concern in Australia, and certainly in the South Australian constituency of mine, that this money is not just wasted and that we are getting value for money. There certainly has been a perception in the past that the amount of money being spent on this industry has not been worthwhile or has not achieved what it was setting out to achieve. There is the analysis by the Productivity Commission that suggests that it costs $300,000 per job in this industry, which is an extraordinary amount of money. It is an extraordinary amount of money per job to be supported.

Mr Speaker, I will get us through the remaining 30 seconds before the beginning of question time, by reminding the House and everyone present that one of the reasons we need to do this is the debt that has been raised by this government, which is the highest level of debt we have ever seen, all because of the ill-thought-through, badly
planned spending decisions of this government.

The SPEAKER—Order! It being 2 pm, the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour 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 as he is in China, on behalf of the Australian government, witnessing the signing of a $50 billion gas deal for Australia. The Minister for Trade will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Taxation

Mr TURNBULL (2.00 pm)—My question is to the Treasurer. Will the Treasurer confirm that his department has been modelling increases to personal income tax, including a three per cent surcharge? Are any of these secret income tax increases still under consideration by him?

Mr SWAN—Here we go again with the fear campaign. It is so, so predictable. I have seen those reports today, and it is the case that it is longstanding government practice to not comment on any matters that may or may not have gone to cabinet. Insofar as there are some proposals in the paper today, they were not adopted. What is this all about? This is about those opposite who are so embarrassed by their vote against stimulus, so embarrassed about their opposition to the bank guarantee and the term funding guarantee that all they have got left is a grubby fear campaign. The government is looking to the long-term national interest, through the Henry review—a comprehensive examination of the tax system. I am not going to be in the business of ruling anything in or out, but the one thing I can absolutely predict is that there will not be an alternative fiscal policy put forward in this House by those opposite. What we will get is a daily diet of fear and smear, because they are masters of misjudgement. When their country needed them to show some unity and maturity in this House, where were they? Negative—they are completely negative on everything they do. A fear campaign is no substitute for a policy.

Liquefied Natural Gas Exports

Ms JACKSON (2.03 pm)—My question is to the Prime Minister. Will the Prime Minister update the House on recent announcements in the resources industry and the benefits for Australia?

Mr RUDD—I thank the honourable member, who proudly represents a constituency in the great state of Western Australia in the Commonwealth parliament. Last night in Beijing, ExxonMobil and PetroChina signed Australia’s largest ever export deal—a $50 billion contract to supply liquefied natural gas to China. This agreement will provide the basis for the creation of thousands of jobs and will also inject billions of dollars into our economy. This announcement helps bring the Gorgon project to the verge of reality, although as I have mentioned a number of times in this place, the Minister for the Environment, Heritage and the Arts still has some processes to conclude—as he should.

Gorgon would be the largest resources project ever undertaken in Australia. It would create an estimated 6,000 jobs during its peak construction and an estimated 3,500 jobs during the operational life of the project. It would boost WA gross state product by four per cent and provide tens of billions of dollars in revenue for all Australians. I congratulate ExxonMobil and the Gorgon part-
ners, Chevron and Shell, on the progress Gorgon has made to date, and I look forward to seeing the project being brought to a conclusion subject to the completion of environmental processes.

The global economic crisis notwithstanding, we are on the threshold of an unprecedented expansion of the LNG industry in Australia. As I told the House yesterday, Chevron is moving toward the further development of its Wheatstone gas project to the south of Pluto. The Japanese company INPEX, in partnership with Total, is progressing with the Ichtyys project in Darwin. Woodside’s Pluto 1 project is scheduled for completion and will produce its first gas by the end of next year, with exports to Japan commencing in early 2011. I am pleased to advise the House that the CEO of Woodside, Don Voelte, has just announced that Woodside will proceed with front-end engineering design work for stages 2 and 3 of the Pluto project. An expansion of this magnitude would involve an investment of around $20 billion and would generate around 3,500 jobs.

Elsewhere in LNG development, we also have major projects centred in and around Gladstone, so ably represented in this parliament by the member for Flynn. We are proceeding with projects in that part of Australia as well—projects including the Australia Pacific LNG, which is a joint venture between Origin and ConocoPhillips; the Gladstone LNG, which is a joint venture between Santos and Petronas of Malaysia; Curtis Island LNG, which is operated by the BG Group with an interest from CNOOC of China, and is aiming to have first LNG in 2013; and LNG International is establishing a smaller project at Fisherman’s Landing, aiming to have the first LNG in 2011-12. So not just in Western Australia but also in Queensland, this government is providing every level of possible support it can to bring about these future great economic development opportunities for Australia.

Despite the global financial crisis, it is good to see these investments representing confidence in the Australian economy for the long-term future. Of course, each of these projects involves investment in significant private sector infrastructure. In recent times, of course, the public sector has had to step up to the plate because of the withdrawal of private sector investment activity, and we have seen already from the data produced the extent to which our investment strategy in public infrastructure will roll out in the one, two and three years ahead.

The nation at large is working together in dealing with the great crisis and challenge represented by the global economic recession, because nearly all people in this country recognise that we are all in this together. Governments Liberal and Labor—Labor government in Canberra, Liberal government in Western Australia—as well as business, unions and the entire community are behind the government and behind the nation, trying to make a difference in reducing the impact on Australian jobs, small business and the economy brought about by the global economic recession.

We also as a government face the long-term challenge of how we partner with the private sector in planning best for our long-term infrastructure needs and our long-term skills needs. The great lesson which came out of previous mining booms was as follows: great pressure being placed on our infrastructure and great pressure being placed on our skills. In the government’s first year in office, part of the reason for establishing bodies like Infrastructure Australia and Skills Australia was that it put us in a better position to plan for the rollout of infrastructure long term and for the skills formation we need long term as well. If you aggregated all
these projects and the skills demand they have for the Australian economy long term, we must do a better job as a nation in bringing all those skills on stream.

The country at large is celebrating this project today but also the confidence we see writ large across the LNG sector, but can I say that unfortunately again we have negative comments from various of those opposite today. In fact, we had Senator Joyce going out there and, I believe, talking about Chinese ownership in the resources sector. He says:

I’ve got big problems about their ownership of resources in the ground in Australia and the resources not only in the ground in Australia but also in the territory that is controlled by Australia.

That is Senator Joyce today, a day when we have a $50 billion contract signed with China. We had that comment, presumably representing opposition policy on their hostility towards Chinese participation in resource development in Australia in the future. On top of that, when we have this good development for the Australian economy we have the shadow Treasurer going out there and saying it is time for the government to roll back its investment in the nation’s infrastructure. The reason why we have confidence in the future on the part of so many Australian companies is that government is stepping up to the plate to do its part in partnership with the private sector, because we earnestly believe that we are in this all together—private sector, public sector and governments at both levels making a long-term difference for the Australian economy. I say to those opposite: stop talking the economy down and help us build the Australian economy up.

**DISTINGUISHED VISITORS**

The SPEAKER (2.10 pm)—I inform the House that we have present in the gallery this afternoon the Honourable Ranil Wik-remesinghe, Leader of the Opposition and former Prime Minister of Sri Lanka. On behalf of the House I extend to him a very warm welcome.

Honourable members—Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Workplace Relations**

Mr KEENAN (2.10 pm)—The coalition welcomes the Gorgon and Pluto announcements. My question regarding them is to the Minister for Employment and Workplace Relations. Will the minister guarantee that LNG projects in Western Australia will not be disrupted by union activity—

Government members interjecting—

Mr Crean interjecting—

The SPEAKER—Order! The member for Stirling has the call and those on my right will come to order—especially the Minister for Trade.

Mr KEENAN—given that the Woodside Petroleum Pluto site has been subject to more than 150 union right-of-entry requests, including from Kevin Reynolds, Joe McDonald and the CFMEU, over the past five weeks?

Ms GILLARD—What this question indicates is that the Liberal opposition hates good news. It hates good news about the employment of Australian workers and, because it hates good news about employment, when it had the opportunity in this parliament to support Australian jobs it came in here and voted against our stimulus package—voted against the jobs of Australians. I say to the members opposite: I know that if they were in my position on this side of the chamber they would be up now, saying all of this investment was a vindication of Work Choices. That is what they would have said if they were in government today. They would have got up here and said the only reason money is being spent is because of Work Choices.
Mr Pyne—Mr Speaker, I rise on a point of order. Under the standing orders of relevance, the Deputy Prime Minister was not asked about the good-news announcement today but, in fact, asked about the level of union harassment in the last five weeks—thirty a week.

Mr Albanese interjecting—

The Speaker—The Leader of the House will withdraw.

Mr Albanese—I withdraw.

The Speaker—I have to say that the most irrelevant things that I have heard during this question and answer have been the interjections by nearly 50 per cent of the House.

Mr Pyne interjecting—

The Speaker—I will give the butterfly stamps afterwards! I say to the member for Sturt that it would assist in my adjudication of the response if I could actually hear it. I will listen carefully to the Deputy Prime Minister. The Deputy Prime Minister has the call and she is responding to the question.

Ms Gillard—I was asked about workplace relations and the Gorgon project. I am answering it and I am making the very simple point that, if the Liberal Party had still been in government, they would have said this was a vindication of Work Choices.

Ms Julie Bishop interjecting—

Ms Gillard—What, in fact, this shows is that you can have fairness and prosperity. I know those sitting opposite do not believe in that, because they never believed in fairness for Australian working people and they never will. If they ever return to this side of the House then Work Choices will be back five minutes later. We all know that. We know that they do not believe in fairness for Australian workers.

On the question of union representation arrangements under the Fair Work Act, as the shadow minister should know, if he had read the Fair Work Act, it is of course possible to get representation orders. That is a facility available under the act, should any employer in the country feel that they need a representation order in order to deal with union demarcation issues. That is available to employers right around the country.

Ms Julie Bishop interjecting—

Ms Gillard—The Fair Work Act enables people to make their own choices about whether or not they want to be members of the union.

Ms Julie Bishop interjecting—

The Speaker—Order! The Deputy Leader of the Opposition will resume her seat.

Ms Gillard—The Fair Work Act enables people to make their own choices about whether or not they want to be a member of the union, and that is the right thing—

The Speaker—The Deputy Leader of the Opposition on a point of order?

Ms Julie Bishop—Yes, on a point of order—thank you, Mr Speaker. The Deputy Prime Minister was directing her answer to the Gorgon project. It was specifically about Pluto, where there have been 150 requests for right of entry in five weeks.

The Speaker—The Deputy Leader of the Opposition will resume her seat.

Mr Crean—Didn’t you listen to the preamble?

The Speaker—The Minister for Trade might think he is helping me, but he could remain silent too, which would be helpful.
There was, again, the problem where we had a preamble that mentioned certain matters; they then become relevant to the question. That has been a standard ruling from the Presiding Officers over several parliaments.

Ms Julie Bishop—She is talking about Gorgon, not about Pluto.

The SPEAKER—The Deputy Leader of the Opposition is warned!

Ms GILLARD—I am making the very simple point that on this side of the House and through the laws we have delivered, we deliver to the Australian people a free choice to decide whether or not they want to be members of a union. I would have thought anybody who believes in democracy believes in that, but clearly the Liberal opposition do not believe in that proposition. Indeed, when they were in government that is the way they acted. In 2007 Australians around this country made a decision that they wanted fairness and decency at work. I acknowledge in the gallery today members of the Liquor, Hospitality and Miscellaneous Workers Union, who fought for fairness and decency at work, and now they can see firsthand the anti-work rabble they got rid of.

An incident having occurred in the gallery—

The SPEAKER—Order! The gallery will come to order.

Economy

Ms REA (2.18 pm)—My question is to the Treasurer. Will the Treasurer outline for the House the important role stimulus is playing in propping up investment in our economy until private sector investment returns?

Mr SWAN—I thank the member for Bonner for that very important question. One of the areas where the global recession is hitting Australia’s economy hardest is, of course, in business investment. The last national accounts showed that new private business investment fell by 6.3 per cent in the March quarter. That is the largest single quarter fall in the 23-year history of the series. The latest ABS capex survey found that expected investment in 2009-10 was 11.7 per cent below the equivalent estimate for 2008-09. Of course, it is the government’s economic stimulus that is filling this gap. It is absolutely critical to support business. It is absolutely critical to keep the doors open in thousands of small businesses. It is absolutely critical to support employment. Of course, 70 per cent of our stimulus spending will go to infrastructure. It will employ thousands of trades. It will reverberate right through the supply chain. The latest Access Investment monitor found that, of 118 new projects announced in the June quarter, 104 came from the public sector.

Under the previous government, public investment spending averaged a miserable 3.9 per cent of GDP—two-thirds of the rate that the Hawke and Keating governments delivered. This was a period of neglect that left us with a huge infrastructure deficit. The Rudd government have set about redressing that imbalance. We are making massive investment in health, education, transport, clean energy and so on. These investments, as I said before, are critical for small business, trades and contractors. Growth around the world this year is heavily dependent on the monetary and fiscal stimulus which is being delivered by governments around the world, including ours. A large proportion of the growth next year will come from inventory restocking, as firms around the world rebuild inventories that they ran down during the global contraction.

The challenge will be: where will the impetus for growth and investment come from after that? Of course, that is where this Gorgon investment is so important. This $50 billion investment is important because it is
an investment for the long term. It is an investment which will enable us to take our share, or a larger share, of earnings from the growth of Asia. So it will deliver more investment, more jobs and more profits to Australian industry. That is why we welcome the news. It does say a lot about our economic prospects. I certainly congratulate all of the partners, because we on this side of the House welcome the good news. We welcome the good news, but all those on the other side can do is talk the economy down. We on this side of the House will get on with the job of investing in the nation for the future.

Taxation

Mr TURNBULL (2.23 pm)—My question is to the Treasurer. Now that the Treasurer has confirmed that the cabinet this year considered an income tax surcharge but, as he said, it was not adopted, can he rule out any such increases in income tax during the term of this government?

Mr SWAN—As I said before, the Henry review is comprehensive, and we are not going to play their silly, childish game of ruling in or ruling out. But what we can do is have a comprehensive discussion in this House about taxation: what has happened in the past and what could happen in the future. So I welcome questions from the Leader of the Opposition about taxation, because it is pretty hard to put your finger on what the alternative tax policy of the opposition is. We heard yesterday about the Leader of the Opposition’s 289 proposals. I am told it was originally 290 but they could not count and left one out—

Mr Dutton—Mr Speaker, I raise a point of order on relevance. The question went to a document that was taken to cabinet. It had nothing at all to do with the Ken Henry review.

The SPEAKER—The Treasurer is responding to the question.

Mr SWAN—We on this side of the House do read all the statements from those over there closely and we have been on the lookout for a tax policy. We know the policy delivered by the Leader of the Opposition when he was shadow Treasurer—

Mr Turnbull—Mr Speaker, I rise on a point of order on relevance. The question was very specific. It asked about a particular proposal to increase income tax, which the Treasurer had said had gone to cabinet but had not been adopted. It was not an invitation to talk about other tax papers.

The SPEAKER—The Treasurer will relate his material to the question.

Mr SWAN—Yes, Mr Speaker. It was a question about tax policies, and when I was interrupted by the Leader of the Opposition I was referring to the 289 or 290 proposals that he had put forward four or five years ago. But there have been some more contemporary statements.

Mr Turnbull—A point of order, Mr Speaker: the Treasurer is defying you.

Government members interjecting—

The SPEAKER—The Leader of the Opposition will resume his seat. As I indicated to the member for O’Connor last year, I can arrange for some of the people on my right who wish to commentate during question time to be given a position up in one of the soundproof booths. I will listen carefully to the Treasurer’s response. I have invited him to relate his material to the question, but give him more than two or three seconds to get underway again.

Mr SWAN—Mr Speaker, it was a question about the 2009 budget and it was a question about tax and what the government may or may not do in that context and policies more generally in that context. It is not every day when you are the Treasurer of Australia that you get a birthday present from your
opposite number, but I am pleased to tell the House that on 30 June this year the shadow Treasurer did give me such a birthday present. He attended a business function, I think in Sydney, and he made this statement. When he was asked a question about whether he would abandon the 2009-10 tax cuts, he said—

Mr Pyne—Mr Speaker, I rise on a point of order. It is not open to the minister to redefine the question the way he wishes to do so. He was asked a very specific question and he has to either—

The SPEAKER—The member for Sturt will resume his seat. On the matter of relevance I will listen carefully to the Treasurer.

Mr SWAN—I know the Leader of the Opposition does not read all of the statements from 'sloppy Joe' over there, but he ought just to look—

The SPEAKER—The Treasurer will withdraw so we can move on but also he will engage in the question, not engage with the frontbench of the opposition.

Mr Laming—Set a better example, Mr Swan.

Mr SWAN—I withdraw, Mr Speaker. When asked a question about his policy for the 2009 budget and what, when it came to tax, he would do, he said he would have considered cancelling them as part of the mix. This was a question about what we considered or did not consider in the lead-up to the budget and, as I answered before, these matters came forward in that process and they were not adopted.

Mr Laming interjecting—

Mr SWAN—But what we on this side of the House are very serious about is a comprehensive review of our tax system. It goes to the very core of the attractiveness of this country as a place for investment; it goes to the very core of the living standards of every worker in this country. We will not be stopped by those opposite from having a comprehensive review and we are not going to play their silly political games in this House when it comes to something as fundamental as long-term tax reform.

**Liquefied Natural Gas Exports**

Ms PARKE (2.29 pm)—My question is to the Minister for Trade, representing the Minister for Resources and Energy and Minister for Tourism. Will the minister advise the House on the sale of Gorgon liquefied natural gas to China? What are the trade and economic benefits flowing from this deal?

Mr Laming—Not the same question again, Simon!

The SPEAKER—The member for Bowman is warned.

Mr CREAN—I thank the honourable member for her question. Obviously, the benefits from this deal are huge—huge not just for Western Australia but huge for the nation. The other side does not want to hear about this. This is the problem with them. They would prefer to have a circumstance in which they are talking the economy down rather than welcoming the single biggest trade deal in Australia’s history. That is what we are recognising today: $50 billion in sales on top of $25 billion that was announced recently for India. These two deals obviously bring the Gorgon project a lot closer to completion. There are, of course, processes that have to be completed, but the government’s decision the other day to support the sequestration measures have been a significant factor in this, too. The Gorgon project as a whole is worth $300 billion in sales over the next 20 years. So this is huge. The project itself will be 6,000 jobs.

Opposition members interjecting—

Mr CREAN—Do you want to hear about this or do you just want to cackle away from...
thereabouts? There will be 6,000 jobs at the peak of construction and 3½ thousand direct and indirect jobs in addition, because there is $33 billion in purchases of Australian goods and services going into the inputs of this exercise. Revenues to the Commonwealth budget alone will be $40 billion over the course of the next 20 years. We are hearing questions all the time about where the money is coming from and when we are going to move back into surplus. Just have a look at the impact of this single deal—the single biggest trade deal in Australia’s history. But, more than that, what this deal does—

Mr Haase interjecting—

The SPEAKER—The member for Kalgoorlie!

Mr CREAN—No, a lot of people deserve credit for this—

Mr Haase interjecting—

The SPEAKER—The member for Kalgoorlie!

Mr CREAN—but I think we on this side of the House—

Mr Haase interjecting—

The SPEAKER—The member for Kalgoorlie! The Minister for Trade will resume his seat. It would be better for the House if you chose voluntarily to go because I do not think that somebody trying me on just for one hour shows a concern about the level of the punishment. I warn the member for Kalgoorlie. Regrettably, that then means that he has to transgress before any action can be taken. I think the problem is that people see the use of the one hour as not being something that they should see as a badge of dishonour but as a badge of honour. I regret that is the way it has developed.

Mr Haase—Mr Speaker—

The SPEAKER—The member for Kalgoorlie on a point of order.

Mr Haase—Mr Speaker, I will gladly leave this place on the basis that I am sick of hearing this government pontificate about their creation of the wealth of the west.

The SPEAKER—I name the member for Kalgoorlie.

Mr ALBANESE (Grayndler—Leader of the House) (2.33 pm)—I move:

That the member for Kalgoorlie be suspended from the service of the House.

Question put.

The House divided. [2.38 pm]

(The Speaker—Mr Harry Jenkins)

Ayes………… 77
Noes………… 58
Majority…… 19

AYES

Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.S.
Butler, M.C. Byrne, A.M.
Campbell, J. Champion, N.
Cheeseman, D.L. Clare, J.D.
Collins, J.M. Combet, G.
Crean, S.F. D’Ath, Y.M.
Danby, M. Debus, B.
Dreyfus, M.A. Elliot, J.
Ellis, A.L. Ellis, K.
Emerson, C.A. Ferguson, L.D.T.
Fitzgibbon, J.A. Garrett, P.
George, J. Gibbons, S.W.
Gillard, J.E. Grierson, S.J.
Griffin, A.P. Hale, D.F.
Hall, J.G. * Hayes, C.P. *
Irwin, J. Jackson, S.M.
Kelly, M.J. Kerr, D.J.C.
King, C.F. Livermore, K.F.
Macklin, J.L. Marles, R.D.
McClelland, R.B. McKew, M.
McMullan, R.F. Melham, D.
Murphy, J. Neal, B.J.
Neumann, S.K. O’Connor, B.P.
Owens, J. Parke, M.
Perrett, G.D. Plibersek, T.
Price, L.R.S. Raguse, B.B.
Question agreed to.

**The SPEAKER**—Order! The member for Kalgoorlie is suspended from the service of the House for 24 hours.

**Mr Tuckey** interjecting—

**Honourable members** interjecting—

**Mr CREAN**—As I was going on to say before I was rudely interrupted, not only is this a significant deal in terms of the development itself; it is a significant statement about our relationship with China. This is a relationship that those on the other side either talk down or, as we have seen here today, try to shout down. Then we saw the most unedifying spectacle of the lot: the member for O’Connor barking instructions to walk out in front of his leader, and his leader coping it. What sort of discipline are you leading? What sort of rabble are you in charge of?

**Opposition members** interjecting—

**Mr Pyne**—Mr Speaker, I rise on a point of order. Surely there is no better example of an answer not being relevant to the question than the Minister for Trade going off on a run in the park on his own on a subject that has nothing to do with the question that he was just asked.

The **SPEAKER**—The Minister for Trade will respond to the question through the chair.

**Mr CREAN**—I am happy to continue to respond, because—

**Government members** interjecting—

**Mr CREAN**—I do not know whether those members who walked out have been called back in or shamed back in.

**The SPEAKER**—Order! The minister will not be distracted or provoked.

**Mr CREAN**—This deal entrenches and underpins the significance of the relationship between Australia and China—something we have been proud to promote, unlike those on the other side. We have to understand the
fundamental interdependency between China’s and Australia’s economies. It is vital to the future development of both economies. It is something that we should never be afraid of. It is something that we should be proud to advance, and we should stand tall in terms of what we have to offer. This deal today shows what we have to offer. This deal today shows a government that is prepared to do what is necessary to support the realisation of the potential of our resource base. We recognise what Western Australia has had to do but, without the decisions this government took, this would not have happened.

**Taxation**

Mr HOCKEY (2.44 pm)—My question is to the Treasurer. I remind the Treasurer of his own words in this place, and I quote:

…we had to set about putting some fairness into the taxation system. We had to set about taxing fringe benefits. We had to set about bringing in a capital gains tax.

Given that the Treasurer has now admitted that cabinet is considering tax increases, and not just the Henry review, does the Treasurer still believe that fairness in the tax system is new taxes like capital gains tax and fringe benefits tax?

Mr SWAN—That question from the shadow Treasurer just demonstrates that what we have got over that side of the House is a leaderless rabble that do not whether they are coming or going. We have a comprehensive review, through Dr Henry, of the tax system. Their only contribution to this debate is to come into this House and try and whip up a fear campaign, and they want to do that on the day when we have one of the most significant projects in Australia’s history going forward, worth something like $50 billion. Of course the misjudgement or the lack of judgment of the Liberal Party, and in particular the shadow minister, has been on display in our discussion about the importance of today because everyone in this House should be celebrating what is going on with this project—the enormous investment, jobs and prosperity that it will bring this country beyond the global recession.

For the shadow Treasurer to go out in his doorstep interview this morning and compare this project to shopping for the weekly groceries at Woolworths or Coles is simply outrageous, and it shows what a lack of judgment the Liberal Party have and how they are only interested in scoring political points. They are not interested in the national interest. This is what the shadow Treasurer had to say this morning when he was at the doorstep interview. He said:

I’m always prepared to buy something from a vendor—

He goes on to ask whether that means you are friends with them:

… When you go shopping do you develop a friendship with a Woolies person or a Coles person?

This is what he said in answer to a question about Gorgon.

The SPEAKER—The Treasurer must relate his material to the question.

Mr SWAN—If the shadow Treasurer thinks that Gorgon bears some relationship to shopping for bread and milk at Woolies or Coles then what that demonstrates is a massive lack of judgment. We came into this House yesterday and described those opposite as masters of misjudgement. It has been demonstrated time and time again.

Mr Hockey—Mr Speaker, I rise on a point of order. I asked the Treasurer a simple question about tax increases considered by the government, including previous statements on fringe benefits and capital gains tax. I would ask you to bring the Treasurer back to reality.
The SPEAKER—The Treasurer will relate his material to the question.

Liquefied Natural Gas Exports

Ms LIVERMORE (2.48 pm)—My question is the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. Will the Deputy Prime Minister outline for the House the impact that the Gorgon liquefied natural gas project will have on training?

Ms GILLARD—I thank the member for Capricornia for her question, and I know she is someone who very much focuses on education and training in her electorate. Today we are of course acknowledging the positive impacts of the Gorgon project for this country, and amongst those positive impacts is the direct employment of many highly skilled Australians. This is a project that will see employment in Western Australia, at the peak of construction, of around 6,000, with more than 3,500 direct and indirect jobs. This is a project that will need people with a variety of skills. It will need builders, welders, boilermakers, plumbers and electricians. It will need professional engineers. Because the project and construction is occurring on Barrow Island, it will require a maritime workforce with all of the skills associated with being in the maritime industry. This will require operations staff who are trained in LNG operations to staff the project at Barrow Island. And of course that skilled labour will not just be supported in direct employment by this project; this project will assist with training the skilled labour of the future.

We know that currently in the mining industry in Western Australia there are around 630 Australian apprentices, and through this project and new investment we will see more—more apprentices developing the skills that this nation needs for its future. Supporting Australian apprentices is of course at the forefront of this government’s policy. We want to make sure that we are investing in skills today so that we can have the prosperity and productivity we want tomorrow. To date 5,700 West Australians have enrolled in productivity places, with 800 enrolments in areas such as laboratory skills, civil construction, extractive industries and mining—the kind of training a project like this needs.

This government has invested in TAFE facilities around the country, including in Western Australia. Through our Better TAFE Facilities program we have provided $22 million to 48 TAFE campuses across Western Australia to upgrade teaching and learning facilities. This includes upgrades in areas like Port Hedland, Newman, Karratha and the Pilbara TAFE. This is once again support for training for the kind of skills that a project of this dimension needs. Of course training is about these statistics—it is about the picture of investing new money in capital. But it is also about the human face of the people who undergo training and the employers who support them in that training. In that regard I would like to acknowledge as the human face of training the training leaders of tomorrow who have joined us in parliament today through Group Training Australia. You young people are very welcome in this parliament today. These young people are undergoing training today and are bound to be leaders of the future.

Can I also acknowledge the support that employers give to their young people in training. We celebrated and recognised that support at the training awards which happened in this Parliament House last night and which some members of this parliament were able to attend. We recognised 23 outstanding employers from regions across Australia. Their passion and commitment to developing skills and training people of all ages, but particularly young Australians, was truly inspiring. This is a great project which
will support training in the future—exactly what this nation needs for its future prosperity and productivity.

**Taxation**

Mr HOCKEY (2.52 pm)—My question is to the Treasurer. I refer the Treasurer to the fact that he has confirmed that cabinet considered tax increases and income tax surcharges, yet the Treasurer says that it is all up to the Henry review. I refer to the fact that the Henry review is meant to be comprehensive, root and branch; yet it excludes the consideration of aspects of the GST and superannuation. Treasurer, if you are not sure who is setting government tax policy, how can the Australian people trust this government with tax?

Mr SWAN—That is a bit rich coming from the previous government, which was the highest taxing government in Australia’s history. When they were in government, their record on taxation was the highest level of tax in our history. This government are serious, as I said before, about the Henry review. We are serious about a comprehensive look at the tax system, to make it simpler, to put more incentive in it and to make it more competitive. Nothing could be more important to this country’s future than tax arrangements, and nothing could be more important to future investment in this country than having an internationally competitive tax system. That is absolutely relevant to what we need to do to expand our capacity for the future. That is why it is so encouraging to see the Gorgon project go ahead. It is a massive investment for the country. But it is not one that those opposite can acknowledge. The fact is that the Liberal Party would rather see the country fail than see investments like Gorgon proceed.

Mr Hockey—Mr Speaker, I rise on a point of order. Earth to Wayne Swan: come back to the question, please. The question is on tax, not Gorgon.

Mr SWAN—The inability of those opposite to have a position on tax—except for the utterings of the shadow Treasurer at a conference a few months ago, or the proposals that were put forward by the current Leader of the Opposition four or five years ago—just shows what a divided, incapable, incompetent rabble they have become.

Mr Dutton—Mr Speaker, I would ask you to ask the Treasurer to table the Prime Minister’s handwritten note that he was just reading from, unless it is marked confidential.

The SPEAKER—Order! Was the Treasurer reading from a document?

Mr Swan—No.

**Economy**

Ms HALL (2.55 pm)—My question is to the Minister for Finance and Deregulation. Minister, what are the obstacles to returning the budget to surplus?

Mr Tanner—I thank the member for Shortland for her question. The global financial crisis and recession has knocked a big hole—about $210 billion—in the government’s revenue. That has necessitated borrowing to enable us to protect the Australian economy. We have set out a tough set of rules to enable us to return the budget to surplus, but it is great irony that the biggest obstacle to returning the budget to surplus is in fact the group of people who carry on the most in public about how important it is to return the budget to surplus, and of course I refer to the opposition.

In spite of all of their rhetoric and posturing about debt and deficit, you need to look at what they do—their behaviour. Here is just a sample: blocking reform of Commonwealth dental programs, savings that the government in opposition committed to
make—blocking that in the Senate; blocking reforms to the private health insurance rebate and thereby knocking out $1.9 billion in savings from the government’s budget; and, most recently, demanding that the government adopt the Frontier Economics model of a carbon pollution reduction scheme, which would add an additional billion dollars plus to the budget deficit by 2020 were that to occur.

But today we have seen a further manifestation of their behaviour in this regard and, indeed, a further manifestation of their coherency. The behaviour I refer to was seen at a press conference by the member for Dickson, who indicated that, contrary to the commitment made at the Press Club on 20 May by the shadow Treasurer, the member for North Sydney, the opposition are now preparing to also block in the Senate changes to the Medicare safety net—changes which would result in savings of $450 million to the budget. These changes are necessitated by the huge amounts of money that have been flowing to a tiny group of specialists—on average, $4.5 million each out of the public purse to the top 10 per cent of specialists. And it has been indicated today by the member for Dickson that the opposition are contemplating blocking these changes.

We have to ask the question here: who is in charge over there? We have had the phoney tough guy, the member for North Sydney, saying, ‘Don’t worry; we’re going to support all these savings,’ and yet today the member for Dickson has indicated that the opposition may possibly block them in the Senate. The ‘whose in charge?’ question was today illuminated a bit further by the extraordinary performance of the member for O’Connor and the Leader of the Opposition. We have seen them walking out, we have seen them walking back in and we have seen the member for O’Connor summons the Leader of the Opposition over to the back bench to get some instructions—an extraordinary rabble performance. Some leaders are arrogant, some are weak and some are rash, but this leader of the opposition has the trifecta. For the first time in Australian political history, we have a leader of the opposition who, all in one, is arrogant, weak and rash at the same time.

Mr Pyne—Mr Speaker, I rise on a point of order. Respectfully, it could not possibly be relevant to the question he was asked for the minister to be carrying on the way that he is. You have on two or three occasions in question time today tried to get the Treasurer to answer the question that he was asked. This is a dorothy dixer. I would ask you to—

The SPEAKER—I will listen carefully to the minister for finance.

Mr Tanner—I was asked about obstacles to returning the budget to surplus and was pointing out that the biggest obstacle is the total incoherence of the opposition. The mad uncle has taken over the opposition and the member for North Sydney, who dubbed him that, has just let that happen.

I would like to conclude with a contrast—the government on the one hand and the opposition on the other. The government is early, decisive and takes action; the opposition says, ‘Do nothing.’ The government is united; the opposition divided. The government is acting in the national interest; the opposition in its own interests.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order—standing order 104, and I refer you to the House of Representatives Practice also. I ask you to uphold the ruling of a previous Speaker saying that: … a Minister ‘should not engage in irrelevances’, such as contrasting the Government and Opposition—
and I ask you to direct the minister not to proceed, as in accordance with the previous ruling.
The SPEAKER—The question was very craftily created. The member for Shortland might try to own the authorship of it. The minister is responding to the question and I believe he is about to conclude. I will listen to his conclusion.

Mrs Bronwyn Bishop—Mr Speaker, on the point of order, it is page 553. I would ask you to uphold the ruling and, if you are saying that he is in order, are you therefore making a new ruling of which we should be aware?

The SPEAKER—That is a very well crafted attempt to perhaps get me to ask Mr Wright to write another chapter of the book. I cannot adjudge whether what the minister is saying is completely and utterly a reference to obstacles but he is attempting to talk about obstacles. The member for Mackellar may not like what I am saying, but I think that this is consistent with the way in which these matters have been ruled in the past. I would suggest to her, if she wishes to assist the House, that she may wish to make a submission to the Procedures Committee about questions.

Mrs Bronwyn Bishop—Mr Speaker, further to the point of order, the point I made was that the ruling said it was not in order for the minister to contrast government and opposition positions. I would ask you to uphold that ruling.

The SPEAKER—I would simply say that for the number of parliaments I have sat through here, I am not sure what the accuracy of that statement is.

Mrs Bronwyn Bishop interjecting—

The SPEAKER—The member for Mackellar might think she can sit there and argue with me, but I think if she takes reference to other answers today, other answers this week, other answers this sessions and other answers in previous parliaments, she will find she is not accurately reflecting the way in which that part of Practice relates to the way in which we have operated here.

Mr TANNER—No sooner do we have the mad uncle taking over than the mad aunty is launching a challenge!

Taxation

Mr HOCKEY (3.04 pm)—My question is to the Treasurer. Treasurer, the government has ruled out changes to the GST and the government has ruled out some tax changes to superannuation as part of the Henry review. Why is it so hard to rule out a capital gains tax on the family home?

Mr SWAN—I made it very clear yesterday when I was in this House that the Henry review is a comprehensive review of taxation. It will run its course. It is being conducted independently and is having a complete look at everything within its terms of reference. I also went to great lengths yesterday to point out that, when it came to the article in the Australian about capital gains tax on homes, they were matters that I rejected and that there was no truth in the propositions put forward. I described them yesterday as fiction. There is no basis or foundation for the claims made by the opposition.

Liquefied Natural Gas Exports

Mr TURNOUR (3.05 pm)—My question is to the Minister for Foreign Affairs. Will the minister advise the House of the implications for Australia’s relationship with China of the Gorgon liquefied natural gas agreement? Are there any challenges to Australia’s relationship with China?

Mr STEPHEN SMITH—I thank the member for his question. I am asked about the Gorgon deal, I am asked about implications of that deal for relations with China and I am asked about any challenges to our relationship with China. I very much welcome the Gorgon announcement. It is the largest
trade and investment decision in our country’s history. Some of us on this side have been supporting this project in advance of the Gallop government’s in-principle decision to approve the project in September 2003. I welcome the very strong support that we saw from the Gallop government, the Carpenter government and, to its great credit, the Barnett government.

I am asked about the implications of the deal for Australia’s relationship with China. Of course, this arrangement will have significant benefits for our economic relationship and partnership with China. Indeed, it is testimony to the strength of our economic relationship with China. As I indicated to the House yesterday, our relationship with China started with our early recognition of it by the Whitlam government. It started in economic terms with minerals and petroleum resources from Western Australia. But we now see a much broader both economic and bilateral relationship, reflected by the fact that early last year we saw Foreign Minister Yang come to Canberra to conduct the first strategic dialogue between Australia and China, and that was replicated with the second strategic dialogue when I visited Beijing in the first quarter of this year.

So our relationship with China continues to be strong and productive and very focused on the economic complementarity between Australia and China. The fact is that we are a reliable, safe and secure supplier of resources and that China’s economy continues to develop and be enhanced.

I am asked about any challenges to that relationship. Any significant bilateral relationship always has challenges, and sometimes there are threats. But what are the challenges? Until very recently, the government and the opposition, both sides of this House, understood that our relationship with China was important economically and strategically, as reflected by the recent holding of strategic dialogues, but also complex and complicated—not a relationship that could be dealt with simplistically. That was until very recently, but recently, regrettably, we have seen challenges to the relationship presented by people taking a very simplistic approach to our relationship with China and raising spectres of misjudgment, miscalculation, naivety and simplicity. We saw some of that yesterday, with the question from the opposition about potential consequences of the government’s decision to allow Rebiya Kadeer to come to Australia, and I was left wondering overnight whether indeed the opposition supported the government’s decision in that respect.

As well as that, recently we have seen the Leader of the Opposition somehow thinking, believing or pretending that the difficult and complicated Stern Hu case can be dealt with in some way by megaphone diplomacy, raising very serious questions about miscalculation and misjudgement on his part. I wonder whether at some stage the Leader of the Opposition and the shadow minister for foreign affairs might want to tell the House just how many representations they had from the Australian business community about adopting a different approach on that matter.

But yesterday we saw the doozy of them all. On the very day on which we saw the single largest trade decision in the country’s history made, the single largest trade decision made in respect of China and Australia, we saw the Leader of the Opposition say the relationship was at its lowest ebb. Have we ever seen a more fundamental miscalculation or misjudgement? No wonder that the Australian community will be asking the very serious question as to whether this complex, complicated and very important relationship could be trusted in the hands of a Leader of the Opposition so prone to miscalculation and misjudgment.
This relationship is economically very significant. It is predicated by a number of things, including that of course Australia and China have different systems and different values, and from time to time there will be differences which need to be carefully and successfully managed, just as the government is carefully and successfully managing the Rebiya Kadeer issue and the Stern Hu case—not in a manner of simplicity, naivety, politics, miscalculation and misjudgment, which the Leader of the Opposition would have us believe is the best course to follow.

This is a most significant decision as far as trade and investment is concerned. It is a very significant decision for the long-term benefits of Australia and the long-term productive economic partnership between Australia and China.

Nancy Bird Walton Regional Aviation Project

Mr OAKESHOTT (3.12 pm)—My question is to the Prime Minister. Prime Minister, as part of the much anticipated community cabinet to be held in Port Macquarie next week, will you agree to meet with mayors, administrators and general managers from Greater Taree, Port Macquarie-Hastings and Kempsey councils to advance the Nancy Bird Walton Regional Aviation Project, which is the combined No. 1 project for the mid-North Coast of New South Wales under the government’s Jobs Fund program?

Mr RUDD—I thank the member for Lyne for his question. Yes, the government will be attending, through the cabinet, a community cabinet meeting in Port Macquarie next week. From recollection, I think it is either the 13th or 14th community cabinet, which the government has conducted in each state and territory of the Commonwealth. We regard this as an important way of maintaining contact with local communities and responding to local community needs and we look forward very much to the engagement with his community at Port Macquarie.

In response to a question from the honourable member earlier in terms of the Port Macquarie hospital, I indicated that both the health minister and I would be making arrangements to visit that hospital, and I assume that those arrangements are being put in place. If not, I am in real trouble—but I assume all that is underway. Secondly, on the question of the Nancy Bird Walton aviation project, one of the reasons we attend community cabinets is to provide an opportunity for local business proposals and local community infrastructure proposals to be put forward either to me or to other relevant ministers in the individual sessions which are organised between those organisations and the ministers of the cabinet and more broadly, if it is of wider community concern, for public questions to be raised in the public forums which attend those community cabinets. Therefore, I invite the honourable member to organise such a meeting with me and, I am sure, the minister for infrastructure, who also happens to have responsibility for aviation—not wishing to dob you in, Albo—to participate in such meetings.

Can I say more broadly that the vehicle which we have to provide assistance at this time to particular communities which are going through difficult periods of adjustment through high levels of unemployment, coming off the back of the global economic recession, is our $1.5 billion Jobs and Training Compact with the nation. That involves a compact with young Australians based on a principle of ‘earn or learn’ and the provision of sufficient training places to ensure that if our young people cannot enter the workplace, they have provided for them an appropriate training place so that when we come out of this global economic recession an appropriate job can be obtained for them, as they will have been upskilled.
Secondly, of course, we have a compact with Australians who have been retrenched, through no fault of their own, because of the global economic recession, and there are specific provisions which pertain under that as well. But the third, which is of direct relevance to the honourable member’s question, is our local jobs fund—a $650 million fund, a $300 million component of which goes to the consideration of possible community infrastructure projects. I am looking for advice from the minister, but I understand that the first round of applications for projects under that fund has been put out there and that applications have come in. The figure that I can recall is that there are some 3,000 applications for projects submitted by various local authorities around the country. We, therefore, based on departmental advice, will consider those various applications. I understand that there will be further rounds available as well.

Can I say to the honourable member, therefore, that—because of the existence of that local jobs fund, and the community infrastructure fund within it, which I think runs to some $300 million—we will take representations from him and his local community organisations seriously. What we are seeking to do is to not only maintain touch with local communities around the country but do what we can to take the edge off the impact of the global economic recession on local unemployment rates.

Unemployment rates—as was brought home to me again graphically a week or two ago in Far North Queensland when I was there with the member for Leichhardt at the time of the Pacific Islands Forum—in various regions of the country are very high, unacceptably high. Therefore, the reason why there is this other set of initiatives on top of our national stimulus strategy, tailored specifically to local needs where you have, in particular, high levels of unemployment, is to provide us with the basis of engaging the needs which he represents.

So I look forward to engaging the Nancy Bird Waldren—

**Opposition members**—Walton!

Mr **Rudd**—I apologise for my misrendering of the name; we are all capable of misrendering pronunciations, and I am as well. But I look forward to meeting the representatives of that project when we gather soon at Port Macquarie, and we will see how it stacks up on the merits, and we will see how it stacks up against the evaluation of the relevant government department.

**DISTINGUISHED VISITORS**

The Speaker (3.17 pm)—I inform the House that we have present in the gallery this afternoon members of Commission III (Law and Legislation, Human Rights and Security Affairs) from the House of Representatives of the Republic of Indonesia. On behalf of the House I extend a very warm welcome to the members.

Honourable members—Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Climate Change**

Mr **Danby** (3.17 pm)—My question is to the Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change. What are the barriers to tackling climate change?

Mr **Combet**—I thank the member for Melbourne Ports for his question. As I indicated yesterday, and as the House is well aware, the renewable energy legislation that the government has put forward, consistent with its target of achieving 20 per cent of Australia’s electricity supply from renewable sources, has passed this House. But I can also inform the House that it has been the subject of successful negotiations with representatives of the opposition, and that of course is a welcome development which is
respected by the government. My colleague Senator Wong, the minister for climate change, will be outlining the details of the agreement between the government and the opposition in relation to the renewable energy legislation very shortly.

This has been achieved not without some wobbles from the other side of politics, and there have been a number of things over the last couple of days which have been of some interest, and which I think just give us some further insight into the challenges that lie ahead to successfully prosecuting the Carbon Pollution Reduction Scheme through the parliament. Even the Leader of the Opposition was reported yesterday in the *Sydney Morning Herald* by the journalist Mr Phillip Coorey as having told the Ai Group forum that there was:

... nothing wrong with being a climate change sceptic.

That is reaching out there a fair way to try to establish some unity on the opposition side of politics, but it will be extremely important, as we move forward in tackling climate change, that we can successfully prosecute discussions about the Carbon Pollution Reduction Scheme as well.

If it is difficult to get unity on the opposition side of politics over the renewable energy legislation, it is certainly not going to be an easy issue with the Carbon Pollution Reduction Scheme. But, nonetheless, leadership in politics is about tackling those difficult issues, because, as I indicated to the House yesterday, the establishment of a carbon price in our economy is the critical measure that is going to be needed if we are going to move to a lower pollution future and reduce our emissions, and this is what will drive investment towards low-emission energy sources. It is incumbent upon the opposition to achieve a unified policy position in relation to emissions trading. In the same way as has been proven possible on the renewable energy legislation, it is important that the opposition can reach a policy position on the carbon pollution reduction scheme legislation and come forward in a more constructive manner than we have seen to date on such important reform with specific amendments to the legislation that reflect the concerns on that side of politics. If the opposition—

**Mr Schultz**—The serve you got today hurt, did it?

**Mr COMBET**—This is extremely important for public policy making in this country. If the opposition has concerns about the carbon pollution reduction scheme legislation, it will not be good enough to be producing consultants reports that do not form policy. What is necessary, if there is a concern about emissions-intensive trade-exposed industries, is to come forward with specific policy proposals and amendments that have the support of the coalition party room. If there are concerns about the treatment of agriculture, come forward with specific amendments dealing with agriculture. If there are concerns about electricity generators, come forward with specific amendments that deal with the issues. And the same goes for any other area of policy that has been raised by the opposition side of politics on these issues—coalmine fugitive emissions or the like. It is an important development that we are able to prosecute the renewable energy legislation, but the hard yards lie ahead. The prosecution of the Carbon Pollution Reduction Scheme is fundamentally important for the environmental and economic future of this country. Take responsibility. Unify around it. Show leadership. Deliver an outcome. And come forward to the government with your concerns.
Solar Energy

Mr NEVILLE (3.22 pm)—My question is to the Minister for the Environment, Heritage and the Arts. I refer the minister to his answer yesterday:

... 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...

Is the minister aware that AllSafe Energy Efficient Products, a reputable installer, has phoned the government’s 1800 number to report 14 different examples of fraudulent and misleading practices by unscrupulous operators and has been told:

The government is at the moment aware of the problems and is training auditors to solve the problem.

There has been no further response to his 14 areas of complaint from the department or the minister’s office. Minister, when will government staff be trained to deal with local complaints and where do my constituents go to lodge a complaint on the hotline in the meantime?

Mr GARRETT—I thank the member for his question. I am not aware of the context of the answer that was given to someone over the phone. What I am aware of are the measures that the government has put in place to deal with the question of the installers properly observing the guidelines when they actually put ceiling insulation in the roofs under this very successful program.

I do know that, in response to the matters that the member has raised, my office has contacted Mr Neville to inform him on the question of the progress of the complaint against Mr Johnson which he raised yesterday, that the department will be conducting an immediate audit of all 33 claims carried out by that company and that the department’s legal team yesterday initiated a process requiring Mr Johnson to show cause as to why he should not be struck off the register of installers. I can say, through you, Mr Speaker, to the member that any new complaints should also be directed to my office for immediate consideration, and we will consider them.

Can I just make an additional observation here, and it is simply this: the department thus far has received a very small number of complaints under this program, covering less than 0.2 per cent of all installations. They are investigated by an audit and compliance team, and anyone with concerns should contact their relevant fair trading authority and/or the insulation hotline. The fact is that 0.2 per cent of complaints have come into a program that is unprecedented in its scope and unprecedented in its take-up. The fact is that, since 3 February, over 61,000 households have had solar hot water installed, and over 185,000 households have had ceiling insulation installed as at 17 August.

The job component in this ceiling insulation program is significant. If the opposition had had their way—they opposed this stimulus package—we would not have these jobs at all. On the question of compliance, we will ensure that any issues that are raised by members in respect of compliance will be followed through promptly and diligently.

Mr Neville—Mr Speaker, I seek leave to table a letter from AllSafe Energy Efficient Products, a reputable installer, outlining the 14 areas of complaint that he reported to the hotline.

Leave granted.

Higher Education

Ms RISHWORTH (3.26 pm)—My question is to the Minister for Early Childhood Education, Childcare and Youth. What are the consequences of the Senate’s decision on the Higher Education Legislation Amend-
ment (Student Services and Amenities, and Other Measures) Bill 2009?

Ms KATE ELLIS—I thank the member for Kingston for her question. As the House would be aware, yesterday the Senate vote on the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009 was tied at 34 votes apiece, ensuring, of course, the defeat of the bill.

Opposition members interjecting—

Ms KATE ELLIS—As those opposite, as if on cue, show the sort of ideological extremism that we have seen from them all through this debate, I remind the House that this debate was not about a continuation of the battles of the past that those opposite have engaged in for so long. This was about providing a practical, balanced and new way forward to ensure that our students had the services and representation that they needed and that our higher education sector was well supported. Whilst those opposite get all excited, I think we should all reflect on the fact that there are serious consequences of yesterday’s decision.

The Vice-Chancellor of the University of Sydney, Michael Spence, described yesterday’s outcome as ‘a major blow which will have a devastating effect on students’. As a consequence of yesterday’s decision, we will see the further demise of critical university services, including child care, counselling, health and sport. As University Australia chief, Dr Glenn Withers, said yesterday—and those opposite might want to listen to this:

Students most in need will suffer the most from the failure of this legislation to pass the Senate. Without proper support for student-sensitive services such as advocacy, counselling, health, and legal support, students from lower socio-economic backgrounds are particularly vulnerable to dropping out of university studies should they face significant up-front costs in accessing these services …

We also know that as a consequence of this decision some universities will struggle to provide the support services which are necessary to both attract and retain the overseas students that we know are so vital to our higher education sector and our broader economy.

We will also see the continued movement of funds out of teaching and research budgets and into propping up student services which are vital to the university. This is a point made not just by me and not just by government members but by the Vice-Chancellor of the ANU, Professor Ian Chubb, and Professor Stephen Parker, the Vice-Chancellor of the University of Canberra. They said yesterday that without the vital cash injection this legislation proposes, Australian universities will continue to face an impossible choice between putting money into labs and classrooms or into sports fields and health facilities. While those opposite might choose to celebrate this devastation of our university sector—

Opposition members interjecting—

Ms KATE ELLIS—While those opposite might find it funny, the one thing that we can say for the Liberal Party on this is that they have been consistent. The Liberal Party have been consistent in being completely blinded, all through this debate, by the sort of extremism that brought about Work Choices. We have seen that. But what is particularly interesting about this debate, and what I think we should focus on today, is the role that the National Party have played in this—in blatantly selling out the interests of the bush once more. It is particularly interesting on a day when we have seen them rise in this place and claim to care about the plight of regional students. Let us consider this. It is well established that regional campuses have
been the hardest hit by this legislation. We know this. I refer to Professor Sandra Harding, Vice-Chancellor of James Cook University, who said that the current approach has ‘hit regional campuses particularly hard, as there is no metropolitan area providing readily available alternative services’.

We also know that the support services offered at regional universities create much-needed jobs. But it is not just the vice-chancellors and it is not just the government who say that it is regional universities that are being hit the hardest; it is the National Party themselves. Perhaps I should quote the Leader of the Nationals in the Senate, who said on this matter as recently as November, ‘VSU has been a fiasco for regional universities.’ So I say to those opposite: you like to stand up in here, you like to talk and move motions in the morning, but yesterday you had your chance to stand up for regional students and you squibbed it. Yesterday we saw that the Liberal Party were once again guided by their extreme ideology. The National Party once again said one thing in the bush and did another thing when they were here in the parliament. But I can assure everyone that we on this side, we in the government, remain absolutely committed to restoring services and amenities to our campuses to ensure that we have world-class universities that are capable of attracting overseas students, and we will continue to find a way forward for our higher education sector.

Building the Education Revolution Program

Mr Pyne (3.32 pm)—My question is to the Minister for Education. I refer the minister to the Perseverance Primary School. The entire school student body can be seen in this photograph, sitting around the table—one teacher and five students. This photograph was found on the internet, so it is quite widely available. All the student body is sitting around the table in this photograph. Perseverance Primary School has been granted $50,000 for a new arts hub, under the National School Pride Program, and is also entitled to $250,000 for a school hall. The school has five students. Does the minister think this represents value for money for the Australian taxpayer at $60,000 per student?

Mr Hockey—Get them another teacher!

Ms Gillard—I thank the shadow minister, the member for Sturt, for his question, and I thank the shadow Treasurer for his interjections, because it may cause him to reflect on the additional money we are putting into quality teaching, $550 million; the additional money we are putting into disadvantaged schools, $1.5 billion; the money we are putting into literacy and numeracy, $540 million; and it goes on. The shadow minister’s commitment to education is such that during the course of this year he has put one speech on his website. There are more speeches on his website about how the Liberal Party has lost its way than there are speeches about the future of Australian education.

Mr Pyne—Mr Speaker, I raise a point of order. I know the minister is embarrassed about the question and about the fact that she has so bungled the BER, but I would ask her to come to the question.

The Speaker—The member for Sturt will resume his seat.

Ms Gillard—On the question from the shadow minister, I will check the facts, because the shadow minister’s work rate would not lead you to believe that his research is likely to be right. He did say when he held the photograph up that he had simply obtained it from the internet. So, firstly, I will check the facts. Secondly, I would say to the shadow minister opposite: is he suggesting that small schools in this country should not get federal government support? If he is...
suggesting that, then I will be very happy to convey that message on his behalf to every small school in this country. Of course, it would be a subset of a broader message, which would be that the Liberal Party has got no policies on education and does not support ‘a’ school building or ‘a’ school refurbishment under the Building the Education Revolution program, because they voted against it for all schools.

On the question of allocations, allocations are correlated with school size; that is true. We also have flexibility in the BER guidelines to work with states and territories and block grant authorities in the independent and Catholic school systems on allocations for schools if the schools believe that a reallocation is necessary to best meet student needs. I see the shadow minister is laughing at that, but I have got a lot of respect for the people who run the block grant authority in the Catholic education system—the various Catholic education officers around the country. I am prepared to take their advice; he may not be. I am prepared to take advice from the block grant authorities that run independent schools around the country. They run many fine schools and I am prepared to take their advice. I am also prepared to take advice from states and territories about school systems around the country.

Here we have once again a Liberal Party with no policies, plans or perspectives on education and with a decade of failure which we are now addressing—a Liberal Party that came into this parliament and voted against the biggest school modernisation program in this nation’s history—and all they can do on education is come in and carp and moan, because they are incapable of a positive vision. The Australian people deserve better. They deserve a debate on education. Australians around this country are debating education. The entity left out of that debate is the Liberal Party. It comes down to the lack of judgment of the Leader of the Opposition in putting someone so incompetent and lazy in the shadow portfolio.

Mr Pyne—I seek leave to table the photograph of the Perseverance Primary School, the five students and their teacher.

Leave not granted.

Public Housing and Employment

Mr Champion (3.38 pm)—My question is to the Minister for Housing and Minister for the Status of Women. What has been the impact of the government’s nation-building commitment to build and repair social housing on employment for builders and tradespeople?

Ms Plibersek—I thank the member for Wakefield. I know from visits to his electorate that he is very excited about the repairs and maintenance being done to 155 homes in his electorate at a cost of $11.1 million and about the stage 1 construction of 78 new dwellings in his electorate at a value of $14.4 million. Builders and tradies around the country have been telling me that the government’s commitment to building social housing through the economic stimulus package has really helped them weather the worst international economic conditions in three-quarters of a century. In fact, at a newly built home I visited with the member for Blaxland, one of the supervisors of the company that had built that home, Adam Iacono, told me that 52 individual people, including three apprentices, had worked on that dwelling at various times. Two of them had been kept on because this new work had come through and one extra apprentice had been put on because of the new work.

Yesterday in Canberra, Stuart Sampson from Vogue Constructions told me that they had put on extra staff, too—one extra full-time member and one extra part-time member—because of the stimulus package. He also said that the subcontractors that they
were working with had nine apprentices working on this site. At Chelsea in Melbourne’s south-east, Charlton Knight from Blue Bay Painters won a contract to paint 20 houses, and because of that he put on two extra staff. In Adelaide, Mr Don Belperio, the owner of Lodge Construction and Building, told me:

Building work has picked up since the stimulus money. It was slacking off earlier in the year. I have had to put on more subcontractors—electricians, plasterers, concreters, ironworkers, floor covering specialists, gyprockers and labourers.

It is great to hear about those companies right around Australia putting on extra people to do the extra work that is coming through the social housing building.

One of the other things that we wanted to do through the social housing stimulus package spend is look at projects that were struggling for funds to complete the projects because of the credit crunch and say to the states and territories, ‘If you can prepay some of these homes from these projects that were stalled, perhaps we can get the whole project going; perhaps we can support employment in that way.’ I am very happy to report that that is exactly what is happening. I am very happy to say that we estimate that an additional 2,000 private dwellings have been built because of our investment in social housing. Projects have been able to proceed because states and territories have been able to prepay some of these dwellings. Whole projects have proceeded.

I will give just one example. In the member for Port Adelaide’s electorate, at Mawson Lakes, I met a terrific woman, Fairlie Delbridge, the managing director of Delcooke Property Group, which is building, I think, 20 new units there. She told me:

I had made a large investment in getting this development going. At the preliminary stage of the development I had only nine presales. Then the global financial crisis hit and I couldn’t get funding. Banks stopped lending. By the time the stimulus package was announced, I had 12 presales but the project still wasn’t bankable.

Normally, of course, it would have been, but the credit crunch meant that it was not. When Housing South Australia purchased five units, it absolutely got my development over the line. With 17 presales it made the project eminently bankable. It green-lighted my whole project.

That is exactly the type of flow-on effect we hoped this would have, and we calculate that it involved an extra 2,000 properties—extra jobs for tradies and apprentices around the country and extra affordable homes for Australian families.

Building the Education Revolution Program

Mr FARMER (3.42 pm)—My question is to the Minister for Education. I refer the minister to Douglas Park Public School in Western Sydney, which applied in March for a new administration centre with their $850,000 grant. But instead of receiving the $850,000 for a new administration centre they were offered a factory built transportable library at a cost of $285,000. The school has now informed me that the New South Wales government is charging them the full $850,000 for the same library—a 300 per cent increase in just five months. My question to the Minister for Education is: along with the Auditor-General, will she promise to investigate the mismanagement of federal funds by the New South Wales state government?

Ms GILLARD—I confess to some surprise in the question. I assumed that the member was going to ask me about a school in Mosman! I will look at the school that he has raised with me. Let me assure him that the way the Building the Education Revolution program works is that there is a limi-
tion on project costs and on administration fees. I will look at the example that he has raised with me and we can work through it. I am sure that when we work through it some of the things that the member has put in his question will turn out not to be right. But, given that he wants me to look at an individual school, I will certainly do so.

Can I say more broadly in respect of the Building the Education Revolution program, I understand that the Liberal Party squirms each and every day in embarrassment because of its lack of policies on education and because it failed to support the biggest school modernisation program in the nation’s history. When I travel to schools and I see the delight with which this program is being received, I can understand why members opposite who travel to schools would find school principals, teachers and students saying to them, ‘Why did you oppose us getting these extra facilities?’ So I understand the carping, the moaning and the whingeing to try and cover that up.

Mr Farmer—Mr Speaker, the point of order is on relevance. It is quite simple. I asked for a yes or a no. Would the minister investigate the allegations?

The SPEAKER—The member for Macarthur will resume his seat. The Deputy Prime Minister was responding to the question.

Ms GILLARD—Can I assure the House that we will continue to deliver the Building the Education Revolution program. Parents and teachers want better facilities in Australian schools. The Australian community supports that. The Liberal Party obviously is a party that cares so little about education and supporting Australian jobs it could not see its way to supporting it.

In respect of the last question asked of me by the shadow minister for education, I have now been advised that the school that he raises is on French Island in the electorate of Flinders. It is a small island with a limited number of people. For some reason it has always been hated by the Liberal Party. It is where Gorton and Bolte wanted to put a nuclear power station in an earlier iteration of Australian politics. The Liberal Party might not think the people of French Island deserve things, but we do. I would also ask the House to note that the Building the Education Revolution program comes with a community-use obligation—that is, facilities built under that program are used by community members. I do not know why the member for Flinders would not want a new facility for community members in his electorate. Presumably, he is continuing the historic antipathy towards French Island from the Liberal Party.

Mr Hunt—We’ve already got a community hall. He would not let in—

The SPEAKER—Order! The member for Flinders!

Mr Pyne interjecting—

The SPEAKER—I am not sure about provocation but the member for Flinders cannot use the chamber as a stage for a single-person show.

Mr Hockey—It was a good point.

The SPEAKER—No, it was not. It is not allowed within the standing orders.

Health

Mr RAGUSE (3.48 pm)—My question is to the Minister for Health and Ageing. Can the minister update the House on the government’s health reform consultations? Minister, where are the next consultations due to be held and are there any media reports in my area and the Gold Coast relevant to the health services in the region?

Ms ROXON—I thank the member for Forde, who has a particular interest in health reform. We recently visited Logan Hospital together where millions of dollars of invest-
ment are going into a new emergency department. I know he takes an interest in these issues. As part of the health reform commission’s report, to date six consultations have been undertaken by the Prime Minister and me, and several more are coming in the following weeks. In fact, the Prime Minister and the Minister for Ageing are visiting Nepean Hospital on Friday, and I am going to the Gold Coast on Monday to host a consultation at Griffith University with many specialists and health professionals from the Gold Coast region.

As the diligent minister that I believe I am, I made sure that I read the material in the local papers. I took it upon myself to make sure that I read the local papers from the Gold Coast and I stumbled upon some very interesting material in the Gold Coast Bulletin. The Gold Coast Bulletin covers some comments about the shadow health spokesperson. You might have thought this would aid our discussion on Monday about health reform, that it might have been about health debates, about health policy or about health investments. But, in fact, it is an article called ‘Parachutes ready’ by Sue Lappeman and it is about how the Liberal Party is ensuring that the member for Dickson, the shadow health spokesperson, can be parachuted into the seat of McPherson.

Mr Pyne—Mr Speaker, I rise on a point of order. As you would well know, a minister can be asked questions about areas within her responsibility. The member for Dickson’s seat is not within her responsibility. She has no right to be answering a question about matters outside her ministerial responsibility.

Ms Roxon—Of course, this is particularly relevant because it goes directly to the role of the shadow health spokesperson, who you would think in a national debate about health reform might actually be—

Mr Robert—Mr Speaker, the point of order is on relevance. Considering the state of the Gold Coast Hospital and health services, this minister wants to make a mockery out of—

The Speaker—The member for Fadden will excuse himself from the chamber for one hour under standing order 94(a).

The member for Fadden then left the chamber.

Mr Pyne—Mr Speaker, I rise on a point of order. At the risk of upsetting your applecart and pressing your good graces to the opposition, the minister is being intensely provocative and that is why the member for Fadden rose and took his point of order. She is not answering a question within her ministerial responsibility. Obviously she feels intimidated by the shadow health minister.

The Speaker—I understand the submission put to me that members to my left might feel provoked. I am not sure that all the members would feel intimidated, including the person who was putting the submission to me. On the point of order, which related to the behaviour of the member for Fadden, I think—without wishing to speak on behalf of the member for Fadden—that he understands what happened to him. At the 20th question, I invite the minister to respond to the question.

Ms Roxon—The Gold Coast is an important region in Australia, as we know. It is a fast-growing community. The problems at Gold Coast Hospital are well known, because of the boom in the population and of course the ageing population. That is why it is important for us to be holding a consultation in the Gold Coast. In fact, it is a point that is also made in the article. The article, by Sue Lappeman, says:
The Gold Coast is at a critical stage in its development and needs someone who will fight for what it needs, not a show-pony more intent on a spot on the frontbench.

Interestingly, the article—

Mr Tuckey—I raise a point of order, Mr Speaker. I draw your attention to standing orders under the subheading of ‘Disorder’, specifically standing order 90, ‘Reflections on members’:

All imputations of improper motives to a Member and all personal reflections on other Members shall be considered highly disorderly.

I invite you to apply the one-hour rule to the very disorderly minister.

The SPEAKER—I will listen very carefully. I have not adjudicated that anything of the nature that the member for O’Connor has put to me has occurred. The minister will relate her material to the question.

Ms Roxon—Of course, the question does refer to reports and media reports from the Gold Coast, the region I am indeed visiting on Monday to talk about their health concerns, important issues within the community.

Mr Tuckey—It’s a reflection. Don’t do it again.

Ms Roxon—It is interesting that the member for O’Connor is interjecting so much, because it means that I am required to read another paragraph in the article, which says:

It all made me wonder in what parallel universe we are in where someone like Mrs May retires yet the Three Placebos—

Mr Pyne—Mr Speaker, I raise a point of order. Under standing order 98(c):

A minister can only be questioned on the following matters, for which he or she is responsible or officially connected:

(i) public affairs;
(ii) administration; or
(iii) proceedings pending in the House.

Previous Speakers have specifically ruled out ministers trying to answer questions about matters internal to other political parties, and I ask you to sit the minister down who is pushing your patience and the patience of the House.

The SPEAKER—The point of order goes to whether the question was in order at the time. My consideration of the question was that it was in order. There is only one standing order that applies to the question and that is the matter of relevance. As I have discussed here before, this House has developed a very broad definition of relevance. I invite the minister to use the material that she has in response to the question and draw her answer to a conclusion.

Ms Roxon—I can certainly do that very quickly, Mr Speaker, when I finish this quote, which says:

… Mrs May retires yet the Three Placebos—the bird-flipping Bill Heffernan, muppet-like Wilson Tuckey and just plain frightening Bronwyn Bishop—can still lurch around causing havoc.

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

QUESTIONS TO THE SPEAKER

Question Time

Mr Pyne (3.58 pm)—Mr Speaker, I have a question to you and I am mindful of the interpretation of the standing orders which you gave during the minister for health’s last answer. I would simply ask you whether you have decided that standing order 98 no longer applies.

The SPEAKER—I am not answering that question because it needed to be dealt with at the time.

Mr Pyne—Now is the time, because I just sat down.
The SPEAKER—I would ask you whether 65(a) ever applies to the member for Sturt. The member for Sturt—

Mr Pyne interjecting—

The SPEAKER—No, I wish to give you some advice now. I will give you the advice if I take what you have put to me as a point of order, because you are quite correct: you have risen directly after the incident, and that is all right. While I was waiting for the member for O’Connor, who had indicated that he had a matter for me, you indicated to me that you had a question to me.

Mr Pyne—You didn’t give me the call when I was standing at the dispatch box at the end of the minister’s answer.

The SPEAKER—that is because I was hopeful that that event was over and done with. If you want to start again on a point of order I will give you the call.

Mr Pyne—Thank you, Mr Speaker. I appreciate the call. I actually rose to take a point of order at the end of the minister for health’s answer to that question. I was clearly standing at the dispatch box for several seconds and you allowed the minister to finish her answer, which you are entirely within your right to do. I then did not get the opportunity to take the point of order because you did not recognise me, so I put it to you as a question. But now I am happy to take it as a point of order. Mr Speaker, have you decided that standing order 98, ‘Questions to ministers’, about what they can be questioned upon, no longer applies?

The SPEAKER—I think that I may have given a ruling to you about that matter when you raised it first during the answer. It is a point of order that relates to the question. The question had been asked and I can think of no precedent that allows me to take the action that you wish me to take.

Mr Pyne—Further to the point of order, Mr Speaker: how can the opposition know that when a minister is asked an anodyne question she will stray off the areas of her responsibility so graphically that it would then cause us to raise section 98 of the standing orders?

The SPEAKER—The bigger question is: how can the person in the chair know? I understand that to be a problem. But that has been the way that this place has dealt with these matters in the past and, unless the standing orders are changed, I cannot see there is any way around the problem that the member for Sturt is highlighting. That was the basis of my original ruling, if he wants it to be described as a ruling, which said when he raised that point halfway through the answer that the question had been in order at the time it had been asked.

Parliament House: Water Features

Mr BROADBENT (4.02 pm)—My question to you, Mr Speaker, is pretty mundane after the heaviness of the last few minutes. I am a member of the House Committee, which you chair along with the other Presiding Officer. In those capacities we take an interest in this house, its surrounds and its wellbeing and the fact that it is a tourist icon of Australia and a very important building in this nation. For the last number of years we have had a drought, and that has caused the water features in this building to be turned off. They are covered over but they form an integral part of the surrounds and gardens of this house. My question to you—and I am not expecting an answer today—is at what stage when Canberra’s water storages are filled is there a trigger at their point of filling where we will automatically come back to the grounds and the water features being restored in this place? If there is not, will you consider whether there might be some discussions with the water suppliers for the
Canberra area that there would be a trigger for those water features to be reinstated in the house as part of the integral nature of this building?

The SPEAKER—There is a trigger and, as the person who shares the responsibilities for the administration of this place, I should know the answer for the figure for the trigger. I will ensure that it is circulated. There is also a website where you can monitor through ACTEW how far under that trigger, regrettably, we continue to be here in the Australian Capital Territory.

PERSONAL EXPLANATIONS

Mr TUCKEY (O’Connor) (4.04 pm)—Mr Speaker, I wish to make a personal explanation.

Mr Tuckey—Does the honourable member claim to have been misrepresented?

Mr TUCKEY—Yes, sir.

Mr Tuckey—The member for O’Connor may proceed.

Mr TUCKEY—During question time, the Minister for Finance and Deregulation implied that I had had some disagreement with the Leader of the Opposition relating to the member for Kalgoorlie. Mr Speaker, I simply informed the leader of the battle the member for Kalgoorlie had had in rebutting the campaign of his then Labor opponent who was campaigning to bring Gorgon gas to the mainland instead of Barrow Island which is necessary for the project’s success.

The SPEAKER—Order! The member has indicated where he has been misrepresented. The member for O’Connor will resume his seat.

WORLD HUMANITARIAN DAY

Mr STEPHEN SMITH (Perth—Minister for Foreign Affairs) (4.04 pm)—Mr Speaker, on indulgence, I just want to draw to the attention of the House that today is the inaugural World Humanitarian Day. Six years ago today, 19 August 2003, the United Nations office in Iraq was bombed and 22 people lost their lives, including Sergio Vieira de Mello, who was then the Secretary-General’s special representative to Iraq and the UN High Commissioner for Human Rights, and well known to Australia and Australians as a consequence of his very good work in East Timor.

In December last year the General Assembly passed a resolution designating today as World Humanitarian Day, which gives us the opportunity to pay our respects to those humanitarian assistance and development assistance workers who have lost their lives in the cause of rendering assistance. In 2008, 268 aid workers were killed, kidnapped or seriously injured. This, of course, has occurred to Australians in the past—most recently in the tragic Garuda crash in Indonesia. We mark the day and it is a significant recognition of the contribution which aid and humanitarian assistance workers have done over the years, including and in particular Australians.

Ms JULIE BISHOP (Curtin) (4.06 pm)—Mr Speaker, on indulgence, the United Nations has designated 19 August as World Humanitarian Day. On this day six years ago, Sergio Vieira de Mello, the United Nations High Commissioner for Human Rights and the special representative in Iraq for the Secretary-General of the United Nations, was killed along with 21 others in a bomb attack on the United Nations headquarters in Baghdad. In a world wearied by terrorist attacks, this shocking bomb attack reverberated around the world.

This day will be an opportunity for us to pay tribute to all humanitarian workers in Australia and overseas who dedicate their lives to helping others. It will be a day to remember the career and life of Sergio de Mello, who was well known to so many Aus-
ustralians. And it will be a day to remember those who have been killed in the course of their humanitarian work. It has been estimated that some 750 humanitarian workers have been killed in the last 10 years alone in the course of their duties. So the coalition joins with the government in welcoming 19 August as the designated date for World Humanitarian Day.

MINISTERIAL STATEMENTS
Supporting Australians under Financial Pressure

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (4.08 pm)—by leave—

New research released today confirms what community organisations have been telling us since the global economic crisis struck last year. More Australians are under financial stress and are turning to community organisations for help. At the same time, these organisations are experiencing a reduction in investment income, corporate funding and funding from philanthropic trusts and foundations.

The report commissioned by my department and undertaken by the Centre for Corporate Public Affairs examined the impact of the economic downturn on not-for-profit organisations. Its findings confirm the anecdotal evidence many members are hearing in their electorates. Sixty-five per cent of community organisations reported an increase in demand for services as a result of the economic downturn. And, in the coming year, they expect things to be even tougher. Almost all community organisations expect an increase in demand and most anticipate a further drop in donations. As more low- and middle-income earners seek the services of welfare agencies, they are expecting a spike in demand for emergency financial assistance and counselling, employment services and housing. For the organisations on the ground these are more than just statistics in a report. For them there are faces behind the numbers—each person’s own story, the circumstances of despair which bring them to the doors of emergency relief providers.

We know from earlier research that more than half the people seeking emergency relief are women. Nearly all are on income support. Some are homeless. Most asked for help because they had run out of food or money. And we know with the onslaught of the global financial crisis that many more families are being buffeted by rapidly changing events beyond their control. Many are struggling because they have lost their jobs or have had their working hours reduced. In such cases, suddenly more than half their income can be consumed by rent or mortgage repayments. Then there is not much left to buy food or pay the bills.

The government has acted promptly and decisively to support Australians through these difficult times. We have doubled emergency relief funding and provided funding for more financial counsellors. From 1 March 2009 until 30 June 2011, current funding to the emergency relief program has been doubled. That is an increase of more than $80.4 million. Eleven million dollars of emergency relief funding was distributed immediately to providers back in March to meet urgent demand.

Today I can announce the allocations of extra funds to charities for the next two years. Emergency relief funding will flow to 689 organisations working in 1,299 locations across Australia. This will help very vulnerable Australians in 297 locations across New South Wales, 257 in Victoria, 254 in Queensland, 184 in Western Australia, 177 in South Australia, 38 in Tasmania, 18 in the ACT and 76 in the Northern Territory. Because it is difficult to forecast emerging areas of need in an economic downturn, we are
building the capacity and flexibility to respond quickly where we have to so that we can deliver help when and where it is most needed. For example, in communities which might be dependent on mining or manufacturing, a sudden downturn has an impact on everyone. It then puts enormous pressure on emergency relief services.

To make sure we can move emergency relief funding quickly to where it is needed, we are putting $10 million into key community organisations so that they can use their local knowledge and distribute emergency relief funding through other community organisations to get help to people when they need it quickly. We are also investing $2 million to improve training opportunities for the people who are the face of emergency relief—the workers at the frontline. All up, this means that over the next two years there will be more than $120 million in emergency relief funding out there in our communities, helping an estimated one million people a year.

But we know that, to get people back on their feet for the long term, we need to do more than just fix their immediate problems. We want to equip them to take action early when faced with personal financial difficulties to reduce the likelihood of problems escalating. This means using the capacity and reach of emergency relief organisations to connect people who are struggling financially with other services.

We do want to harness the front-door capacity of emergency relief services to build ongoing financial capability and resilience. That is why we are funding 50 new financial counselling positions for the next two years—to try to break this cycle of financial crisis. This brings the total number of government funded financial counselling positions to 121 across Australia.

We are also investing $50 million over two years in innovative money management projects. This will include no-interest loan schemes or matched savings schemes to help people build financial self-reliance. Details of the organisations to be funded under this program will be announced very soon.

What I have spoken about today builds on our commitment to rebuild our social infrastructure, whether it is our unprecedented investment in social housing and in our schools or delivering long overdue pension increases to over three million age pensioners, people with disability and their carers. Our commitment is to shape a nation which shares its wealth to create opportunity for all, which tackles disadvantage and brings the vulnerable in from the margins and works for the betterment of all our people.

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

Leave granted.

Ms MACKLIN—I move:

That so much of the standing and sessional orders be suspended as would prevent the member for Cook speaking for a period not exceeding seven minutes.

Question agreed to.

Mr MORRISON (Cook) (4.15 pm)—I welcome the opportunity to rise to respond to this ministerial statement. The coalition welcomes the re-announcement of the increased support for the emergency relief program providers announced by the minister here again this afternoon. In particular I draw attention to her comments on financial counselling and measures related to financial management and support for those individuals.

These funds supplement the existing activities of these community and charitable organisations who, frankly, do an outstanding job in all of our communities. Their task, though, as we have just heard and as we all know from our own experience, has be-
come more difficult, not only because the economic downturn placed enormous pressure on their ability to raise funds from their own supporters but also because the circumstances of economic downturn have resulted in an increase in the demand for their services right across the board. We extend our thanks to all of these organisations for their tireless efforts. We thank them for what they do, in many many cases on a voluntary basis.

It is a sad truth that these organisations are suffering from the forces that I have already mentioned and which were outlined in the report and research that the minister referred to. But they are also under threat because, I think, a traditional notion of community in our society is also under threat—replaced by a swelling notion that the state is the organisation that must step in on all of these occasions. I think a vitally important task we have is to seek to build, as the minister said, the social infrastructure. The social infrastructure we really need to build is in the institutional capacity of the not-for-profit and voluntary sector. So to that end I welcome the statements of the minister to provide that funding support, because these organisations have been the lifeblood of our community for hundreds of years and we want to see that continue. We want to see them become stronger and we want to see them be able to do the things that we all rely on them to do.

Times such as these also provide a practical and necessary reminder of our need to reinvest not just our funds but also ourselves in the health and wellbeing of these vital organisations. In my own community in the Sutherland Shire we run an event each year which basically tries to support all of the community organisations in one event called the ‘Cook Community Classic’. We seek to raise the awareness of the voluntary organisations as well as raising funds for those organisations at the same time.

It is also important to address the issue of the demand which these organisations are facing and to look at what we can do to lessen demand for these services. That obviously goes to the issue of how people are coping with the cost of living in their communities, particularly at this time. The coalition has supported many measures announced by the government. In this place yesterday I indicated and announced again our support for some $3½ billion worth of measures, particularly in the areas of housing, homelessness and housing affordability. So, while there may be much debate about what we disagree on in this place, I think it is important for all Australians to understand that there are some things that both sides of this House can agree on.

Those matters we probably do not agree on are in the area of how we are managing some of these cost-of-living increases that are being imposed on individuals and families around the country. Of course we are seeing rising childcare costs. We are seeing increasing prices and threats to increase the prices. There are pressures that will come from higher taxes and higher interest rates, and these forces of higher taxes and interest rates will be caused by the need to pay for all of this spending that is taking place—billions and billions of dollars. This is where the coalition obviously has a different view to that of the government.

The good news is that Australia is weathering the storm better than most if not all of the developed world. It is important that we celebrate that fact—and understand why it is happening and acknowledge why it is happening. I believe, as many do in an emerging consensus, that the government significantly overstated the impact of the global financial crisis on the Australian economy early this year and late last year and have refused to acknowledge the reasons why the Australian economy has weathered this storm. This is a
convenient oversight because if you do not acknowledge that it is the strength of the economy that we took into this crisis—that it is the strength of our financial system—and if we do not acknowledge the strength of our resources sector in particular and our much greater terms of trade, and that these things have contributed significantly to our ability to weather this storm, then you keep spending money. You keep spending money, you keep running up debt and you keep rolling out what is the single largest pork-barrelling exercise in our nation’s history.

The net effect of this approach is higher interest rates, and the Governor of the Reserve Bank flagged this last week. If the government are not willing to consider that in light of the fact that things with the Australian economy are not as bad as they said they would be, in cyclical terms and in this place, then they risk the threat of higher interest rates. Higher interest rates are bad enough as it is, and we expect, according to market forecasters, rates to rise by around two percentage points over the next 12 months. That is almost $400 a month for the average mortgage for a family. It is bad enough that interest rates will rise but it is even worse that banks are starting to decouple their movements in interest rates from the traditional movements in official rates by the Reserve Bank. One of the reasons I believe this has been made possible is the appalling lack of competition amongst banks for providing mortgage finance in this country.

Under the coalition one in five mortgages were provided by the non-banking sector. It is now down to less than one in 10. You would think there should be a plan for this, and the coalition has outlined a plan for this in relation to the guaranteeing of AAA-rated mortgage securities. But this morning when the Minister for Finance and Deregulation was asked whether the government had a plan to deal with the appalling lack of competition, his answer was, ‘We have no plan.’ So, while I support the measures outlined by the minister today, I draw attention to the issue that mortgage holders are going to be paying more for their mortgages. If we do nothing to address the chronic lack of competition in our banking sector—which is at historically low levels—then people will pay more for their mortgages, and the pressure on all the organisations that we have referred to will be greater, not lesser.

Fromelles Project Update

Mr COMBET (Charlton—Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change) (4.23 pm)—by leave—I rise to make a ministerial statement on the progress of the project which is currently underway in Fromelles, France. The project involves the meticulous excavation and identification where possible of the remains of up to possibly 300 Australian and British soldiers who will be re-interred in a new Commonwealth War Graves Commission cemetery with full military honours. The new cemetery will be known as the Fromelles (Pheasant Wood) Military Cemetery.

The Battle of Fromelles

The Battle of Fromelles took place on 19 to 20 July 1916 and was the Australian forces’ first major action on the Western Front. The attack itself was meant to be a strategic distraction. It was meant to prevent the German forces reinforcing their line on the Somme, some 100 kilometres south of Fromelles. The battle included the Australian 5th Division, British 61st Division and 6th Bavarian Reserve Division.

In total, 5,533 Australians were tragically recorded as killed, wounded or missing over just a 24-hour period of the battle. The terrible loss of Australian soldiers stands the Battle of Fromelles in the position of the worst
24 hours in our military history. The British 61st Division reported 1,547 killed, wounded and missing, while the German casualties were estimated at fewer than 1,000.

The real tragedy of the Battle of Fromelles is that it need not have been fought at all. It was no more than a diversionary attack for the Somme offensive raging to the south.

**Background to the Current Project**

In 2007 a previously undiscovered site thought to contain up to 400 World War I Australian and British soldiers was discovered in Fromelles, France. The discovery was the result of considerable research and effort by amateur historian, Mr Lambis Englezos, a retired school teacher from Melbourne, Australia. I would like to put on the record that the Australian government greatly appreciates the efforts of Mr Englezos, without which, I think it would be fair to say, this discovery would not have been made. For his efforts in this regard, Mr Englezos was awarded an AM, Member of the Order of Australia, in the 2009 Queen’s Birthday Honours List. Countless other generous individuals volunteered a significant amount of their time and effort in making this discovery, and to them I also say on behalf of the government that we are extremely grateful.

Following their discovery and discussions conducted between the Australian and United Kingdom governments, it was jointly announced that, with the support of the French government, a project to recover and re-inter the soldiers would be commenced. The Fromelles project aims to give the soldiers who lost their lives a dignified final resting place. This will require the excavation, recording, recovery and analysis of the remains of the soldiers buried at Pheasant Wood, Fromelles.

**Governance Arrangements of the Project**

Before I outline some of the specifics of the project, I would like to outline to the House the governance arrangements that apply to this important project. Firstly, it is important to emphasise that this is a joint project between our government and the government of the United Kingdom. The project requires coordination between the French, Australian and British governments, the United Kingdom Ministry of Defence, the Australian Department of Defence, the Commonwealth War Graves Commission and the people of Fromelles.

The Australian government involvement in the project includes elements of the Department of Veterans’ Affairs, the Office of Australian War Graves and the Australian War Memorial, and the Department of Defence. Within my department, the project is represented by the Australian Fromelles Project Group (ASFPG). This group is a team of Australian Department of Defence members headed by Major General Mike O’Brien. The team includes both uniform and civilian members and is coordinated by the Australian Army under the guidance of the Chief of Army. The UK government involvement in the project is represented by the Ministry of Defence, Deputy Chief of Defence Staff (Personnel) Pensions, Compensation and Veterans. The relevant minister for this department is the Under Secretary of State for Defence and Minister for Veterans, Mr Kevan Jones MP.

On behalf of the two governments the day-to-day management of the sensitive recovery operation is contract managed by the Commonwealth War Graves Commission. As I think a number of members would be aware, the Commonwealth War Graves Commission are responsible for providing and maintaining the graves of members of Commonwealth forces who died during the
two world wars. They build and maintain memorials to the war dead whose graves are unknown and provide records and registers of approximately 1.7 million burials and commemorations of Commonwealth forces across the globe. For this project, the Commonwealth War Graves Commission is also responsible for construction and ongoing maintenance of the Fromelles (Pheasant Wood) Cemetery.

Oversighting the project as a whole is the Fromelles Management Board. This board is co-chaired by representatives of the UK Ministry of Defence and the Australian Defence Force on behalf of their respective governments. Its membership includes representatives from the Australian and British governments and the Commonwealth War Graves Commission, which acts as prime contractor for both governments and is located in London.

The Excavation

I would now like to turn to the excavation of the soldiers. After the initial discovery of the site in 2007, limited excavation of the site took place in late May and early June last year to confirm the presence of human remains and to determine the quantity and condition of remains across the entire site. The Glasgow University Archaeological Research Division (GUARD) undertook this excavation and reported back to the governments with their findings. They were able to uncover the presence of human remains at that time, estimate that approximately 400 remains were present and confirm that both British and Australian soldiers were buried at the site. We are very grateful for their contribution to the project.

The excavation of the soldiers from the eight located burial pits commenced in May this year. The work is being conducted by a company called Oxford Archaeology. I would like to say a few words about the selection of Oxford Archaeology to conduct their excavation operations as there has been some extremely inaccurate media representation of their contract. The choice to engage Oxford Archaeology was an international decision, reached using an open and transparent tender process that was in accordance with Commonwealth Procurement Guidelines. This decision was based upon their ability to meet all the requirements of this unique operation. Oxford Archaeology is one of the largest independent archaeology and heritage practices in Europe with nearly 400 specialist staff, and permanent offices in Oxford, Lancaster, Cambridge and Montpellier, France. Oxford Archaeology’s recovery plan and pricing structure included all the necessary services, infrastructure and personnel to undertake the Fromelles Project. They began excavation in May of this year and are currently conducting a very comprehensive and delicate operation to exhume the remains of both Australian and British soldiers. They have been methodically undertaking the archaeological excavation of the sets of remains layer by layer in each grave with due care and process and the operation is being fully documented in accordance with world’s best practice.

I can advise the House that as of last night our time, 214 sets of remains have now been exhumed from the mass graves. As I noted in a recent media statement, the total number of remains expected to be buried in this location has been revised down from the initial estimate of 400 to 300, with the possibility that less than 300 remains will be recovered.

I can also advise the House that a number of artefacts have been recovered so far including train tickets, books, buttons, military webbing, a gas mask and an Australian Army ‘Rising Sun’ badge. I saw a photographic image of one of the train tickets—I think it was a Perth to Fremantle ticket.
I can also advise the House that work is complete on seven of the eight burial pits at Pheasant Wood. The last burial pit to be excavated, burial pit 5, is well underway. It is anticipated that archaeological excavation work will be complete in four to six weeks depending on the number of remains that are found in burial pit 5.

**Water Management at the site**

I would now like to address the question of water management at the site as this has also been the subject of some adverse media comment. One of the primary issues associated with the site, and which has been known since the limited excavation of the site that was conducted by GUARD in 2008, is the management of water levels within each of the eight burial pits. As part of their water management strategy, Oxford Archaeology’s proposal included a detailed site layout inclusive of pumps and drainage systems. Oxford Archaeology has a robust plan for water management on the site, I am advised, and has been carefully executing this plan to ensure the integrity of the archaeological excavation.

Two main methods were also proposed and subsequently employed following advice from experts engaged by Oxford Archaeology to advise on water management techniques. These were the excavation of sumps adjacent to burial pits and construction of drainage ditches connecting the pits to the sumps. These measures were taken by Oxford Archaeology to ensure that every possible effort was being made to ensure that no remains were compromised at any time. I am aware that a minor delay was caused by very heavy rain in late May of this year, but the programmed recovery operations remain on the agreed schedule and the Fromelles Management Board reported that no remains or artefacts were compromised by the weather event.

I would also like to advise the House that the work at Fromelles is subject to periodic quality assurance checks conducted by an independent specialist adviser. These reports indicate that the project will be completed to schedule and to the highest applicable standards.

**Identification and DNA Testing**

I would now like to turn to the second element of the project which is the attempted identification of the recovered soldiers’ remains. When the excavation began, the Australian and British governments announced that LGC Forensics had won the contract to conduct a DNA pilot study, to test a sample of the remains being excavated for viable DNA. LGC Forensics is a world leader in DNA analysis. They are the largest independent supplier of forensic services to the criminal justice system in England and Wales, supporting law enforcement agencies including police forces and non-police organisations.

LGC Forensics was contracted in June 2009 to complete the work at Pheasant Wood through a competitive select tender process. This process complied with Commonwealth Procurement Guidelines and their bid met the required standard for this part of the project. DNA operations have been underway since 9 May 2009 with the pilot DNA project.

In parallel with the DNA pilot project, LGC Forensics have been collecting DNA samples from every set of remains that pass through Oxford Archaeology’s on-site temporary mortuary. Upon announcement of the full DNA project on 10 August 2009, LGC Forensics has commenced transporting all available DNA samples to the UK. Remaining samples will be obtained as the final skeletons are excavated. Additionally, within Oxford Archaeology’s on-site laboratories full anthropological analysis has been com-
pleted for the remains from three of the graves. That equates to 104 soldiers having been analysed. Of these, I can advise the House that the overwhelming majority are Australian.

Testing of soldier samples for the full DNA project is commencing at LGC Forensics’ London based laboratory at the end of this month. The DNA contract is in place for a five-year period. This period allows the bulk of potential matches to be made before March 2010 when a joint identification board will sit to identify as many of the soldiers as possible and give them the dignity of a named headstone, with further matches attempted until 2014 should other descendants become aware of a family connection. To ensure the highest possibility of an identification a cross-section of bones are being tested for viable DNA samples. This includes load bearing bones—which is a term that refers to the major bones of the skeleton that carry the weight of the body. These include the femur, vertebra.

I am advised that the success of finding viable DNA is less dependent on the bone and more dependent on the site. There are very site-specific conditions that determine which bones are the most likely to return viable DNA samples. These include environmental conditions and the time since death. A number of other bones are also being tested during this process, including smaller bones such as hand bones and even teeth. LGC have also introduced a process where they decalcify the samples. This allows the calcium present in the bones to be removed, thus dissolving the bone but not the DNA. The decalcification process releases more DNA compared to just grinding, resulting in better profiles for sampling.

It is hoped that through this exhaustive process the highest possibility of returning viable DNA will be obtained and will ultimately assist in the difficult and complex identification process. I am advised that the estimate for useable samples currently stands at approximately 70 per cent, with a real possibility for this to increase during the project. Of course, DNA analysis is only one element of the complex identification process. All available anthropological, archaeological and historical information will also be considered. Further assisting the identification process is the fact that almost all of the remains recovered so far have had artefacts of significance in close proximity to them.

To provide a relevant testing sample, the Australian Army has established a database to collect information from people whose relatives may be among the 1st Australian Imperial Force soldiers buried at Pheasant Wood. This database currently holds contact details for 1,438 relatives of those with no known grave thought to have been killed at Fromelles. The Australian Army is keeping those on this list regularly updated on progress. I would encourage all people who believe their relative may be buried at Fromelles and who have not done so already to register their details at the Army website, www.army.gov.au/fromelles, or by calling 1800 019 090.

Despite the good work in this area, it should be noted that, while we are hopeful that collection of DNA will allow the identification of some of our soldiers, an unfortunate reality is that our chances of doing so still remain quite low. This is due to the complex nature of the identification process. Another unfortunate fact is that some family lines will not be traceable by DNA due to broken lineage along the maternal and paternal lines. This is unavoidable and irreversible. I have spent some time on the identification process due to the fact that there has been some erroneous reporting about it.
Joint Identification Board

In March next year, a joint identification board will consider all available evidence to determine whether the identity of any remains can be determined. The joint identification board will be co-chaired by senior officers from the Australian Defence Force and the United Kingdom’s Ministry of Defence. Evidence considered by the board may include documents held in archives or by relatives, personal dossiers, anthropological analyses and proof of scientific matching with living relatives. After the joint identification board has finished its deliberations, positive identifications will be announced publicly once next of kin have been notified. The joint identification board will meet on an as required basis after March 2010 to consider unresolved identifications and allow for new evidence to be considered.

Reinterment and Commemoration

The remains of the soldiers will be permanently laid to rest with full military honours in individual graves at the new Fromelles (Pheasant Wood) Military Cemetery. The Commonwealth War Graves Commission is responsible for the construction and ongoing maintenance of the cemetery. Construction commenced on the new cemetery on 17 May 2009 and is scheduled to be 70 per cent completed by December 2009. Commencement of the burials is scheduled at the end of January 2010 and will continue until the end of February 2010. The final 30 per cent of the cemetery will be constructed from early March 2010, after the reinterment operation, and will be completed before a commemorative event that has been planned for July 2010. The event is being planned to coincide with the 94th anniversary of the Battle of Fromelles on 19 July 2010. Family members as well as the general public will be invited to participate.

All of the soldiers will be buried initially without a named headstone. If we are fortunate enough to identify any of the soldiers, the families will be given the opportunity to add a personalised inscription to the headstone. When identification is not practical, the headstone will be that of an ‘Unknown Soldier of The Great War’. Where possible, this will record the force in which the soldier served. For example, if artefacts are discovered with a particular set of remains which confirm the force with which the soldier was serving, they will be given a headstone designating them as a British or Australian soldier. When a previously unknown soldier is identified, it is normal practice for the Commonwealth War Graves Commission to change the headstone to that of a known soldier. This process will also apply to any soldiers interred at the Fromelles (Pheasant Wood) Military Cemetery whose remains are identified after they have been reinterred.

Costs

Before I conclude I would like to outline some of the costs of the project, as there has again been media reporting on this issue and I want to ensure that the full information is on the record. Australia and Great Britain have agreed to share equally the cost of all combined aspects of the project. This includes the costs of joint research, investigation of DNA samples, excavation of the site, reinterment of remains and funerals, and any commemorative events. Funds to meet the Australian government’s costs for the Fromelles project were forecast by the Australian Army in previous years and will be accommodated within the Australian Defence budget. Defence’s share of costed activities for the Fromelles project is forecast at $6.2 million. Construction of the Fromelles (Pheasant Wood) Military Cemetery will cost approximately €900,000. This cost is met by the member countries of the Commonwealth War Graves Commission. The
government firmly believes that we owe it to the soldiers and their families to ensure that this operation is conducted thoroughly and properly and is appropriately resourced.

**Conclusion**

In conclusion, the Australian government is committed to ensuring that the recovery of these remains is conducted in a professional and sensitive manner. It is essential that the appropriate respect and reverence is paid to these men in all steps of the exhumation and reinterment process. Unfortunately, there has been some doubt cast on the operation of this project due to some ill-informed media reporting and speculation. To inform media of the progress of the project, a media open day will be held at the Fromelles site for international media today European time. A number of experts will be made available at the site to answer any media questions. The government will also be providing regular public updates whenever it can and is already regularly updating the Army’s Fromelles website with information as it becomes available. However, I can assure the House that, on all available advice the government has received, whether it is from my department, the Fromelles Management Board, the Commonwealth War Graves Commission or independent experts overseeing the project, the project is being conducted in a very professional and dignified manner. I thank the House.

Mr Deputy Speaker, I ask leave of the House to move a motion to enable the member for Greenway to speak for 23 minutes.

Leave granted.

**Mr COMBET**—I move:

That so much of the standing orders be suspended as would prevent Mrs Markus speaking for a period not exceeding 23 minutes.

Question agreed to.
to the south. The battle occurred in northern France just south of Armentières. The most prominent feature in this area, Aubers Ridge, was a major terrain feature which the British tried to capture in two vicious battles during 1915. In this part of France, the low-lying land and very high water table made the ground boggy and any diggings quickly filled with water—a relevant point for today’s statement.

As shadow minister for veterans’ affairs I had the honour to visit Fromelles in November last year. I saw firsthand the challenge faced by our men and the nature of the terrain. My grandfather fought at Gallipoli and on the Western Front, and my family was fortunate that he returned safely to Australia, although he was never the same and he mourned the loss of many of his mates. Fromelles was a tragedy that shaped our country. Families lost loved ones: sons, brothers, husbands and fathers—a generation almost wiped out overnight. Many at home in Australia were left to grieve and wonder how life might have been. Many families have had to live without knowing the final resting place of their loved one, and this indeed impacts on families to this day. Many of those killed in the battle could not be accounted for at the time. Historians have long speculated that up to 400 of the missing were recovered by the Germans in the days following the attack and buried behind the lines.

The story remained unfinished for many decades. This is an Australian story and we do not give up easily. Lambis Englezos from Melbourne opened the page. In 2002, following a visit to the Fromelles battlefield, Lambis began his investigation that would eventually lead to the recovery operation taking place at Pheasant Wood. He compared the lists of Australian missing from the battle with the numbers of unidentified Australian soldiers recovered from the battlefield and buried in cemeteries in the surrounding area. Lambis found a substantial shortfall: more than 160 men were unaccounted for. He could not believe that the bodies of these men had simply disappeared; they must still be there, undiscovered, close to the place where they had died.

Painstaking research began. Lambis hunted down information, followed possible leads and references and attracted support for his view that a significant number of Australian and British dead had been buried, as believed, by the Germans after the battle. Evidence from First World War Red Cross records held by the Australian War Memorial, references in German regimental histories and aerial photographs taken before and after the battle showed what might be burial pits behind the German lines at Pheasant Wood. The evidence was of sufficient interest for the Australian Army to convene a panel of the Army History Unit in 2005 to consider the claims. The panel was not yet convinced.

In the summer of 2005 Lambis met British historian Peter Barton, who was on a lecture tour in Australia. Peter was co-secretary of the All-Party Parliamentary War Graves and Battlefields Heritage Group and suggested that the Bavarian regimental archives might hold crucial evidence. A request was sent off to Munich for a check to be made in any files with a reference to Fromelles. It was more than a year before the response came back, but with it was a copy of a document dated 21 July 1916 and written by Julius Ritter von Braun—the colonel commanding the Bavarian 21st Reserve Infantry Regiment—ordering the construction of mass graves for up to 400 ‘English’ soldiers behind Pheasant Wood. This document tipped the balance.

In Australia the Army History Unit reconvened. In London, Peter Barton presented the case to the All Party Parliamentary War Graves and Battlefield Heritage Group,
bringing in British interest. If the Pheasant Wood mass graves contained as many as 400 bodies and only 160 of them were Australian, the rest must be British. Finally, in 2007, agreement was reached that there were burials made at Pheasant Wood. Lambis’s hunch and Australia’s tenacious spirit ensured that this Australian story continues.

Minister Combet has sought to assure the relatives of the Australian soldiers killed during the Battle of Fromelles that the recovery and reinterment of the remains of their long-lost family members is being carried out appropriately. It is important to acknowledge that there are strong and sincerely held views from various sections of the community in relation to the activity at Pheasant Wood. Some believe that the remains of the soldiers should be left in peace; however, many people think it is absolutely appropriate to ensure that proper burials take place for those who gave their lives for our nation. This certainly would enable and facilitate closure for family members.

Media stories first appeared in early July about concerns over the process being carried out in France. It was, and is, troubling to hear reports of possible complications with the project. It was not surprising that this generated concern among relatives. I have spoken at length to a number of families, and to one woman in particular who was hopeful that her great-uncle may be identified. Her fear was that the lost diggers would remain just that, lost to their nation and their families. I hope that her fears will not come to fruition. Today’s comments by the minister are heartening.

In closing, I wish to remind the House that the Australian and British remains at Pheasant Wood represent the lives of real people, with life stories, who form a part of our combined history. The Army is particularly interested in hearing from relatives of those soldiers they have yet to have contacts for. There is a list on the Fromelles website and I mention a couple: Private James Leslie Holmes of the 54th Battalion and Lance Corporal Harold Thompson Smith of the 8th Field Company.

The story is ongoing and the last chapter is still to be written. As explained today, there are extensive and challenging DNA investigations to be done before any headstones can be engraved at the new cemetery. There is also anthropological, archaeological and historical information to be considered. What started in the beginning of the last century, long before the discovery of penicillin and men walking on the moon, will be aided by the finest science of the 21st century. I look forward with all Australians to being able to commemorate the Battle of Fromelles when all chapters of the Fromelles story will be able to be told—and hopefully brought to some completion—on the 94th anniversary.
in July 2010. Only then will these lost diggers rest in peace. Lest we forget.

MATTERS OF PUBLIC IMPORTANCE

Infrastructure

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

The urgent need for infrastructure to create new industry and permanent jobs.

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

More than the number of members required by the standing orders having risen in their places—

Mr KATTER (Kennedy) (4.57 pm)—Infrastructure is not about generalities or macroeconomics; it is about microeconomics and specifics. The federal government, in putting out their infrastructure priorities, have put out some $23,000 million—I will leave it to other people to argue about broadband. The second item is a true national energy grid. The parliament and the people of Australia truly owe a great debt of gratitude to Martin Ferguson, the minister in this area. I cannot speak for Western Australia or the Pilbara region, but all of Australia’s hard rock metals are in the northern third of Australia. Almost more than a third of the nation’s export earnings are coming from hard rock minerals that are in that top third of the county, and there is no baseload power station within 1,000 kilometres, nor is there even a grid system available in these areas.

The first item mentioned in the infrastructure package after broadband is the national energy grid and the first item mentioned is the north-west minerals province of Queensland. He raised the issue of electricity and he said the electricity people have quoted him a figure of $1.4 million a month. He said, ‘That will be pretty good.’ I knew his reserves were about $200 million. If you have a seven- or eight-year mine life—which I think would be reasonable in this case—he is looking at $30 million a year in income and $17 million of that for electricity.

If you are not on the national grid, where power is generated at $37 per megawatt hour, but you are off the grid, then you have to look at diesel power, which is enormously costly in terms of CO2 and enormously costly in terms of money. But that is all that is left open to these people—or else to bring gas up from Central Australia, some 1,500 kilometres away, which is servicing this tiny north-western grid at the present moment. But, again, Mount Isa Mines have done a marvellous job in making sure that the state government is aware of the problem and also bringing it to the attention of the federal government. Steve de Kruijff is doing most of that work.

They are consuming about 200 megawatts 24/7. They run all hours of the day, every day of the year. That is about two million megawatt hours, and at $100 per megawatt hour that is $200 million—these figures are very rough and general—and if they have an income, which they have from time to time, of $2,000 million, then they are looking at somewhere between 10 and 20 per cent of their entire income going on electricity. This House constantly talks about carbon. Pushing gas all the way up from Central Australia into Northern Australia and then firing all of Mount Isa Mines with this gas—but not being able to fire any of the other mines in the area—shows the wasteful nature of it.

Joe Gutnick puts it best, I think. He said, ‘If I get the electricity capacity at a reason-
able price, and if I get the rail capacity at a reasonable price, then we will open up Legend Phosphate, which is a big, mainly Indian group that will be worth $1,500 million to the Australian government. No-one doubts for a moment that this is reality. There has been a lot of talk in the media about Gorgon—$50,000 million. That is a wonderful thing for Australia, undoubtedly. But we produce that every three or four years from the north-west mineral province. It really is peanuts to us. We are producing, every year, $13,000 million for the Australian economy and we have not even got an electricity supply! The most elementary item of infrastructure is not there.

When I asked former Treasurer Costello about this in the House, he said, ‘If private enterprise wants it, then private enterprise will provide it.’ I would like to see Mr Costello, who has never been involved in the commercial world, go out there and try and get 20 or 30 users to agree to take that power exactly when your power station is coming on line. A multi-user facility of its nature cannot be operated by commercial interests. And the proof of the pudding is that it has not been done.

When we talk about infrastructure, with all due respect to the government, broadband is not infrastructure. Quite frankly, at $43,000 million, there is not one single permanent job there—with the exception of the Tamworth tunnel. That is very small beer. To spend $43,000 million of the public’s money and not produce a single permanent job is reprehensible, to say the least. What we provide for the government with this clean energy corridor—the north-west clean energy corridor, as it has come to be known—is an answer to that problem, because Gutnick has said that he will go ahead. That is $1,500 million a year. As luck would have it for the government, that transmission line proposed to go from Mount Isa back to the national grid north of Townsville provides a historic opportunity for them, because at Cloncurry there is 10 megawatts, with a little toy wonder—we appreciate that—photovoltaic operation by the state government.

There is a very big project to take out six million hectares of prickly acacia—an appalling infestation causing the destruction of our native flora and fauna throughout that area. They will take it and burn it and turn it into electricity and replace it with biodiesel trees, which is a magnificent project for Australia. There is 100 megawatts of clean, renewable electricity there, from Julia Creek to Hughenden.

The next town is Pentland, and that is where there is a project of national and historical significance. It is a solar biofuels project. It requires a small dam to take some water down to put an area under sugar cane. During the day the power to the boilers will be provided by solar energy, by solar concentrators, and then during the evening the fuel for the boilers will be provided by sugarcane fibre, which is left over after the sugar is extracted. The sugar will be converted very cheaply into ethanol. There will be over $1,000 million worth of ethanol per year, and there will be some $300-odd million worth of electricity generated as well. The Hells Gate Dam is a very tall dam. It is a very excellent site, a very small ponded area. Because it is so high, there is 100 megawatts of peak load power available there.

The clean energy corridor hits the coast just north of Townsville, near Ingham, where there are two—and, please God, soon to be three—sugar mills. North of that, at Tully, there is another sugar mill. Those four sugar mills, even if there are only three of them, should be able to provide some 200 megawatts of electricity. Instead of burning the sugarcane fibre to simply get rid of it, they can burn it to create electricity—as all the
sugar mills do now but only in a very small way.

What we have here is Tennant-Cloncurry, 100 megawatts; Julia Creek-Hughenden, 450 megawatts; at Pentland, the Hells Gate, through the hydroelectricity, another 100 megawatts; and another 200 megawatts on the coast at those four sugar mills—providing 860 megawatts of renewable energy. There are only 40,000 megawatts of renewable energy in Australia. What we are providing here—and I do not want to go into the details of it—is effectively two per cent of Australia’s electricity needs from the North Australia clean energy corridor.

We thank the government and the minister in particular for looking at the project. It will require some government assistance—but very little. I add that North Queensland already has 200 megawatts of renewable energy through our hydro and sugar mills, and if the other sugar mills are converted there is another 400 megawatts there. So we will have 1,500 megawatts on the national grid. For those who are very strongly oriented towards a green and clean Australia, I am not a great fan of Mr Al Gore, but in An Inconvenient Truth, the greenies’ bible—and, I say as an opponent, a good and interesting book—his first solution to CO2 is growing ethanol. Sugar ethanol is infinitely better from a carbon point of view. As good as grain ethanol is—26 per cent benefit—it is infinitely better with sugar. I will not go into that today.

No-one here seems to worry much about the current account. I was not the Treasurer of Australia, but Mr Keating was Treasurer of Australia, and when the current account hit $15 billion he said on the John Laws program in 1986 that we were in danger of becoming a banana republic. John Howard reminded him of that in 1995, when it hit $23 billion. John Howard went on to say that of course the overwhelming economic challenge above all else was our continuing damagingly high current account deficit. No-one in this place seems to worry; they seem to think we get up every morning and there will be food on the table, houses will be built and we will get motorcars. They do not stop for a moment to think about buying something from overseas. We are net importers of just about all food in Australia now. We most certainly are for fruit, vegetables, fisheries and pork. All we are left with as net exporters, really, are beef and grain. In manufacturing, everyone in this House will agree that we import almost everything. Where are we going to get the money to buy these things?

I speak for undoubtedly the richest mineral province on earth. We have not yet touched 500 million tonnes of iron ore. We did not even look for it; we just stumbled across it when we were looking for other things. We have two per cent of the world’s uranium, which has not been touched. We have the largest vanadium deposits in the world—though of very poor quality. Almost all steel contains vanadium. It has not been touched. We have the fourth biggest oil shale deposit in the world. It has not been touched. There are only 24 commercial phosphate deposits in the world. We have four of them. Three of them have not been touched. That does not account for the 20 copper, silver, lead and zinc mines in the area that have not been touched, including Dougall River, which has $20 billion worth of reserves sitting there. They have not been touched. They cannot open this up unless they get infrastructure. The most important infrastructure to them is electricity at a reasonable price.

We provide for the government the opportunity to provide two per cent of Australia’s electricity cleanly and renewably from the North Australia clean energy corridor. We provide for the government four per cent of Australia’s entire petrol need as renewable,
non-polluting and with no CO2. This is a wonderful opportunity for the government. The previous government committed to and this government has continued on with a program to close down 20 per cent of what is left of Australia’s agriculture production in the Murray-Darling. Surely it is immoral to close that down in a world where a billion people go to bed hungry every night. Surely there has to be some movement north, where all of Australia’s water is, to provide food from that area. We provide the government with the opportunity to make a small start on a program to resurrect agriculture in Australia, to come to grips with carbon dioxide and to be reminded of the great builders in Australian history.

Theodore built the sugar industry with government finance. The Holden motorcar factory was built with government finance from Ben Chifley. The Snowy Mountains Scheme was built with government finance from Ben Chifley. The Australian coal and aluminium industries were created by Joh Bjelke-Petersen with infrastructure provided by government finance. We stand here today, asking for an enlightened government that will do some true nation building that will put them in the same category as Theodore, Chifley and Bjelke-Petersen. I might add that the current account that John Howard said was $23 billion averages around $60 billion now. We have an opportunity to turn that around. (Time expired)

Ms McKEW (Bennelong—Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government) (5.12 pm)—I stand here, delighted to take part in this matter of public importance discussion as a representative of an enlightened building government. I appreciated many of the points that the member for Kennedy made, in particular the way he concluded by drawing on some of the great builders of the past. The member for Kennedy will recall that long, long ago in a previous life, I was a much younger journalist in his home state of Queensland—indeed, the member for Kennedy was a member of the Queensland state parliament and a minister in the Bjelke-Petersen government. I remember some of our conversations. I recall some of our more recent conversations about that era in Queensland politics. I would say that we have agreed to disagree on some points there, as the member for Kennedy knows.

Mr Katter—But you’re not seriously questioning that he created the coal and aluminium industries in Australia.

Ms McKEW—Joh Bjelke-Petersen, the former National Party Premier of Queensland, it is true, was a builder, but he was also a destroyer. He was the premier who wanted to mine Fraser Island. He did not get away with that. He was the premier who sought to knock down the historic Bellevue Hotel. He did get away with that, but I think one could argue that that was the beginning of the end of that era. I know that in more recent times the member for Kennedy and I have had a few very interesting exchanges about that point in history, but I come to the substantive point of this matter of public importance. It is an important issue, and I am delighted to take part for two reasons. It gives me the opportunity to talk about the building decade ahead. That is what this government envisages—a building decade where we invest in schools, in community facilities, in broadband and in road and rail.

Mr Katter interjecting—

Ms McKEW—On a personal note, I come back to the historic references that the member for Kennedy made there. I am personally delighted to take part in this because I come from a family of builders. It is a matter of great pride in my family that my grandfather, Joe McKew, was one of the key people who helped build Brisbane’s Story
Bridge. The member for Kennedy knows this bridge. The Story Bridge is the great bridge that links north and south Brisbane. If you look out from Queensland’s parliament house—

Mr Katter interjecting—

Ms McKEW—Exactly. The point is this: the Story Bridge along with the Sydney Harbour Bridge and the Snowy Hydro were the great big ambitious projects that were built at a time when the country was poorer, when we were smaller in population. But we did these big ambitious things at a time when we had, if you like, smaller horizons, when we were more geographically isolated. But at some point we said goodbye to nation building, and I think it is a matter for great regret and in fact the real tragedy, quite frankly. Of the boom of the late nineties and the early part of the 21st century, the previous Liberal government and previous Liberal ministers were not nation builders. We are. Labor is the building party.

I know that the member for Kennedy appreciates this point as well: that there is no more important objective for our government than supporting jobs by investing in the infrastructure that we need for tomorrow. Without the government’s actions to stimulate our economy and support jobs, the full burden of a global recession would be falling on the shoulders of Australian families and indeed on businesses. Without the government’s investment, we would have lost tens of thousands of jobs, perhaps many more. Tens of thousands of Australians would be out of work. Our actions have helped to shore up the economy. Building world-class infrastructure, big and small, has been part of that and is supporting long-term prosperity.

If I could go through some of the details of some of the key points that I know the member for Kennedy takes to heart. We are investing at unprecedented levels in transport. We have delivered historic nation-building investments to the point where 70 per cent, in fact, of our economic stimulus is going into infrastructure. Specifically, there will be $36 billion over six years to begin fixing and modernising the nation’s road, rail and port infrastructure. The federal roads budget alone is $28 billion over six years. That is more than twice what the previous government spent over a similar period of time.

Mr Katter—But it does not directly create jobs; it is different to building a sugar mill.

Ms McKEW—I will come to some of those issues. But all of this funding, the Roads to Recovery funding, as the member for Kennedy would know, is going to local governments across the country. The investment is broad and deep.

We have seen also the significant federal investment to relieve bottlenecks in and around our ports. We have more than doubled to $21.2 billion the federal investment in rural and regional roads. There is also the Regional and Local Community Infrastructure Program, with more than $1 billion going to small-, medium- and large-scale infrastructure projects, and it is going to every shire in the country. I have been doing a lot of travelling recently, criss-crossing the country, and I can tell the member for Kennedy that mayors, deputy mayors and council members are delighted with this direct investment because it is going to projects that they identify, that they have had on their books for years. Because of the contribution that the Commonwealth is making, they are able to get those projects started this year, when we need to get activity in the economy and to support jobs.

I come to the extraordinarily good news we have had this week. As the Prime Minister has been saying over the last couple of
days during question time, there is this spectacular good news for the LNG industry. The Gorgon and Pluto projects are exceptional examples of long-term investments. With final approval, the Gorgon project will be Australia’s largest ever resource project. It will bring enormous economic benefit to Australians. It will generate 6,000 jobs at the peak of construction. The member for Kennedy is talking about the need for jobs. Jobs are critical. Jobs are an essential part of the proposition that he puts before the House. There will be demand for about $33 billion in Australian goods and services over the next few years and about $40 billion in revenue back to the Commonwealth. It will guarantee a boost to our export income with contracts to sell around $300 billion worth of LNG to customers in the Asia-Pacific over the next 20 years.

Gorgon will be generating the revenue to fund all of the services we will need over the next decade, this building decade. There will be revenue to fund schools, hospitals, roads and infrastructure for the state and indeed for the nation. As the Prime Minister has also noted, Woodside’s Pluto 1 project is expected to produce its first gas by the end of next year, with exports to Japan commencing in early 2011. An expansion to stages 2 and 3 of the project could involve an investment of around $20 billion and will generate around 3½ thousand jobs. Again, as the member for Kennedy will know, as a proud Queenslander, there is of course the news of Australia Pacific LNG’s $35 billion plant at Curtis Island near Gladstone. That is due to create around 10,000 jobs. These are all permanent jobs that the member for Kennedy is talking about.

I will come to the important point that the member for Kennedy made as well about electricity supply. The government certainly appreciates the role that a secure electricity supply plays in economic development. He has made a very valid point. I know the member for Kennedy has had many discussions with the Minister for Resources and Energy. The minister sits on the Ministerial Council on Energy. Investment decisions relating to both generation and transmission are not, as the member would know, primarily matters for the federal government, but certainly these issues are on the table in these ministerial discussions.

One reform pursued by the ministerial council was the establishment of the Australian Energy Market Operator on 1 July this year. One function of the market operator will be to carry out a national transmission planning role, which will involve both planning and forecasting and is a first step in what the member is talking about. As we see it, the role of the Commonwealth government is to set the frameworks to allow an environment that encourages investment, and that is certainly what is being pursued through the ministerial council.

With regard to the Rudd government’s investment in infrastructure, as I said before it ranges from investment in small projects, in many cases some of those identified by local councils, to very large projects. In my role as parliamentary secretary I have had the opportunity, as I said, to travel around the country and see how the government’s strategic approach on this—our strategic investment to build the decade forward—is working out on the ground. I will give the member for Kennedy some examples not too far from his neck of the woods—although I know in Far North Queensland they might take a slightly different view of this—because I visited Rockhampton and inspected the Robert Schwarten Pavilion. I was there with the member for Capricornia and the Mayor of Rockhampton.

Through the government’s Regional and Local Community Infrastructure Program,
Rockhampton Regional Council received half a million dollars and has used it to upgrade the pavilion, which has a marvellous new commercial kitchen with a great fit-out. I was informed that over the course of the upgrade the positive employment spin-off was clear to all. There was a long line of utility and service vehicles outside the pavilion. It provided a lot of local employment. Of course, there is a long-term benefit from this kind of facility in Rockhampton. Because it has this commercial kitchen, the Robert Schwarten Pavilion can now host very big functions. I know that the member for Kennedy will be interested to know that Rockhampton recently hosted Beef Week and that the Robert Schwarten Pavilion was the location for that event because it had had this substantial upgrade. There are something like 1,300 people at an event like that. As the member for Kennedy would know, it is no mean thing for a city like Rockhampton to be able to host an event like that.

Mr Katter—It’s lovely but it’s not nation building.

Ms McKEW—Well, it is creating ongoing employment opportunities. You cannot run a commercial kitchen of this kind without permanent jobs for chefs and kitchen hands and jobs for people to run the function centre. There are permanent jobs there. I cannot imagine why anyone would be dismissive of these jobs. They are all jobs, by the way, that require training. Clearly, through the government’s investment in education and training, this is again where we have been addressing the important need for skills and training.

Further north from Rockhampton—and very dear to the heart of the member for Kennedy, because he raised this, I remember, during the floods which affected his part of North Queensland—is the $18 million upgrade that the Commonwealth is providing for the Einasleigh River Bridge. As the member for Kennedy well knows, this is an essential piece of infrastructure for the economy of the gulf region. The Gulf Development Road, which crosses the bridge, is the economic lifeline of that region, bringing food and medical supplies, fuel and other goods and services into communities and taking agricultural and fishery exports out of the region. I do recall the member’s address in the House about this.

In January and February this year, as I said, there was immense flooding of the road crossing the Einasleigh River. It cut off communities like Karumba and Normanton for up to 10 weeks. Although basic repairs have been made, the bridge remains vulnerable to flooding, as the member for Kennedy knows. The economic impact studies commissioned by the Etheridge and Croydonshire councils show that about $147 million worth of agricultural and fishery products will be able to be transported along the road annually. Not only is the Einasleigh River Bridge upgrade expected to generate local construction activity but it will also deliver lasting benefits to the community. This is, I would have thought, a timely and sensitive response from the Commonwealth to a clear need demonstrated by the member for Kennedy, something that is going to transform that region, given the weather conditions, and support local jobs while the work is done. (Time expired)

Mr OAKESHOTT (Lyne) (5.28 pm)—I acknowledge the intent of the member for Kennedy in moving this matter of public importance. I certainly acknowledge the words of the parliamentary secretary in outlining much of the good work that has been done in the 11 months that I have been here and in the nearly two years that the government has been in office.
In my region, the Pacific Highway upgrades are important infrastructure work. The community infrastructure fund that the parliamentary secretary mentioned is making a big difference on the ground. Some of the fiscal stimulus money can be aligned to infrastructure funding and job creation, and I think that is important. The Jobs Fund that has been established has potential to leave a long-term infrastructure legacy. Regional Development Australia, in engaging local communities in their own infrastructure needs, is also certainly worth acknowledging.

I would probably take a different position from the member for Kennedy about the national broadband rollout. I do think that is a significant infrastructure project. Certainly it will significantly increase productivity, expand the economy and create permanent jobs within my region for the long term. I also acknowledge Infrastructure Australia and the important step of developing a process for establishing priority needs for infrastructure in this country. I have roughly worked out that there is $82 billion going towards infrastructure development and support in this country under the current Commonwealth government. Things such as the $12.6 billion Building Australia Fund, the $6 billion for education, the $10 billion that is really $5 billion—that you could even argue is $1.8 billion—for health and hospitals and the $26.4 billion investment in road and rail infrastructure are all to be acknowledged.

However, I was somewhat disappointed that the speech and the language that I just heard from the parliamentary secretary seemed to be part of a defensive position of a government worried that this motion is some sort of attack on its record over such a short period of time. It is not, and I do not think that was the intent of the member for Kennedy in bringing it forward. Nor is this an opportunity—and it would be incorrect for it to be taken this way—for the opposition to attack the government for its infrastructure planning and development in this country. Rather, this is an important opportunity to express to this House, to all members of all sides, the importance and the challenge of infrastructure development and planning in this nation.

Despite all we heard from the parliamentary secretary who just spoke and despite all the very good work that I have just rolled through that is being undertaken by the current government either through fiscal stimulus or otherwise, we still have a huge gap. There is a huge challenge in regard to this nation’s infrastructure needs and development and support needs. The most recent report by Citigroup into the infrastructure needs of this country was released prior to the global financial crisis. It put a figure of $770 billion out to 2018 on filling the gaps and overcoming the impediments that we have in our infrastructure in this country. ABN AMRO in May 2008 forecast that cost at up to $455 billion. Infrastructure Partnerships Australia in July 2007, when it released Australia’s infrastructure priorities: securing our prosperity, identified more than 160 critical projects in this country and put their cost at around $700 billion.

Taking everything that the parliamentary secretary talked about and everything that the government has done in the last two years, I roughly add them up to the $250 billion that we have in our forward estimates. That is all good, substantial work, but it does not address the huge challenge that this nation faces, and that is the shortfall. If these reports are to be believed—if the Citibanks, the ABN AMROs and the Infrastructure Partnerships Australias are to be believed—we are roughly around 60 to 70 per cent short in terms of our infrastructure needs moving forward in the next decade.
The minister just used the term ‘the building decade’ to describe this decade. If we are serious about the challenge, we are about 60 to 70 per cent short in terms of the infrastructure needs of this country. What has been allocated is excellent and is certainly starting to address the challenge, but there has to be more. It is going to have to come through Commonwealth taxes and revenues, we are going to have to engage the states a lot more effectively than we are currently or we are going to ask a lot more of the private sector in what is an incredibly difficult time in private sector financing.

We have a huge challenge in this country over the next decade, and that should not be lost on anyone. It is not a political point. It is a point of reality for all of us if we are serious about trying to grow productivity and prosperity in this nation. If we do not meet the shortfall and if we do not remove these impediments to investment, the estimate of the Business Council of Australia is that there will be a lost opportunity of about two per cent of GDP, around $20 billion, a year. That alone should be a kicker for all of us to get serious about the motion that has been put forward by the member for Kennedy.

The name Bradfield has been mentioned by all speakers in this debate so far. Only this morning I looked at a photo of Bradfield and his family standing on the Sydney Harbour Bridge prior to it opening. That bridge was built with six lanes, a bus lane and rail corridor at a time when there were 20,000 cars in Sydney. The estimate of how long it would take for all those 20,000 cars to cross the bridge at that time is 30 minutes. It was not built for that time; it was built for today. That is the vision that I think the member for Kennedy, in bringing this motion forward, is looking for from government, from the executive. That is a living, breathing example in Australian planning and public policy of good work, and we can all see that it was done at that time for us. We should consider doing likewise for the future.

Another name from the past came up in question time: Nancy-Bird Walton. She was born in my electorate, grew up in my electorate and went on to be a great aviatrix and one of the great female leaders in this country in the last century. The three councils in my area have plans to expand the infrastructure around their airports. They have all for the first time—which is a hallelujah moment for anyone in public policy—come together as councils to work on a joint plan to try and reach a common agreement on an aviation centre of excellence. I certainly hope that is well considered by government through the Jobs Fund process and that we see a visionary commitment of dollars to three councils that are doing their best to be visionary at a local level.

There is also the intelligent grid network that we are trying to develop in our area. If we are serious about some of the side benefits of the National Broadband Network, we have a proposal before government to engage in some of that smart metering and some of the intelligent grid work. I also think that is infrastructure work and it does make a big difference. Again, I would ask government to consider that from a regional and visionary perspective.

The final point—and this taps into the Commonwealth Grants Commission—is that I do not think that government does growth regions very well at all. This is a comment for right around Australia. Growth regions seem to be the last to get their infrastructure needs met. I would ask government to consider that through the Commonwealth Grants Commission. (Time expired)

Mr RAGUSE (Forde) (5.38 pm)—I commend the member for Kennedy for bringing this issue to the chamber today. It is something that is of great importance to
many of us, certainly on this side of the House. The member for Lyne is absolutely correct when he says that this is about working together with government, whether you are an Independent member or even an opposition member, to engage with what we mean when we talk about nation building. The member for Kennedy raised some very interesting points about the priority of some projects. Understand, though, that we are in a situation with the global financial crisis that fell on countries across the world and presented challenges for us as a country to look at ways to give immediate stimulus and plan and invest our way out of the crisis.

I know the member for Kennedy is very passionate about his electorate and his part of Australia, North Queensland. Being a Queenslander myself, I well remember the member for Kennedy when he was in the state parliament. He would not remember but I probably met him over 20 years ago on a number of occasions and I was very impressed with his passion for his electorate. The only thing I disagree with him on at that level is the Bjelke-Petersen era. While things may have been built, our parliamentary secretary did say that there were things that were destroyed. The reality was that social infrastructure did not progress very well at that particular time and, while we can talk about the issues around street marching, demonstrations, people congregating and being arrested, there were also a whole range of other issues. But the member for Kennedy is right when he says that nation building and the infrastructure, priorities and jobs that will come out of this particular investment are very important.

I am now the fourth person that is going to speak about Bradfield. I, like the member for Lyne, also saw the picture of Bradfield this morning in that meeting. It was very impressive. I think there were actually 13,000 cars in New South Wales at that time and they could all cross the bridge in 20 minutes. Anyway, it was something like that. It is fascinating when you look at how long ago that project was proposed and there was Bradfield in his infinite wisdom; the man was planning mad and government schemes at the time engaged his level of vision.

The Bradfield scheme in North Queensland is one scheme that has not got up yet. It is a project that I have always been very passionate about. I do know that in Queensland when the water crisis was emerging for the south-east they did look at the figures. In terms of construction it was a big investment, and it could not be done. It was actually about the ongoing recurrent costs but I think the member for Kennedy is right when he talks about prioritising projects and looking at job centres. The fact is that if you were to build the Bradfield scheme in North Queensland simply to service the south-east, the numbers do not add up, but building communities where water is in situ is probably one of the options that we could look at in future in terms of a brilliant scheme.

Bradfield certainly built the Story Bridge and the Sydney Harbour Bridge. Another little bit of trivia is about the Indooroopilly Bridge. It was built probably some 70 years ago now and I suspect that it was actually a private cooperative that built the bridge. The bridge is a swing bridge with large cables. Members who know the bridge may not be aware that the actual cables that lower the spans of the bridge came from the construction of the Sydney Harbour Bridge. Bradfield is in everything that we see and everything that we do. Certainly, his vision for nation building was supported by the governments of the day.

I quite often talk about the electorate of Forde and our lack of infrastructure, so I am pleased about the nation building projects that we are putting around the country and
the way that they will affect my electorate. When I say my electorate, I am also talking about the region—the Gold Coast hinterland. I also have by default some responsibility for what happens on the Gold Coast. I do know that, as a member of the public, I did not understand why areas and regions like the Gold Coast that everyone thought was doing so well were so severely lacking in infrastructure.

Recently a number of announcements have been made. I am proud to say that I had a lot of negotiation and discussion with the minister to do with the building of the Carrara Stadium. Whether you are an AFL fan or not is not the issue, it is about the jobs created not only in the construction but in the ongoing boost to that community. There is the industry itself and the generation of not only sporting tourism but all the services that will go firstly to the construction and rollout of that project and then will support ongoing benefits to the coast.

The Gold Coast is a nightmare when you look at transport. Public transport is almost non-existent and the roads are jammed. The announcement of light rail for the Gold Coast again creates many jobs in its development. It will be a billion-dollar project by the time it is finished but, essentially, it will take 40,000 cars off the road. When we talk about the impact of that on climate change along with those other benefits then it really is something that a project not only creates jobs with the ongoing positive effect on the economy but also achieves some of those good environmental outcomes.

There is also Tambourine Mountain, which is a beautiful part of the world, that is somewhat neglected in terms of its infrastructure. We are also pleased that the government was able to support a sporting precinct project of some $3.6 million. It is great for the mountain again with positive environmental outcomes but also jobs in building and in sporting tourism. There is also the fact that people who currently play sport or who are engaged in sport have to drive up and down the mountain to participate. There is a safety issue with that and of course the environmental considerations.

I find it really significant that the government plans to roll out $36 billion over the next six years on transport issues. I have used the example on many occasions. Canberra is a beautiful city that was well planned by Walter Burley Griffin, a man of vision for his time. In the period from 1914 to 1920, when he planned and developed the future city of Canberra, he got two things severely wrong, although he did not intend to get them wrong. He planned for the modern technology of the automobile with big roads and big roundabouts while somewhere else in the world Orville Wright was playing with a thing called the aeroplane. So Canberra has two problems: the roads get blocked because we have not planned well enough for public transport and it is very difficult to fly a plane into this place in wintertime. Canberra was about planning for the future and about looking at what we would need in our future. As a government, when we talk about nation building we are talking about future planning. We are not always going to get it right.

I take the point from both the members who have spoken about the priorities and the way that we roll these projects out, but understand the urgency and what we as a government were confronted with when the global economies were melting down and the fact that we had to decide what we were going to do in the short, medium and long term. As the members well know—and the Prime Minister talks about it all the time—70 per cent of the borrowings are being invested in infrastructure, the very projects that we are talking about today. We talk about Building the Education Revolution. It always amazes
me when I am in this chamber to hear the opposition find reasons why we should not have gone ahead with our Building the Education Revolution. I am also surprised at the number of comments members get within their electorate offices that something is wrong with a particular project. All I get in my electorate office is praise. This is the biggest rollout of infrastructure in schools ever, and when I was campaigning for the seat of Forde one of the areas of greatest need—and I think our Prime Minister knew this in opposition—was the schools.

Think of the effect of bringing technology into the schools, building the correct infrastructure and providing the jobs that go into that infrastructure. The member for Kennedy said that school building is not nation building. I dispute that because there is a whole range of other benefits as well. It is very much about the infrastructure we provide to educate our young people. We are in a competitive global environment and Australia has done itself proud in the way that it has confronted the global financial crisis. Investing in schools and educating our young people to ensure that they have every opportunity to compete in what is becoming a smaller and smaller global economy is going to be very important. So, when we are confronted with these issues, we as a government, supported by the Independents, believe that nation building is very important. I take the point about prioritising projects, but understand that we have had to act in a way that was going to solve some immediate problems, and the long-term benefits for the country of nation building are the opportunities we provide to our young people and the opportunities that will give to spur on our employment opportunities. That ongoing investment is really important. (Time expired)

Ms LEY (Farrer) (5.48 pm)—I am pleased to speak on this matter of public importance and add the perspectives of rural and regional Australia, particularly those of western New South Wales. This is a subject very dear to the hearts of all regional members and, indeed, of all those who live west of the Great Divide in New South Wales. If I look at my own electorate and consider what our infrastructure needs are, they very much come down to water infrastructure to deliver water for irrigated agriculture and productive farming in order to create the wealth that we very well know how to do in our part of the world. The other thing that I look at and see the need for day by day is telecommunications.

I pick up on a sentence that I heard earlier about schools infrastructure not being nation-building infrastructure. I think I can attribute that to the member for Kennedy. Only this morning I received two separate emails from constituents in my electorate whose children go to small schools and who are concerned about the appalling waste of public money in the Building the Education Revolution program. I do not have a copy of the emails in front of me, but one asked whether I as their elected representative had heard of examples where schools want a $600,000 facility and the education department has suggested to them that they apply for $1.2 million. There are other examples where schools are told that they might think they want something but that the education department would prefer it if they had something else, with the result that the cost of the project becomes exorbitant.

As I travel around my electorate and look at the beginnings of some of these projects, I am picking up an alarming trend, and that is the proportion of money costed in the project that goes to consultants, to overseers and to project managers who fly in and out often in charter aircraft, not on regular flights. The amount of money that hits the ground for a school building, assuming that it is a school
building that the school wants, is a mere 50 or 60 per cent of the total cost of the project. Nobody likes to see such waste of public funds, and I, along with my colleagues, do urge the Minister for Education to take a close look. I know the Auditor-General is taking a close look at what these funds are being spent on—and I am delighted to hear it.

Today we have had a lot of debate about the possible purchase of Cubbie Station. Water issues matter a great deal to those who live along the Murray in New South Wales, and I represent a large part of the Darling and the Menindee Lakes. We seem to be looking at this from the wrong perspective. The question that should be asked about the purchase of Cubbie Station is whether $450 million is the best use of taxpayers’ money, given that land and water are not disconnected in the state of Queensland. The other important consideration is that those who imagine that you can turn a tap off at Cubbie and turn it on at the mouth of the Murray is to demonstrate the impossibility of this.

Remember that there are flood plain licences in north-west New South Wales that allow farmers to harvest water above a certain level as it flows past their property. It would be a ridiculous situation if Cubbie Station were purchased at astronomical cost—and the federal government should not be in the business of farming, that would never be the case—and the water that flows past Cubbie into north-west New South Wales gets harvested in an opportunistic fashion by the flood plain licensees there. I do not think that the Minister for Climate Change and Water has even thought of that. It certainly should have been considered as an alternative to her purchase of water with Toorale and also the Twynam group of companies.

We desperately need the $600 million that we dedicated as a government to replumbing rural Australia; to actually provide the infrastructure to allow people to continue with their farming operations. That has been snatched away, and instead we have a government which is not interested in the infrastructure that is needed on farm and the upgrades to that infrastructure, but which only looks at a superficial green agenda that says, ‘Add more water at one end of the Murray-Darling system and you will get the same amount of water out at the other end.’ You will not. I hope that common sense prevails and $450 million of taxpayers’ money is not used to purchase Cubbie Station.

It is true that we need to look at how we manage our water resources, and Cubbie is an important part of that. I think there are issues about the amount that that one property harvests from the flood plain and things that we could address but, please, remember there are many farmers in the system and they all need help. (Time expired)

Mrs D’ATH (Petrie) (5.53 pm)—I am grateful to the member for Kennedy for bringing this matter on this afternoon. Infrastructure is certainly an important issue, and one that this government is committed to.

It is unfortunate but, once again, not surprising that the member for Farrer speaks about schools in a negative way, and the nation-building package and the Building the Education Revolution funding going to schools in a negative way, instead of working with her schools to actually get the best they can out of this funding. I do not think there is any member on this side of the House who has actually had a school—whether they are small or large—say, ‘This is a waste of money and this won’t bring new resources, new capital infrastructure and new opportunities to schools.’ But I am not going to spend the five minutes I have talking
about the opposition and their criticism of the education revolution. I will save that one for another day.

I would like to talk about the issues raised by the member for Kennedy. I appreciate the passion that the member for Kennedy has in relation to the north-west mineral province and his area. As this government has already stated in this House, it takes seriously the potential development of the north-west mineral province in Queensland. This includes the development of renewable energy resources. The national 20 per cent by 2020 expanded renewable energy target will roll out significant new renewable energy generation in Australia.

When we are talking about infrastructure, of course we have to reflect on the fact that those on the opposite side of this chamber have, time and time again, sought to block any investment in infrastructure by this government after failing to invest in infrastructure for the last decade. They sought to reject any investment in rail infrastructure, in social housing and in education. I can only hope that right now in the Senate we do not see the same behaviour and have the Senate reject the renewable energy targets. That would be devastating for this country and our path forward, and not only for the reasons that the member for Kennedy has outlined. If we are truly committed to clean energy and renewable energy sources, we need to start by passing this renewable energy target legislation that is now before the Senate.

I do have to take issue with the member for Kennedy on the point about broadband not creating any permanent jobs. I certainly disagree with that statement. I believe that by creating fast broadband across this country it will provide many more opportunities, and will make us more competitive internationally by having those opportunities. I believe the people in the rural and regional areas will benefit significantly because they will have expanded opportunities to work, to actually expand their businesses and also where they can situate their business—whether it is from home or other premises—by having these resources. These are resources that any business, any student, any school and any individual should have access to in 2009, let alone the future. We need to invest in that and, of course, this government has already committed $4.5 billion to the Clean Energy Initiative as well.

I am very familiar with the areas that the member for Kennedy represents, and the areas that he has mentioned today. In my previous job, advocating on behalf of workers, I represented those areas in the mines and in the construction industry. Of course, we cannot ignore those in the hospitality and tourism areas as well. Having been to Mount Isa, Winton, Barcaldine, Cloncurry and Julia Creek, I know we are very reliant on the tourists who come through those areas as well. We need to support all those jobs, and we need to grow opportunities in those areas. We need to ensure that we can protect those jobs.

I am just as passionate as the member for Kennedy about local projects, major projects that we believe should be invested in. I certainly will continue to advocate for a rail project in my area, as the member for Kennedy will continue to advocate on behalf of clean energy in his area. I support this matter of public importance. (Time expired)

The DEPUTY SPEAKER (Mr KJ Thomson)—Order! The time allotted for this discussion has now expired.

COMMITTEES
Australian Commission for Law Enforcement Integrity Committee
Membership

The DEPUTY SPEAKER (Mr KJ Thomson)—Mr Speaker has received advice
from the Chief Government Whip nominating a member to be a member of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity.

Mr BUTLER (Port Adelaide—Parliamentary Secretary for Health) (5.59 pm)—by leave—I move:

That Mr Debus be appointed a member of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity.

Question agreed to.

60TH ANNIVERSARY OF THE GENEVA CONVENTIONS
Report from Main Committee
Order of the day returned from Main Committee for further consideration; certified copy presented.

Ordered that the order of the day be considered immediately.

The DEPUTY SPEAKER (Mr KJ Thomson)—The question is that the motion be agreed to.

Question agreed to.

THERAPEUTIC GOODS AMENDMENT (2009 MEASURES No. 2) BILL 2009
Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading
Mr BUTLER (Port Adelaide—Parliamentary Secretary for Health) (6.00 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

AUTOMOTIVE TRANSFORMATION SCHEME BILL 2009
Cognate bill:
ACIS ADMINISTRATION AMENDMENT BILL 2009
Second Reading
Debate resumed.

Mr BRIGGS (Mayo) (6.01 pm)—Just prior to question time, I was talking about the importance of the car industry to my home state of South Australia and Victoria in particular. We were discussing the change in the economic structure in South Australia, ushered in by the former Liberal government under the guidance of Dean Brown and John Olsen, with Rob Lucas changing what was an old school economy that relied mainly on the manufacturing industry into a fast-moving and much more adaptable economy that relies on newer industries. That defence industry in the electorate of Port Adelaide is doing quite well, thanks to the support of the previous government, and so forth.

What had happened was that Mitsubishi, in the southern suburbs of Adelaide, which for a long time had been subject to government support and employed a lot of people in South Australia, had run into significant financial hurdles. I think it is not unreasonable to say that the reason they survived so long was probably the attitude of management in Japan. They were able to keep the plant in South Australia going for some time, probably longer than they would have liked. When they eventually shut down the plant—I think it was only 12 months ago that it came to a complete end—they adapted the structure of those areas in that labour market. They took it away from relying wholly and solely on heavy manufacturing, the car components area, at Tonsley Park and Lonsdale to a situation in the mid-2000s where the number of
employees at the Mitsubishi plant was the sum total of people affected by its closure.

Of course, it was difficult for most people, but I think it is true to say that most of the workers found other work without having to access the employment assistance programs that were on offer—and that was a tribute to the way that issue was managed. It goes back to this question: what value for money do we get for the significant assistance we give to the car industry? This government is proposing to give nearly $5 billion worth of assistance to this industry. What the opposition is rightly saying is that we need a level of scrutiny on that money. We need to ensure that we get value money. When we are paying back $300 billion of debt, we have to ensure that every dollar the government spends is directed to the right place.

Moving forward as a country, we need to look at investment in science, technology and education, investment in the newer industries. I am sure the wine industry in the Adelaide Hills in my electorate would not mind $3 billion over the next 10 years to assist their development. But, of course, they have not asked for that. They have simply asked the government not to take away the Wine Equalisation Tax in the Henry review. I am sure the Minister for Agriculture, Fisheries and Forestry, who is at the table, would be very alert to that issue. He is probably seeing some of those fine wine industry people this evening to discuss that issue!

Over time the Australian government, in conjunction with South Australian and Victorian governments both Labor and Liberal, has offered significant assistance to the car manufacturers. It is time, I think, that the government and the taxpayers were assured they are getting value for money. You cannot survive in the Australian car manufacturing industry without having a large focus on exports. Toyota do very well at it and Holden do very well at it. Ford probably trail, but they are still focusing on exports. Of course, that is what they must do. They must be part of the global supply chain in this industry because that is the way it has moved. Whether we like it or not, we do compete against lower cost economies when it comes to manufacturing, and that does make it difficult for us. We are not playing on a level playing field—I accept that. However, we have to ask: at what point are we spending too much on this industry? I think the level of scrutiny that has been suggested by the shadow minister is appropriate. Coming from South Australia, I know it is a big issue. I am sure that the member for Wakefield, who I see is listed to speak on this bill, will be very supportive of the assistance given to constituents who live in his electorate and work at Holden and in the car component sector around it. We need to have a mature debate about this. We need to consider this carefully because there is a lot of money at play.

As I said before question time, the Productivity Commission has commented in the past. It looked at this in 2008 and said that it costs the taxpayer around $300,000 per job per year to keep people employed in this industry. What we have been saying in this debate is, ‘Let us look at the accountability of this issue.’ I know the Prime Minister, when he was first elected Leader of the Opposition, highlighted manufacturing in his first press conference. I think he said something like, ‘We need to be a country that still makes things.’ Of course, we all agree about that. I think that is a reasonably non-contentious thing for him to say.

I think we should keep making cars. I think we make good cars. I drive a Ford Territory. It is a very good car, a fine Australian product. However, we have to also understand that many fellow Australians choose to buy overseas-manufactured cars. That puts
pressure on our industry, but it also indicates that it is in a very competitive environment. It is one that we need to keep an eye on and see how it is developing, because chucking more dollars at it will not work in the long run. We saw that with Mitsubishi.

I think if you had said in early 2008, when Mitsubishi finally announced they were leaving Adelaide, that the government was going to give them more money to try and help keep them here, you would have seen a very strong reaction against that. Going back 10 years, I do not think that would have been the case. Ten years ago, in 1999, had Mitsubishi said they were going to leave—and in fact they did a couple of times, and they got significant amounts of money out of it—the reaction would have been different. The community attitudinal change is quite significant.

I think that reflects the change that our economy is going through. I suspect that has helped in South Australia, as we have moved to a more flexible economy, which has meant that we have not relied on the heavy manufacturing industries as we have in the past. It is all very well for us to cling to the historical story-line that we need a car industry in Australia, but, if it is costing us too much as a government, if it is costing us too much as taxpayers, we need to give serious consideration to how we move forward with this industry.

The final issue I want to briefly deal with this evening before concluding my remarks is this. There are changes that the government is making or has made which will make management of the car industry more difficult going forward. None are bigger than the changes it has made to the industrial relations system. The rewind of the industrial relations system poses a great threat to this industry, as it does to the Western Australian mining industry. We heard what Governor Glenn Stevens of the Reserve Bank said about that last Friday—that, if you re-regulate, if you have more industrial disputation in Western Australia, you will kill the golden goose. I think that is equally true in the manufacturing industry. Changes such as allowing good faith bargaining and so forth, I think, are a very big danger for the industry going forward. Privately, the industry will tell you the same. They do not like the changes. They know the changes pose problems for them. Employee costs in that industry are quite significant. I think that is a major worry, with increasing union activity leading to disputation and strikes and increasing wage costs in the industry. That is another concern brought on by changes the government has made.

The biggest change of all to our economic structure which will affect this industry, will affect our ability to continue to pump in the millions that we do, is the amount of debt, obviously, because we will as a country at some point need to make some attempts to pay that debt off. That may be through tax increases, the Labor way. That is what we will see with Labor; that is the way they will try and pay this debt off. But we will also need to have a serious look at the services our country provides, so we can get back to the balanced budget situation that we on this side of the House desire and the Australian community desire. I am not so sure about those on the other side of the House. With those short remarks, I will conclude.

Ms VAMVAKINOU (Calwell) (6.12 pm)—I rise this evening to speak on the Automotive Transformation Scheme Bill 2009 and the ACIS Administration Amendment Bill 2009. The Automotive Transformation Scheme Bill 2009 is a very important bill and it provides the legislative framework for the establishment of the new Automotive Transformation Scheme, with the administrative details included in the regulations. I
want to begin by congratulating the govern-
ment and the Minister for Innovation, Indus-
try, Science and Research for bringing this
bill before the House at this time. This is a
new, better targeted and greener scheme,
which implements the centrepiece of the
government’s automotive policy, announced
on 20 November 2008, entitled A New Car
Plan for a Greener Future.

The car plan includes an expanded Green
Car Innovation Fund of $1.3 billion, brought
forward to 2009 and running over a 10-year
period, and changes to the Automotive Com-
petitiveness and Investment Scheme in 2010
to smooth the transition to the ATS, to the
value of some $79.6 million. The plan also
includes $116.3 million to promote structural
adjustment, through mergers and consolida-
tion in the component sector from 1 January
2009, and facilitate labour market adjust-
ment; $20 million from 2009-10 to help sup-
pliers improve their capacity to integrate into
complex national and global supply chains;
$6.3 million from 2009-10 for an enhanced
market access program; a new Automotive
Industry Innovation Council, bringing the
key decision makers together to drive inno-
vation and reform; and a $10.5 million ex-
pansion of the LPG vehicle scheme, to start
immediately. That in fact doubles payments
to purchasers of new private-use vehicles
that are factory fitted with LPG technology.

The Automotive Transformation Scheme,
running from 2011 to 2020 and providing
$3.4 billion to the industry, is, as I said, a
new, better targeted and greener assistance
program. The Automotive Transformation
Scheme encourages the competitive invest-
ment and innovation necessary for the future
viability of the Australian automotive indus-
try. It provides assistance to registered par-
ticipants who invest in eligible research and
development, plant and equipment and, in
the case of motor vehicle producers, the pro-
duction of motor vehicles. The bill provides
much needed flexibility in order to address
changing circumstances in the Australian
automotive industry.

The main feature of this bill is a renewed
emphasis on innovation. This renewed em-
phasis will be achieved by increasing the
level of assistance for eligible investment in
research and development from 45 per cent
to 50 per cent. This provision is particularly
important as it reaffirms the government’s
commitment to driving its innovation agenda
across all industry and, in particular, the
automotive industry. This government under-
stands how important innovation is to Aus-
tralia’s future prosperity. The Australian
automotive industry needs to develop new
technologies to meet the new and changing
circumstances of the 21st century. What is at
stake is nothing less than the very survival of
the automotive industry, and a strong and
innovative automotive industry is vital to
technology development and innovation in a
whole range of industries in this country.

The renewed focus on innovation in this
bill will be of substantial benefit, for exam-
ple, Mr Deputy Speaker Thomson, to our
state of Victoria, which has over 82 per cent
of Australia’s automotive research and de-
velopment being undertaken there. That
translates to nearly $540 million worth of
R&D. But we must always remember that, in
ensuring the survival of the automotive in-
dustry, we are in fact ensuring the survival of
the livelihoods of the many thousands of
hard-working Australians either directly or
indirectly employed in the automotive sector.

As the member for Calwell, which is
home to the Ford Motor Company, no-one
understands this more clearly than I do. Ford
has been a major employer in my electorate
for many years, and, as a result of Ford’s
existence in Calwell, there are many other
employers in the area who supply and de-
pend on Ford for their ongoing viability. My
constituents, the people of Calwell, are typical of thousands of other workers across Australia. Their livelihoods depend on Australia having a strong and viable automotive industry. So, through bills such as these, the government is maintaining and strengthening our manufacturing capacity. In the last two years we, in my electorate, have suffered many job losses in the car component industry. Many constituents have spoken to me of their personal angst and worries for their future in the context of the global financial crisis. They know that this economic downturn has hit the major car manufacturers in the US and in Europe. They are worried about their livelihoods, and they are worried about the livelihoods of their children.

We have all watched the car industry come close to being brought to its knees by this global financial crisis. Across Australia, in fact, we have held our collective breath as its potential impact has become apparent. But I can say with confidence—and, to a certain extent, with great pride—that the government and, in particular, the Minister for Innovation, Industry, Science and Research are doing everything we can to protect, support and develop our manufacturing capacity. We are determined to refocus and reshape our car industry, because we are committed to preserving and growing its capacity. The car industry not only provides vital employment for Australians, it is a driver of manufacturing innovation across many other industries as well. And having a local car industry that is strong and confident enough to innovate is essential for Australia to be at the forefront of adapting to our pressing environmental needs.

In the debate surrounding government assistance to the automotive industry, there are many—and there have been many speakers here on the opposite side today—who think and have stated that we should cease or seriously limit taxpayer-funded bailouts and let the chips fall where they may. But I was at one with the government when we expressed the view that better targeted schemes are the answer—schemes such as this, that will drive innovation throughout the automotive industry. Those who may oppose this scheme, I say, simply want to surrender Australia’s car manufacturing capacity.

An example of the opposition to this government’s bill is the contribution today by the member for Wide Bay, who not only voiced opposition to our investment in the automotive industry but sought to misuse the Productivity Commission data as he went on to say that support for the industry was the equivalent of a $300,000 subsidy per job and cited the Productivity Commission as the source of this figure. The fact is, though, that the Productivity Commission did not say that every job in the auto industry received the $300,000 subsidy. Instead, the Productivity Commission did an exercise where they assumed that the industry received $1.1 billion per annum. It estimated that if government assistance were removed it would lead to the loss of 3,000 jobs, so that each job saved cost $300,000—3,000 times $300,000 implies $900,000,000. The $300,000 is an estimate based on an assumption that is not valid. The fact is that 3,000 jobs have been lost in recent months in the auto industry as a result of the slump in the auto market following on from the global financial crisis. This has occurred in the context of the loss of tens of thousands of jobs in this industry around the world.

When in government, the opposition recognised the importance of the automotive industry and provided support through the ACIS program. The question now is: have they changed their minds on this? The member for Wide Bay questioned whether this support was indeed worthwhile, and our question is: is this just another case where
the National Party perhaps thinks differently on this issue from the Liberal Party?

Without the support provided by ACIS and the ATS, many more jobs in the car industry would be lost, and a critical element of our manufacturing industry would also be lost. I want to remind the House, because it is a very important thing to remember, that some of the key automotive industry performance indicators reaffirm the need to support and maintain our automotive industry. We are looking at exports to the value of $5.8 billion in 2008. We are looking at an employment figure of 46,474 people as of May 2009, an industry value of $5.8 billion between 2006 and 2007, and a business expenditure on research and development which was worth some $648 million in 2006-07. And of course we are also looking at demand: the industry used $11.4 billion worth of inputs from other sectors—services, primary industry and other manufacturers—in 2004-05.

Despite this, the opposition want us to surrender our manufacturing sector to the vastitude of the globalised free market. They want us to surrender our skills base and, ultimately, the livelihoods of working Australians, such as my constituent Mr Kalpa Dewan. I want to mention Kalpa because I had a chat to him recently about this. Kalpa lives in the suburb of Campbellfield in my electorate of Calwell. He has been working at Ford for 20 years and is now in the customer service division in the spare parts warehouse, where he is the occupational health and safety representative. Manufacturing for Kalpa is not an abstract economic indicator. Manufacturing for Kalpa is actually his livelihood. This government intrinsically understands the importance of this sector to the fabric of Australian life, to workers such as Kalpa, to families, to communities and to the whole region across this country.

I am proud to say that the Automotive Transformation Scheme Bill 2009 proves that the government are committed to Australia’s manufacturing future and that we will not surrender this industry. That is why we believe it is imperative that we make investments such as those included in the bill today. This government understand that it is incumbent on us to intervene in an area as important as manufacturing. As I have said, my electorate of Calwell, with its large manufacturing base, has many thousands of constituents whose livelihoods depend on the availability and the provision of manufacturing jobs.

Ford Australia, as I have mentioned, has an assembly plant in Broadmeadows and employs some 4,500 people across the country. In my own state of Victoria, the automotive industry is in fact the largest element of the state’s manufacturing sector, contributing approximately $3 billion in 2006-07 to the economy. Figures for February 2009 indicate that some 25,000 people were employed in this area. That is over 48 per cent of Australia’s total employment in motor vehicle and parts manufacturing.

Coming from Victoria and being the member for Calwell, I cannot stress enough the duty that we as parliamentarians have to ensure quality job opportunities for our constituents. We also have a duty to provide these opportunities in a targeted way which will ensure their long-term viability. It is not something that I believe we should let fall to the whims of circumstance. I know that my constituents support this view, and they are thankful that this government is doing everything possible to support their industry.

On 24 June this year, Minister Kim Carr announced a $230 million investment in Ford Australia. Ford Australia, with the support of this government, have convinced their Detroit headquarters that the first appli-
ocation of the EcoBoost technology to a rear-wheel-drive platform should begin here in Australia. This is not only a great achievement for Ford and a great outcome for Ford Australia but also a great achievement and a great outcome for Ford Australian workers and my constituents in the seat of Calwell.

The support this government has provided will revitalise and strengthen the automotive sector into the future. This government is not about just throwing money at the issue. In the context of the fund, the automotive industry is expected to build the skills and innovation capacity that is required to compete internationally into the future. Through the Green Car Innovation Fund, the Commonwealth will also contribute $42 million to Ford’s ambitious sustainability initiative. These are all important investments and they demonstrate clearly that this government is not willing—and nor am I, as the member for Calwell—to surrender our manufacturing sector.

The Automotive Transformation Scheme Bill 2009 provides capped assistance totalling $1.5 billion from 2011 to 2015 and $1 billion from 2016 to 2020. This assistance is guaranteed by the inclusion of a standing appropriation in the legislation, and the total assistance also includes an uncapped element for motor vehicle producers. Importantly, the scheme requires participants to improve environmental outcomes and promote the development of workforce skills and capabilities. The administration of the scheme is set so that assistance will be provided in grants instead of duty credits as was the case with ACIS.

Moreover, this bill makes it explicit that the scheme is self-assessed. This will ensure prompt payment to industry whilst reducing administrative costs to government. This bill also ensures that the Commonwealth can recover moneys overpaid to scheme partici-

pants, and these recovered funds can be re-distributed. Payments to participants will be subject to robust verification and compliance. The measures in this bill are carefully and deliberately targeted. This is a scheme that looks to the future by requiring participants to demonstrate a commitment to improving environmental outcomes and developing workforce skills in the industry today and to do so now.

Additionally, it is important that I take a moment to note that the success of our cooperative efforts with industry have not occurred in isolation. Throughout this process, the government has maintained a commendable working relationship with the Vehicle Division of the Australian Manufacturing Workers Union. In conjunction with industry, the vehicle builders union has worked tirelessly with the government to ensure the survival and future prosperity of the automotive sector. While those opposite may attempt to gain political points by trying to demonise the union movement—and we see that happening constantly, and I am sure the member who speaks after me will do his bit as well—this government is prepared to roll up its sleeves and get on with the job with any stakeholder that is willing to fight for the long-term viability of Australian jobs and Australian industry. I invite the members opposite to be among those stakeholders who wish to ensure the survival of Australian jobs and our manufacturing capacity.

This bill protects jobs because it requires participants to promote workforce skills development. This element of the bill recognises that a key contributor to the future viability of the industry is the development of a highly skilled and highly paid workforce. In response to some of the concerns that have been raised publicly by the opposition, the government is proposing amendments to this bill to deal with those concerns. The opposition wanted a greater focus on economic
sustainability and transparency in the operation of the scheme. The government is proposing amendments that will address those concerns. These amendments emphasise economic sustainability and provide for an annual report to the parliament on how the industry is progressing towards achieving economic sustainability, environmental outcomes and workforce development. These amendments will increase the transparency and accountability of the ATS and should be supported, not attacked.

In conclusion, as I have already mentioned, speaking to this bill gives me a great sense of pride because I know that this government is doing everything it can to protect, support and develop our manufacturing sector. It gives me pride because I represent an electorate that will directly benefit from the provisions in this bill. It gives me pride because of the progressive manner in which this government has brought all stakeholders to the table. And, finally, it gives me pride because I know that this bill is the centrepiece of the government’s A New Car Plan for a Greener Future policy. I commend this bill to the House.

Mr IRONS (Swan) (6.30 pm)—I thank the member for Calwell for her contribution in this debate on the Automotive Transformation Scheme Bill 2009 and the ACIS Administration Amendment Bill 2009. I might disappoint her by not attacking the unions, but if she wants me to and invites me to then I might have a shot at them. It is great that the member for Calwell has the Ford factory in her electorate. I hope that the member for Calwell actually drives a Ford and supports the industry that employs people in her electorate.

When the car industry is spoken about in this place there is usually an eastern-centric focus, so today I hope to give a Western Australian perspective. Eastern state towns like Geelong are often referred to as the manufacturing heartland of Australia. This is true: large-scale manufacturing in the east currently employs some 56,000 people, producing annually around 300,000 vehicles. However, to treat the large manufacturing plants as the only part of the Australian car industry would be wrong. There are many complementary industries across the country that rely on the success of the Australian car industry. In fact my electorate of Swan has 105 motor vehicle body and trailer manufacturing companies, six automotive electrical component manufacturing companies and 43 other motor vehicle parts manufacturing companies. The industry extends further with other organisations such as service providers that are reliant on local vehicle manufacturing.

The largest motor vehicle retailing company in Western Australia, the John Hughes Group, is located in my electorate of Swan. Just the other day my office was assisting The Tyre Factory in Cannington with their telecommunications problems. This is another type of company that is related to the motor vehicle industry. The point I want to make is that the success of these small businesses in my electorate depends on the success of the large-scale manufacturing in the east. They should all be considered part of the automotive industry. Automotive legislation considered by this place will therefore ultimately affect small business and jobs in Swan.

It is important that I rise today to speak on the Automotive Transformation Scheme Bill 2009 and the ACIS Administration Amendment Bill 2009. The coalition has always been a great supporter of Australia’s car manufacturing industry, its employees and the three main motor vehicle producers in Australia: GM Holden, Ford Australia and Toyota Australia. The car sales strips of Albany Highway, Victoria Park and Albany
Highway, Cannington are also in my electorate. These strips are littered with dealers who are household names in Perth. My electorate is also the transport hub of WA, and many companies use the suburbs of Kewdale and Welshpool to run their transport and subsidiary companies.

An issue for the manufacturing sector has been controlling job losses, fundamentally caused by improved technology as well as by job restructuring and training in order to work with the new manufacturing tools. The automotive industry operates in an extremely competitive international arena. Pressure has been put on the Australian car manufacturers over the past 20 years to reform to new technology and innovation, to become more flexible with industrial relations practices and to enhance the industry’s position by exporting our cars to overseas markets.

The previous government took steps to address this problem. It provided the automotive industry with certainty in moving towards a low-tariff environment. Under the Howard government’s ACIS program approximately $2.8 billion of transition assistance was provided to the Australian automotive industry between 2001 and 2005. In 2006 some 126,000 vehicles were exported to destinations including the Middle East, the United States, China, South America, South Africa, New Zealand and South-East Asia. Growth in the industry was present in 2006, when domestic automotive manufacturers exported 38 per cent of local production—this compared with only seven per cent of local production exported in 1990. As tariff levels declined, the Howard government helped the industry to compete internationally and to continue to export to foreign markets. In recent times, however, during a world economic downturn, demand for the industry has decreased and growth has declined.

I would like to now talk about the health of the big three car manufacturers in Australia: Ford, Toyota and Holden. Profitability between the three car manufacturers in Australia has been extremely varied over the past 20 years. Let us take Ford Australia for example. Ford entered the Australian car market back in 1904 with the Model T Ford, and 20 years later Ford’s first factory in Geelong was opened to locally manufacture the vehicle. An Australian designed and developed car came in the form of the Falcon in 1960. Since then Ford has been strong competition for other Australian manufacturers, and the Ford versus Holden debate has divided the nation for decades. It is part of the Australian culture. It is part of the fabric of Australia. It is like barracking for teams in the AFL.

I can remember as a young lad travelling to Bathurst in the late seventies to go and watch Moffat and Bond cross the line at Bathurst. I remember the might of the vehicles—Holden versus Ford—travelling down Conrod Straight, up the mountain and across the skyline. Often the trips up there were related directly to the Holden versus Ford debate. I remember a mate of mine, who I have often spoken to about this, Adrian Lawson, from the ‘Magic Men’, used to speak about the Fords and Holdens being rust buckets. That has been brought up recently as well in a state versus state competition for funding between New South Wales and Western Australia, and the Treasurer of Western Australia aptly called the state of New South Wales a rust bucket.

I will return to the subject of the day. Unfortunately, with the downturn in the world economy, Ford’s full-year financial result for 2008-09 was a loss of $274 million with a sales revenue fall of 7.4 per cent. Ford operates two plants, at Broadmeadows and Geelong, in Victoria and has around 4,500 employees and 230 dealers. In 2007 it produced around 68,000 vehicles. Only a small portion
of some 5,000 units were exported that year. On 22 August 2008, Ford announced that production would be cut by 25 per cent, with some 350 jobs lost as a result of the downturn in vehicle sales. However, on 24 July 2009, the Australian and Victorian governments announced funding of $42 million would be provided to Ford to produce a new four-cylinder engine version of its Falcon. The catch, unfortunately, is that the engine will be fully imported, and Ford announced at the same time that it would not proceed with its proposed new, locally built Ford Focus plant at Broadmeadows. Although the Rudd government have been somewhat supportive of this motor company, they have in turn cost the Australian economy further job opportunities. It is disappointing that the new plant will not be opening.

GM Holden is a wholly owned subsidiary of the General Motors Corporation. With uncertainty surrounding the future of General Motors as well as the current downturn in vehicle sales, the company was hit particularly hard in recent months. Holden’s vehicle export program began in 1954 when FJ Holdens were shipped to New Zealand. The company has grown dramatically, exporting 36,534 vehicles in 2007, with plans to expand its export program. However, the axing of the Pontiac brand by General Motors had an adverse effect on these plans, as the Commodore was to be exported to the US under this brand. Rather than shedding staff, Holden asked employees to reduce shifts, change working hours, take forced holidays and take an effective pay cut. Its plant at Elizabeth in South Australia is now one of the most flexible automotive operations in the industry—an essential strategy to serve the diverse markets.

Mr Champion—Hear, hear!

Mr IRONS—I acknowledge the member for Wakefield’s cheering. Changes have also been made to Holden’s corporate structure, with Alan Batey set to take over the role of chairman and managing director on 1 September this year, succeeding Mark Reuss. With regard to local sponsorship, Holden has been extremely focused on providing its support to netball in Australia. Its broad commitment to the sport includes partnerships with the national team, the Australian Diamonds, the ANZ Championships, Holden International Test Series, all five state netball associations and various grassroots programs.

Mr Champion—And the Central Districts Football Club.

Mr IRONS—Yes. Thanks for the prompt, Member for Wakefield. I appreciate the support. Unlike Ford and Holden, the Toyota motor company has not yet looked at shedding or changing jobs as a result of the downturn in vehicle sales. Although figures show Toyota’s total domestic sales are down 40 per cent, exports to the Middle East are thought to be holding up well.

Before I continue, I would like to briefly acknowledge that Australia’s big automotive manufacturing companies have been and are still investing in local communities. Ford is one of the major partners supporting United Way, Geelong’s major charitable organisation. This organisation raises funds for over 60 vital health and human care agencies within the region. Commendably, the organisation has also recently set up a program in the Geelong plant where employees are entitled to two hours paid leave each quarter to visit the Red Cross blood bank to place donations. I also believe it supports the Juvenile Diabetes Research Foundation. As most people would know, Ford has terrific brand awareness, and this is used when sponsoring Australian sport. Ford is involved in cricket, AFL and the racing and surfing industries, having a particular focus on grassroots in-
volvement. Ford has now been involved with the 2007 AFL Grand Final winners, Geelong Football Club, for 80 years.

The Holden team also run many great initiatives that give back to the local communities. They support the Leukaemia Foundation, providing transportation for patients to and from treatment facilities. GM Holden were in a similar financial position to Ford this year. Their engine plant at Fisherman’s Bend in Melbourne will close at the end of this year, with around 500 people losing their jobs. In December 2008 GM Holden reported a loss of $70 million, with the demand for Holdens down by nine per cent.

Toyota’s community spirit scheme involves working closely with Phillip Island Nature Park, providing support for conservation, education and research activities. Along with this, Toyota also partner with Conservation Volunteers Australia, an organisation that completes more than 200 conservation projects across Australia each year. As a strong supporter of conservation groups in my electorate of Swan, this is good to know. Maybe I could champion some of my local environment projects to Toyota. As well as these environmental schemes, Toyota are sponsors of the AFL and the NRL Cup 2009. They look to support Australian sport at a professional level as well as locally through youth involvement in the broader community.

I do have some concerns about the bill. As members will recall, on 10 June 2008 the Prime Minister and the Minister for Innovation, Industry, Science and Research, Senator Carr, travelled to Japan to announce funding of $35 million so that Toyota could manufacture a hybrid Camry in Australia from 2010. At a press conference shortly after the announcement of the grant, the Toyota president said, ‘We are not sure in what way we would like to use that amount.’ Further to this, a spokesperson for Toyota told the Australian newspaper when speaking about the hybrid Camry:

It would have happened regardless and we wouldn’t bring it to market unless we’re going to make money ... it’s always nice to have support but it comes back to a business decision.

Since the funding was announced it has emerged that, similar to Ford, the engine for the hybrid Camry will be fully imported into Australia. While this generation 1 car is introduced to the Australian market, Toyota is planning to start building a generation 2 vehicle in the US, Japan and Europe. What is extremely concerning is that Senator Carr and the Prime Minister felt the need to fly all the way to Japan to boast about the $35 million provided to Toyota but tried to keep Holden’s $200 million loan a secret. As I understand it, the government only made this information available after questions were asked by a couple of journalists.

You may ask why this concerns the legislation we are discussing today. The green car fund, combined with the proposed ATS, will see the Rudd government proposing to provide an additional $3 billion to the Australian car industry. Economic analysts have expressed concern, one commenting:

Assisted ‘green car’ production is unlikely to lead either to innovation spillovers or lower greenhouse emissions. The GCIF will like encourage some buyers to switch from taxed, more efficiently produced imported hybrid and fuel-efficient vehicles to subsidised, higher cost, locally-produced ones without markedly increasing ‘green car’ sales overall.

The green car fund officially commenced in April 2009; however, the government announced funding for Toyota and Holden prior to this start date. This reinforces the coalition’s view that there should be more transparency when it comes to how the government is spending taxpayers’ money.
Secondly, the ATS is another example of a scheme designed by the Rudd government that contains no benchmarks or requirements for public reporting. I remember making a similar point during a speech about the Schools Assistance Bill last year. There is no outline of reporting how public money is succeeding in supporting the bill’s objectives, nor does it have accountability measures for such a large sum of money. Surely the Australian people have a right to be shown that their money is not going to waste, but rather to improve economic outcomes of the automotive industry. The bill proposes to commit $3.4 billion in total over a 10-year period—an increase of approximately $2.1 billion on what is currently committed through ACIS. My concern is that this spending would represent a blank cheque for some manufacturers.

What we are asking for is simply details of how the cash is going to be handed out and to whom. There needs to be a direct link between the level of assistance and the level of economic activity. Whereas the ACIS arrangement of duty credits provides assistance to the automotive industry, the new ATS will provide assistance in the way of cash payments, and hence for the first time this will be itemised in the budget papers. It should be the responsibility of the minister to submit a report annually to the parliament on the progress towards achieving the bill’s objectives. This is an important and sensible amendment for the Australian people and does not impact the benefit to the automotive sector in any way.

The current ACIS act provides about $500 million in duty credits to the automotive sector each year, and it is scheduled to provide more than $4 billion in subsidies between 2006 and 2015. Announcing an extension of the ACIS in 2002, the then Ministry for Industry, Tourism and Resources, Ian Macfarlane, said:

The new-look … package goes far beyond what was recommended by the Productivity Commis-

Similar to its predecessor, the post-2005 Automotive Competitiveness and Investment Scheme will be a transitional … scheme that will encourage competitive investments by firms in the automotive industry in order to achieve sustainable growth.

The ACIS provides credits for motor vehicle producers relative to production and investment. Credits for other services such as service providers and automotive component producers were also set in relation to their investment in plant, equipment and research and development.

All participants under the current scheme are eligible for funding from the capped pool of $2 billion over five years. If claims are to exceed the cap, the credits are reduced to keep the total credits within the cap. The second pool of funding is not capped but is only available to motor vehicle producers. This is estimated to cost $850 million over five years. In addition to all of this, under the current ACIS no participant can receive credits exceeding five per cent of their automotive sales in the preceding year.

The automotive industry also benefits from a range of policy measures in addition to these current ACIS funding pools. For example, there are industry-specific initiatives such as the fringe benefits tax concession on the private use of company cars. This is seen as significantly important to local manufacturers given their reliance on fleet sales. Purchasing preferences are also in place with some governments and statutory bodies for vehicles manufactured or imported by local vehicle producers. These purchases effectively provide a subsidy to companies with a local presence. General policy such as the Export Market Develop-
The Grants Scheme is also beneficial to the industry, as it provides taxable grants to reimburse up to 50 per cent of designated export promotion expenses, with a focus on small and medium enterprises.

In respect of the current downturn the automotive industry is facing, the opposition supports the provision of further funding to the industry to ensure its long-term sustainability in the face of lower tariffs and one of the most open car markets in the world. However, the ATS Bill, which has been put forward aiming to make the car industry economically and environmentally sustainable, does not focus on the economic outcomes. Minister Emerson said in his second reading speech on this bill in the House:

... the ultimate aim is to make it economically and environmentally sustainable.

The outline of the ATS, however, does not set out economic stability as its aim. The ATS requires all participants to demonstrate two things: (1) progress towards achieving better environmental outcomes and (2) a commitment to developing capabilities and skilling the workforce at present. These requirements are welcomed; however, I feel the act should also incorporate a requirement to improve economic outcomes and this amendment should be made to the bill.

It is also my opinion that the ATS Bill is a piece of so-called coathanger legislation—that is, it contains very little detail, with the bulk to be included in the regulations and guidelines. The ACIS act, as previously mentioned, was introduced by the Howard government and is some 124 pages long. In stark comparison, this piece of legislation put forward by the Rudd government is a mere 18 pages. Containing the bulk of its information in the regulations and guidelines robs the parliament of a true view of the legislation and does not allow for any real opportunity to properly scrutinise and amend the material. This is of concern to me.

The bill does specify three main objectives: to provide assistance to participants for each motor vehicle and engine they produce, to provide assistance for investment in eligible research and development and to provide assistance for investment in plant and equipment. These three areas are also covered in the current ACIS, although the ATS would see them produced at higher levels to support the current downturn in the industry. Having said that, I say there are many details not included in the bill that should be stated and would be particularly relevant to be included in the papers—for example, the rate of assistance available for motor vehicle and engine production, debt recovery provisions, registration and deregistration, the right to an AAT review and performance clauses around ‘environmental outcomes’ and ‘workforce skills’.

In conclusion, there is no doubt that we must provide assistance to the Australian car manufacturing industry, as this industry is vital to the economy not only in Australia but in my electorate of Swan through employment, exports, innovation and skills. There must be support provided to the automotive industry as it deals with the ramifications of the downturn in business. I urge the government to consider the coalition’s amendments, which are important and sensible and do not affect the benefits for the automotive industry. I believe it is of great interest to the nation for us to continue to assist the car manufacturing and automotive industry in Australia to hopefully see it regain strength after this difficult international economic situation. I would ask the Minister for Agriculture, Fisheries and Forestry to point out to the member for Calwell that I did not bash the unions once during this speech.
Mr CHAMPION (Wakefield) (6.50 pm)—I would also like to acknowledge that the member for Swan was most restrained in his speech and paid tribute to the Central Districts Football Club, which is always a good thing. I rise to support the Automotive Transformation Scheme Bill 2009. This bill is a $3.4 billion plan and is the foundation for our New Car Plan for a Greener Future. The automotive industry remains the cornerstone of Australian manufacturing. It creates some $5.8 billion in export revenue and directly employs over 52,000 people. Car manufacturing is a hugely important industry in my electorate, where one in four workers in the city of Playford is employed in manufacturing. Elizabeth is a place that was born to make Holdens and to make cars. It was born for manufacturing, and thousands of my constituents have worked there or had a family member work there over the last 30 years or longer. So it is a very important industry for jobs and economic growth, but it is also important in so many ways to the identity of Elizabeth and the northern suburbs. I can remember many of my friends, after graduating from school, going to work there.

Currently, over 3,100 South Australians work at Holden, and these workers have felt the effect of the global recession. While no jobs have been lost, many sacrifices have been made, particularly with the loss of the afternoon shift. The company has moved to an incorporated day shift with a one week on, one week off roster, and the second week is at half pay. I know many afternoon shift-workers who have had to completely rearrange their lives, including things like child care, which is an enormous expense in a family’s budget. It has been a very trying time for some families, particularly those with a mortgage, those with children and those with overheads. Many workers have taken up leave voluntarily to assist the company and to help other workers get their hours, and some 370 workers have taken up the opportunity to have more time for their own purposes. That has been a good arrangement. It has allowed some people to have more hours and other people to have more leisure. Obviously, the downturn has affected different people in different ways, but there have been great sacrifices made to retain jobs and to assist the company in a time of international economic turmoil, a time when the car industry has been at the front line of these economic changes.

It is a testament to the workers and their union, the vehicle-building division of the Australian Manufacturing Workers Union. It is a very proud division of the union with a very strong history in South Australia of protecting members’ rights at the Holden plant and a very strong tradition of standing up for what is right. This union has very strong and sensible leadership in South Australia from the secretary, John Camillo, and the vehicle division secretary, John Gee, and it has a hard-working, highly skilled, well-paid membership, who have been very quick to respond to the new economic circumstances. It is that approach that has helped to attract new investment to the plant, and that is a huge achievement when you consider the global state of car manufacturing.

A recent report in the Messenger newspaper highlights that morale is at a six-month high in the plant following a series of very positive statements by the company. Senior shop steward Michael Etherington said:

If you go a few months back we felt like we’d been kicked pretty hard.
But there’s been a major upsurge in confidence.
Things are starting to pick up and we can see the light at the end of the tunnel.

These announcements include the launch of the new small car, the Cruze, by the Prime Minister in December at the Holden plant in Elizabeth. I was there. A lot of workers who
were actually on leave at that stage came in in their uniforms with their families. There was a lot of very young kids there and there was a sausage sizzle and the like. There was a really amazing and positive reception to the announcement. The Cruze is currently selling very well in the Australian market and from all accounts it is a great car. Some 2,000 of these new vehicles were sold in the first month, according to industry figures. It has had a pretty good start, and manufacturing will begin next year on that small car here in Australia, in Elizabeth. It defies the nay-sayers. It defies the people who were running around saying that car manufacturing was on its last legs in Australia. We got a new model up at a time of international economic uncertainty.

Of course, we also have the new model Commodore, which I am particularly looking forward to. I am sure it will be an absolute ripper of a car and very fuel efficient to boot, and I hope that this will encourage all Australians to buy Australian made cars. This especially applies to state governments, some of which have been purchasing foreign made vehicles for their fleets in recent years. The erosion of state governments buying Australian made cars is a very big concern because it is a vital part of the domestic market. Those fleet sales help Australian car manufacturers no end, and I would certainly like to see some state governments change their policies. It is interesting to note that the South Australian government and the Victorian government have very good policies on that front, but some of the other states have allowed things to slip.

Considering the importance of the automotive industry to the Australian economy and to so many families in my electorate, I am proud to support this bill, which demonstrates the government’s commitment to the automotive industry. It is a bill which is at the heart of the government’s comprehensive A New Car Plan for a Greener Future. This bill will assist in protecting jobs as the automotive industry faces intense pressure from the global economic downturn. The Automotive Transformation Scheme Bill 2009 sets up a legislative framework and administrative details for a new scheme, which replaces the previous government’s Automotive Competitiveness and Investment Scheme, ACIS.

The new scheme offers greater flexibility to deal with changing circumstances that are facing the automotive industry over the next decade. The scheme will start in 2010, and it is estimated that $3.4 billion in grants to the industry will be delivered over 10 years from 2011. This new, better targeted and greener scheme looks to the future by increasing the level of assistance for research and development, by improving environmental outcomes and by requiring participants to promote work-first skills development. There has been a great deal of that going on at Holden in the run-up to the launch of the new Commodore. The company has made a major investment in skills while the workforce has been getting ready for that new model. This transformation is already going on in the industry, and this bill will assist it.

It will be a self-assessment scheme, which will enable prompt payments to industry and reduce administrative costs and red tape—we are all fond of talking about it in this place but this bill actually does it. Robust verification and compliance mechanisms will be put in place, the most certain of which is the right of the Commonwealth to recover any overpaid moneys to scheme participants. Right now, the automotive industry needs a strong legislative framework and an equally robust commitment from government and, I have to say, from opposition, to encourage long-term planning for the future. This is an industry where there are very long lead times on investment. This bill delivers in these ar-
eas and provides much needed certainty for the future.

It is interesting to note that opposition speakers the member for Wide Bay and the member for Mayo went on a bit of a theoretical, rhetorical question and answer session with themselves in their speeches. I think this is rather disappointing, because when you get up and talk about the troubles besetting the industry, or about Mitsubishi and things like that, you do not focus on the future investment opportunities or on the real story that is happening on the ground.

It is significant to acknowledge that this commitment by the government does come at the same time as the legislative reduction in automotive tariffs from 10 per cent to five per cent in January 2010. This reduction will mean that Australia’s tariffs on passenger motor vehicles will be amongst the lowest in the world and we will have the fifth most open market for passenger vehicles in the world. That reflects the government’s belief that the long-term viability of the Australian automotive sector does not lie behind high tariff walls but in its ability to increase its innovation, its capacity, its competitiveness and its global integration. I have expressed to this House before my reservations about rapid tariff reduction—reservations that I and many of my constituents still hold—but it has not stopped us from looking to the future and it has not stopped us from backing investment in the industry.

As I said before, the global economic downturn is having a particularly negative effect on communities reliant on the manufacturing industry. Those communities look to us for certainty and, unfortunately, they have not found it in the opposition. We heard speeches in this debate from the member for Wide Bay questioning the value of the car industry, questioning why we should give assistance to it, and then we heard the member for Mayo talking about the same thing. It is an extraordinary thing for a South Australian member to be questioning the value of the car industry and our support for the car industry. But, unfortunately, it does outline the kind of push-me, pull-you approach of the opposition because, on one hand, we have Senator Abetz saying on 11 November last year that the coalition has ‘a very proud record of supporting the car industry’ and how that support is completely reasonable. He also said that it is not a better package ‘when you take into account the number of years it’s spread over’. Against that, you have Tony Abbott saying just the opposite: There have been a lot of assistance packages for the car industry and the real issue of any future package is just how long is this going to last? Will the car industry in this country ever be able to stand on its own two feet? Will Kevin Rudd be able to give a guarantee that any new package of assistance really will be the last package?

And Joe Hockey said:
I don’t know that it is necessarily the right thing to hand money immediately to the motor vehicle industry in Australia without knowing whether those key companies are going to be merging or even won’t even exist in 12 months time.

That was the member for North Sydney in an interview with Laurie Oakes on the Sunday program on 9 November 2008—an extraordinary thing to be saying in the context of an international recession. To be questioning whether or not the car industry would even be present in Australia is a tremendously irresponsible thing to be doing at this time. Certainly, it undermines the people in Elizabeth, the people in Geelong and it undermines this country’s capacity to get new investment and it is a complete contradiction of the government’s position and sometimes of the opposition’s stated position. One minute the opposition are one side of the debate, the other minute they are the other side of the debate. They cannot seem to make up their
mind. We hear this in many of the speeches when they say, ‘On one hand, we support the car industry, we support the workers, we want to see them here,’ and then they go on these rhetorical exercises without evidence, without any backing, about the future of the car industry. I think it is tremendously irresponsible at this time.

It brings us to what the car industry itself desires out of this legislation. I have a media release here from the Federal Chamber of Automotive Industries—a peak body of the industry—which calls on the federal opposition not to delay or frustrate the passage of this legislation. It quotes Andrew Mckellar as saying:

Now is not the time for political opportunism.

It goes on to quote Mr Mckellar as saying:
Tens of thousands of automotive jobs, as well as vital investment decisions are dependent on the support of this crucial legislation. The legislation will provide the industry with the confidence to invest in new technologies and support the development of lower emissions and greener vehicles in Australia. Any delay will cause unnecessary uncertainty and concern.

Mr Mckellar puts it far better than I could in saying that the opposition cannot afford to question or delay this legislation and cannot afford to frustrate this legislation, as is their wont to do with so many bills in the Senate. They should just get on and pass it. I am confident that this bill strengthens the government’s commitment.

Mr Lindsay—On a point of order, Mr Deputy Speaker: the opposition will not be delaying this legislation.

The DEPUTY SPEAKER (Hon. BC Scott)—That is not a point of order, and he should not interrupt like that in the future. He would not get the generous consideration of this Deputy Speaker.

Mr CHAMPION—It is not a point of order but it is reassuring. We hope that they put the grease on the wheels in the Senate and punch this one right through. This bill does underpin the forward changes in this industry—greener cars, new export opportunities and new products for the domestic market. The future of this industry does lie in our ability to innovate, to become globally competitive and to adapt to new consumer demands. This bill is an important part of the government’s strategy to achieve just that, and I commend it to the House.

Mr ROBERT (Fadden) (7.06 pm)—I rise to address the Automotive Transformation Scheme Bill 2009 and note that the government is spending $6.3 billion of taxpayers’ money and including assistance from 2015—which was the coalition’s previous scheme—out to 2020. One has to ask the question: at what stage will this industry stand on its own two feet? At what stage does it become economically viable?

I understand the importance of an automotive industry in this country. I understand the research and development that it provides. But currently there are 67,384 people—as at 2007 according to the Australian Automotive Intelligence yearbook—employed in the automotive industry, including component tooling and design. With $6.3 billion over the 10 years the government is looking to fund this, that is $9,000 per job. If we just focus on the 26,135 people directly employed in motor vehicle manufacturing, over the 10 years that is $24,000 per job. That is $24,000 the taxpayer is paying per job for those in the car-manufacturing industry.

I compare that to the marine industry in my electorate of Fadden. I have spoken twice to the Minister for Innovation, Industry, Science and Research, Senator Carr, and not a brass razoo was rolled out to that industry. There is nothing for the marine industry. Riviera Marine are in administration—from 1,200 employees down to 300. I spoke to
aluminium tinnie builders today—they are in administration. The number of employees in the marine precinct in Fadden has decreased by 65 per cent. You would think there would be some dollars and cents to help R&Ds when they come out of the current trough they are in so that they will be able to move forward strongly, but there is nothing. But we throw around $24,000 per employee at the direct car-manufacturing area. It is staggering.

I would have expected that the bill would come out very strongly to say that this is all about the economic viability and the future of this industry so that it stands on its feet once and for all—which was the coalition’s intent with the Automotive Competitiveness and Investment Scheme finishing in 2015—and also to be using the incentives for dollars and cents as part of the ACIS scheme to come off tariffs, now replaced with direct cash handouts. When will this industry stand on its own two feet? When will this Labor government stop supporting and propping up industries?

The other significant issues I have with the bill at present include the fact that there is very little transparency and accountability within the $3.4 billion car fund that is being raised. Today, Senator Carr, by abandoning negotiations with the coalition, refused proper transparency and accountability over how those dollars and cents will be used. Why? Why hide from transparency and accountability? The details in the bill are also very, very light-on with respect to debt recovery provisions, the right to an AATT review, the monitoring and evaluation of the self-assessment schemes, performance clauses around environmental outcomes and workforce skills. One could say that this is really just coathanger legislation, with everything being put in place through regulations and guidelines which, of course, cannot be amended; they can only be voted down, or indeed, up.

I understand where the bill has come from. I understand it has come from the Bracks review—another classic example of jobs for Labor mates. That never ceases to amaze me—even as an MP from Queensland, where the stench of Labor corruption at the state level is almost overwhelming. But I understand where the Bracks review has come from. I understand why they have moved towards the bill; I just feel that it is lacking, especially in those areas with respect to transparency and accountability, and I am stunned that agreement could not be reached with the coalition to address those issues. Notwithstanding that, the coalition is moving forward in support—notwithstanding the issues with the bill, notwithstanding the extension of support out to 2020, notwithstanding the doubling of money, notwithstanding the $24,000 per employee in the car-manufacturing industry and notwithstanding that the boat-building industry gets nothing. Having said that, the bill will pass the House, and I look forward to the car industry standing on its own two feet in time.

Mr ZAPPIA (Makin) (7.11 pm)—I take this opportunity to speak in support of the Automotive Transformation Scheme Bill 2009. Having listened to the contribution to this debate by the member for Fadden, I have to say that I am deeply disappointed at what I heard. I am deeply disappointed, because it is absolutely clear to me that he does not understand the significance of the automotive industry to this nation. It is also clear that he is at odds with members of his own party—and I was pleased to hear the reassuring comment from the member for Herbert that coalition members will be supporting this bill. It is consistent with comments I heard from a previous minister from the Howard government when he came to Adelaide some three or four years ago to support the release
of a new model of the GM Holden Commodore. He spoke glowingly about the importance of the automotive industry in this country. I hope that that sentiment still applies to at least the majority of members in the coalition, because it is indeed important.

When you come from South Australia, as I do, where the automotive industry was the home not only to GM Holden but also at one stage to Mitsubishi, you very much understand and appreciate the important contribution it makes to the state as a whole, not just to one region. I suspect that any member who has an automotive plant within their electorate or near their electorate would have the appreciation that I am alluding to. It is an appreciation which goes far, far beyond the direct employment of the people who work in that particular factory, wherever it may be located.

I understand that in Australia there are some 63,000 people directly employed in the automotive sector. There are probably another 100,000-plus people employed in indirect supply industries. Added to that are the tens of thousands of additional jobs in industries that are in no way connected to the automotive industry but which rely on the prop up to the local economy that that particular industry provides. I say that as someone who is very much aware of how important such an automotive manufacturing plant is. I refer specifically to the GM Holden plant in Elizabeth and the significance of that plant to the whole northern region of Adelaide. I say it as someone who over many years had a close relationship with the GMH plant at Elizabeth. I saw firsthand not only what it did but also the significance of the contribution it made to the region.

As an example, adjacent to the GMH plant at Elizabeth there is now is the Edinburgh Parks development. Edinburgh Parks is a billion dollar development and it was only made possible because all of the supplier industries to GMH located there. As a result of their location there, other industries came to the region and, in turn, contributed towards that billion dollar investment of businesses and industries in that region. So the GMH plant was the catalyst for a whole range of direct supply industries—and others as well. When you multiply the combined effects of all of those industries, you start to understand the value it has to that region. I suspect it would be exactly the same in every other region of Australia, wherever there is an automotive plant in place.

But I will go further than that. In the northern region of Adelaide we have a very strong Defence Force industry and a defence supply industry. In fact, I would venture to say that it is probably home to the biggest Defence Force sector in this nation in terms of industries that are defence related. Most of them have contracts with the Department of Defence. But, in order to underpin and sustain their operations, many of them have to deal with manufacturing at one stage or another. As a result of GMH being there, and the suppliers to GMH also being there, they have access to products and contracts that they would not have access to if those automotive industry suppliers were not there as well. So one industry feeds off another, and that is the multiplier effect that is not reflected in the 100,000-plus people who owe their jobs indirectly to the automotive industry being there. So when the Rudd government came to office and committed some $6.2 billion to the Automotive Transformation Scheme, it was an investment that was welcomed certainly in my region but also, I suspect, by tens of thousands of families around the nation—because that is how many people would be relying on the automotive industry remaining viable.

If the automotive industry in this country were to go down, there would be a concern
that I believe every Australian would share, and that is this: whilst our manufacturing industry across the nation has been in decline for several decades—and I think few people would dispute that—if the automotive industry were not around, the manufacturing industry would decline even further. In my view, that would leave this country totally vulnerable if in future years we were not able to make our own goods and did not have the facilities or the skilled people with the know-how to do exactly that. I say quite clearly and openly that I certainly refute the views put forward by the member for Fadden.

Before I get on to my own remarks, I would like to talk about a matter that was raised by the member for Mayo. He made reference to his concern about industrial relations under this government. GM Holden at Elizabeth has been competing in a very competitive environment across the world for the last couple of decades. The reason that it has remained competitive in the worst possible times—and even right now during this time of global economic downturn—is because the workforce at the GM plant, working hand in glove with management at the GM plant, know what is best for the future of the industry and have worked together to ensure the viability of that plant. It is through almost a decade of cooperation between the workforce and management that that plant remains viable. That plant was, in fact, one of the most productive GM plants around the world. So much for the concerns expressed by the member for Mayo. The situation is, in fact, quite the opposite. The people in the workforce in those plants are not there to try to ensure that they bring down those plants or create problems; rather, they understand what is in the national interest and they understand what is required of both parties—employer and employee—in order to ensure that the industry remains viable.

The attitude and approach of the workforce has been commended by GM executives time and time again. As someone who has been associated with that plant, I have seen the GM executives come and go and I would have to say that, without exception, each and every one of them has always understood, respected and commended the workforce at that plant for their approach in all of this.

I support this bill because it does a number of things. It underpins the viability of the automotive sector within Australia, but it also does two other significant things that I believe would be of concern to each and every one of us. We have just spent weeks and weeks debating the Carbon Pollution Reduction Scheme. We have debated in this chamber about what should and should not be done in order to minimise the effects of climate change, and we have debated in this chamber about what is the best way to reduce carbon emissions. When you look at Australia and you consider that something like 13 per cent of the carbon emissions that are produced in this country comes from the burning of fuel for the automotive sector, you can understand how important it is to ensure that we reduce the amount of carbon emissions coming from the automotive sector. It is not that difficult to do that if we are prepared to invest in some research, development and better designs. That 13 per cent could easily be halved, from the material that I have read. An investment in new car technology will, if nothing else, make huge inroads into our ability as a nation to reduce the carbon footprint of this country. If that is then transferred worldwide, as it currently is, it is surely one of the most productive ways of reducing carbon gas emissions across the globe. We need to do that for all the reasons that I suspect most members in this place understand.
It is interesting; only this morning I went to a breakfast presentation put on by World Vision. Tim Costello was there as the host of the breakfast, and there was a specific presentation relating to the effect of carbon emissions across the globe, how that links in with climate change and the consequences for each and every one of us. It is sad and somewhat disappointing that not all members of this House were able to go to that breakfast, because what they would have seen, I suspect, would have frightened them. It was indeed very concerning. But, putting that to one side, I make that point simply to reinforce the concern that is out there with respect to the importance of reducing carbon emissions. Investing in new car technology is certainly one of the ways of doing that.

That is one of the other critical outcomes of this bill. The third is this. We have debates in this place about the cost of crude oil and the impact it has on petrol prices. We know that we went through a period last year where crude oil was being sold for something like US$160 or US$170 a barrel, and we saw petrol in this country rise to $1.70 or $1.80 a litre. At the moment it has come back down in my home state to around $1.20 a litre and crude oil is selling for around $50 a barrel. But there are two issues relating to crude oil that truly concern me. One is this: it is inevitable that once the economy picks up crude oil prices are likely to rise. If it does, the increase in the price of crude oil will be transferred to the motorist—that is, the homeowners, the mums and dads, the people of Australia who rely on petrol to get to their workplaces, schools and wherever else they need to go. It would directly affect the household expenditure that households will be faced with.

So it is important to try to reduce that burden by coming up with more fuel efficient cars. This bill will do that. If you can reduce household expenditure on the petrol that is consumed, you will directly impact the household because of their expenditure. As we all know, everything we consume in this country has the cost of petrol factored in at some point or another. It adds a huge amount to the daily cost of living of people in this country. For that reason it is important that we come up with more fuel efficient cars.

In addition to the question of fuel efficiency per se, there are also views out there that the production of oil around the world has already peaked. I do not know whether that is true or not; I read mixed reports about that. But if it is true, given that countries like India and China are increasing the numbers of cars they produce and are selling to their own people in high numbers, it is likely that we will have, on one hand, less fuel and, on the other hand, greater demand for it. The consequence will quite clearly be that the cost of crude oil will increase. If it increases, that will be deflected directly onto the motorists and households of Australia.

It is imperative for the future of Australia’s automotive industry, for Australia as a nation and for the world that we reduce greenhouse gases. It is imperative that we reduce our reliance on petrol. It is imperative that we do whatever we can to minimise the costs of living associated with higher petrol costs. The $6.2 billion that was committed by the Rudd government as part of the auto plan will go a long way towards providing the kind of support that the automotive sector need to encourage them to make the investments that they need to make in order to design the cars that will ensure that they remain competitive around the world.

In that respect I come back to the GM plant at Elizabeth and commend the plant for having the foresight and making the commitment to change its design next year so that it is building a four-cylinder, more fuel efficient vehicle. I was at the plant probably
six months ago when that announcement was made. I have seen the kind of model that they are looking to provide. I have also seen the timetable for the production of that car. Right at a time when we were going through probably the worst economic recession that the world has ever seen, that plant was planning for the future—a future that was dependent on a car that was going to be globally competitive. My understanding is that everything is on track to build that car within the time lines and have it in production by late next year. That was the information that was provided to me when I last spoke to the plant manager there, and I have no reason to believe that that will not happen.

I also commend the current workforce there, who at this very difficult time for the plant—and the workforce understands the difficulty that the plant is in—have agreed to reduce their hours of work so that they can ensure that no-one loses their job at GMH at Elizabeth. It is a great example of what I would call Australian mateship, in which the workforce have agreed collectively to work fewer hours each and that way ensure that no job is lost. The importance of that is, firstly, that it ensures that every household at least maintains a level of income. More importantly, it reflects the confidence that that workforce and management have in the future of that plant as a result of the new model that they will be building next year. That confidence is such that they do not want to lose their workforce. It is a workforce that is highly skilled and highly trained. It is a workforce that GM out at Elizabeth has invested a lot in. Quite clearly, they have the confidence to say to them, ‘Stay with us during hard times because we will bounce back and, when we do, you will have your job and you will have the full hours that you were accustomed to in better days.’

I say again that I commend the workforce and the company for sitting down and agreeing to the deal that they did some months ago in order to secure the jobs of all of those people at Elizabeth and, in doing so, put to an end the myth that was constantly going around that the future of the GMH plant at Elizabeth was in jeopardy and that the plant might close. It certainly did not—and, as a result of that, all of those other industries that depend on it were also given the confidence that they needed to continue their own operations.

Debate interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 7.30 pm, I propose the question:

That the House do now adjourn.

Hinkler Electorate: Mr Don Dingle

Mr NEVILLE (Hinkler) (7.30 pm)—On 31 May, the Bundaberg region lost one of its greatest characters and one of Australia’s most renowned axemen, Donald Earle Dingle, who passed away after competing in a woodchop event at the Gin Gin centenary show. He was 73. His passing was in one sense poignant but in another sense a copybook ending to a life well lived. Don and his brother Arthur had just won second prize in one competition. Don then spoke to the show patron, Hazle Marland. He had a photo taken with his and Arthur’s families, and then stepped up to the block for his next event. He had scarcely commenced when he collapsed.

Don Dingle was a competitive woodchopper for 51 years. He had been a member of the Australian veteran woodchopping team for the past nine years and was a life member of the Queensland Axeman’s Association. He won countless national, state and local woodchopping events. The name Dingle is synonymous with royal shows from state capitals to tiny towns and hamlets like Mount Perry. Despite these honours, his daughter Kathy tells me that his most treas-
ured prizes were the local Kolan Shire sportsman of the year and Bundaberg News Mail sports award. He was never seduced by the bright lights of the big cities and national competitions.

Don was born in Mount Perry on 10 December 1935 and was educated at a small school at Drummers Creek near Mount Perry. Deciding he had had enough of school at the age of 12, Don spent a few years working on local cattle stations and doing the mail run on horseback, and when the time came he did his national service stint at Wacol Barracks. When he returned home he turned his hand to ringbarking for six months, followed by six months of cane cutting. These are the toughest of all lifestyles, and that went on in sequence for 13 years.

In 1952, Don met the love of his life, Marlene, in Mount Perry and married her in 1956. Together they raised six children: Anthony, Kathy, Carol, Robyn, Rodney and Susan. His legacy lives on through these children, 15 grandchildren and one great-grandchild. It was said at Don’s funeral that the three loves in his life were family, wood-chopping and cattle. On their Moolboolaman Station, Don and Marlene bred some of the finest santa gertrudis cattle in the nation, and his passion for the industry was known throughout the country. In fact, it was said at his funeral that if Marlene ever needed Don’s full attention all she had to do was bellow like a cow.

His other great love was family. He worked side by side with his sons for many years, and at the end of every day Don would make sure that he called his kids to see what sort of day they had had. There was an even gentler and unexpected side to this rugged man. He and Marlene loved roses. He had a magnificent rose garden, and every Sunday this tough man picked a bowl of roses for his wife. Don Dingle was one of the great characters who will live on in the hearts of his family and in the stories of locals for generations to come. He will be sorely missed.

Along with 1,000 locals and visitors, I attended his funeral at Moolboolaman Station. The family followed behind the hearse—in this case, the station’s Hilux ute—for some 500 metres from the homestead to end up at a grassy knoll surrounded by gums. After a homily and blessing by Father Boase, the Anglican vicar, and eulogies by Councillor Wayne Honor and son Tony, his casket was carried some 75 metres through a guard of honour of 90 axemen from all over Australia. His final resting place was a tiny white-railed cemetery, put there in earlier times by the Barton and Elliott families. There, surrounded by his axemen brothers, sons, nephews and wives and families, everyday rural people and civic leaders from the district, and with his horse Chestnut looking over the white-railed fence, Don Dingle was gently laid to rest. Standing there, I could not help reflecting on the text of Consider the lilies of the field and feeling, in that setting at least, that Christ might well have referred to the ‘flowering gums of the hillside and the creek’—a fitting place for Don Dingle to rest.

Question Time

Mr RIPOLL (Oxley) (7.34 pm)—Today we had a rare insight into the inner workings of the coalition party room. Today we saw what really happens and it was in full public view. There was an orchestrated abuse of the parliamentary process by the member for Kalgoorlie, Barry Haase. He orchestrated his own ejection from this place which set the stage for the move by the member for O’Connor, Wilson Tuckey, the mad uncle of the parliament, to stage a further walkout of coalition members. What was really interesting and what was the great insight into the inner workings of the coalition party room
was that, as they were preparing to walk out of the parliament—and walk out on their constituents—the Leader of the Opposition, Malcolm Turnbull, stood up and walked over to the two members and instructed them not to do it. You could tell by the finger-pointing, the waving of hands and the gestures that were made that both members rejected their leader’s instructions and proceeded to walk out on their constituents and the parliament.

It was an incredible insight into the inner workings of the coalition party room and the way that they manage themselves in this parliament. It is, of course, a stark contrast to what this government has been doing. For the past 18 months, we have been focused on the big issues in the economy that underpin people’s jobs and security, and their confidence in their homes and their future. We have been working on issues of homelessness, housing, education, health, climate change and all the big issues. What have we seen from the opposition? We have seen a rabble that cannot figure out what they should be doing. They do not seem to have a policy or a position on anything at all. While we have been talking about and working hard on the big issues in this country, the Liberal and National parties have been talking about themselves. I think they have shown everybody who is interested in and watches these proceedings and who saw what took place today that the coalition is interested only in its own future, not the future of this country.

What we have seen, in the coordinated abuse of this parliament and the staged walkout, is what they really think of each other in the party room. We only have to take the words of the member for O’Connor as evidence. What does he think of his own leader when he says he is ‘arrogant and inexperienced’? I will leave the arrogance for other people to judge. It is not for the member for O’Connor to make that judgment. But when he said he is inexperienced he may have had a point, because clearly this week in this place and certainly over many months the Leader of the Opposition has demonstrated his lack of judgment.

After 18 months they still have no position and no policy; they still cannot deal with simple issues such as housing and school infrastructure—simple things such as whether they would or would not support money being injected into their own schools. Every single one of them came into this place and voted against school funding, yet they go out into their communities and turn up to openings of new buildings, patting people on the back as if they had a hand in it, when all along, very deceitfully, they voted against it. They did not want to see all of this take place.

When a party is constituted of only four types of people—that is, the radicals, the rabble, those who have no position and the climate sceptics—what more could you expect? For weeks, months and years this parliament has had opportunity on climate change, on a CPRS, on doing something positive, something that will take this country forward in terms of carbon emissions and climate change. Yet the coalition still want more time to think about it, not because they need to make a considered judgment—because judgment is never the case here—but because they want more time to find out what their own position is. Those members of the coalition who walked out today specifically are the climate sceptics, specifically are the ones opposed to the views of the Leader of the Opposition, specifically are the ones who oppose any possibility of or support for reform within the party room.

There are two things that Australia today needs more than anything else: (1) it needs a united parliament that can get on with the job
of supporting the economy and (2) it needs a stable, cohesive opposition that is able to ensure the passage of critical bills. Unfortunately, with the current Liberal and National parties, under the leadership of Malcolm Turnbull, we have neither.

**South Australia: Proposed Independent Commission Against Corruption**

Mr BRIGGS (Mayo) (7.39 pm)—I will slightly amend the remarks I was about to make this evening in the adjournment debate, as the member for Oxley unfortunately continues the representation of Oxley in this place by appalling members of parliament. That contribution was one of the most ridiculous rants we have heard in this place for some time, but it actually leads me to the topic of something we do need introduced in South Australia, which is an ICAC.

In recent times, the member for Oxley has been caught up in this a little bit with regard to donations and dodgy deals with consultants in Queensland and other places. In my home state of South Australia there was recently an expose in the *Australian* newspaper of certain deals and arrangements that, it is fair to say, are not above reproach. It is quite ironic that the member for Oxley has come into this place this evening and launched into a hysterical rant about proceedings he has very little knowledge of, given the sort of behaviour it appears he may have been involved in in Queensland in recent times, according to reputable newspapers.

What this highlights, certainly in my home state of South Australia, is the absolute need for an ICAC of some description. The new Leader of the Opposition in South Australia, Isobel Redmond, the member for Heysen, an electorate within my federal electorate, has been calling for this for some time. Unfortunately, we have seen the Rann government scurry around and try to find ways to get themselves out of this because obviously they do not want some very dark places in the way they behave, particularly in relation to property development deals, exposed to sunlight. In South Australia in recent times they have given themselves the ability to override local government planning decisions, and in the area of Mount Barker, where I live, that is raising significant concerns about how decisions on property developments are made. There have been significant issues raised and questions asked, and I think the establishment of an ICAC would be an appropriate response.

In New South Wales and now in Queensland we have heard some questions that do need answers. Perhaps the next time the member for Oxley gets an opportunity to speak for five minutes in the adjournment debate—although I am sure the Government Whip will not be rushing to give him one, given that performance—he should use that five minutes to explain some of the stories that have appeared in the *Australian* newspaper, suggestions about how he does actually operate in Queensland. There have been some significant issues raised, and I think it is important that the member for Oxley, next time he wants to go on a rant about the opposition, think about activities or behaviour that he may have engaged in at some point, according to the *Australian* newspaper.

I do support the state Leader of the Opposition’s call for an ICAC. I think she is doing a very good job in highlighting this issue. Donations in Australia are a major concern. We have a bill before this parliament on the donation system, which should go a lot further to give people more confidence and to put it above reproach—which I do not think at this point in time it is. I think the biggest concern for people when it comes to donations are the third-party side deals, which appear to have occurred in Queensland and, there is some suggestion, in South Australia.
The second issue in relation to that is the vexed issue of union donations and the toll they take on Australian democracy. It is an issue we need to deal with. There are members sitting here in the House—and I think we know who they are—who have benefited significantly from union donations, and you do have to wonder how they go about managing their business in that respect. So I am very supportive of the call by the South Australian Leader of the Opposition for an ICAC. I think an investigation into what has gone on in Queensland needs to occur. In that respect, it was pleasing to follow the member for Oxley. I am sure any sunlight on these issues would give people a lot more confidence in a system about which a lot of very serious questions, which go to the fundamentals of our democracy, are being asked.

Economy

Mr DREYFUS (Isaacs) (7.44 pm)—Earlier this week, I had the opportunity to speak during the grievance debate about the impact of the global economic recession on families and businesses in my electorate. In particular, I spoke about some of the success stories that we have seen locally, even in these difficult economic times, and how the Rudd government is working hard to support jobs and businesses throughout this period. Unfortunately, I was interrupted by a division on a very important bill. I wanted to come back to this issue because it is so crucial to our local communities—to families and businesses in my electorate. I had been talking about a number of great local companies—Clean TeQ, who have won funding of almost $1 million under the Climate Ready program and who have almost doubled their staff in the past 18 months, and Frontline Australasia, who are working closely with the CSIRO in developing new industrial processes for a form of titanium pipe which could save thousands of tonnes of greenhouse gases each year and uses Australian minerals for manufacturing here rather than being exported as raw material.

The local businesses that I know, speak to and visit understand the critical difference that the macroeconomic policies of this government have made. For manufacturers, particularly small and medium sized businesses, our actions in stabilising the financial system through the guarantees have been crucial in supporting access to credit, without which businesses will not have the cash to support their operations during these times and to allow them to grow their business. Businesses I have been hearing from also understand that we have been investing in critical infrastructure, including rail, road and port projects, clean energy projects and the National Broadband Network—all essential infrastructure supporting jobs now to build future prosperity. The investment in these projects is critical to the future health of local manufacturing businesses in south-east Melbourne. It allows them to get inputs to the factories in the most cost-effective, timely and efficient manner, it allows them to get product to market and it allows them to make greater use of information technologies.

Given that around 20 per cent of Victoria’s manufacturing base is in the Dandenong region, it was fitting that the first of the federal government’s Keep Australia Working forums was held at the Drum Theatre in Dandenong last month. Trucking industry leader Lindsay Fox and former ACTU secretary Bill Kelty joined the Minister for Employment Participation, Senator Arbib, and the member for Blaxland, in his new role as Parliamentary Secretary for Employment, in hosting the forum. The event brought together business, community and education leaders with representatives from local job network agencies around south-east Mel-
bourne to discuss how together they could match suitable workers to suitable jobs.

It is great to see that a working group has come out of that forum. The working group will be led by local jobs coordinator Keith Pimblett, whose job it is to detail and deliver the plan and be a conduit between business, government and job agencies to keep employment and productivity up in the south-east Melbourne region. The government has already taken real practical steps to support jobs through local government infrastructure projects in our area. Those projects include the rebuilding of the Noble Park pool and the reconstruction of Tatterson Park, both of which are Greater Dandenong City Council projects; the Kingston Heath soccer facility in the city of Kingston, a project where the first sod is going to be turned next week; and the Ballam Park works in the city of Frankston.

Small and medium sized enterprises, particularly those who work in manufacturing and construction, understand that their best friend at this difficult economic time is not the opposition parties, who would prefer to run an irresponsible scare campaign on debt rather than support the early and decisive action that has been taken by this government, but the Rudd Labor government, which is proud of doing what is required to help support businesses and jobs through this global economic recession. It is the Rudd government which has acted early and decisively to stabilise the financial system. It is the Rudd government which is investing in critical infrastructure. All of the businesses that I talk to in my electorate are saying to me, loudly and clearly, that they understand the supportive role that the government has played. They understand why it is that investment in infrastructure is directly supporting jobs at a time when we would otherwise be in great difficulty.

Paterson Electorate: Pollies for Small Business

Mr BALDWIN (Paterson) (7.49 pm)—Tonight I want to raise the Pollies for Small Business event organised by the New South Wales Business Chamber that connects members of parliament with their small business community. Let me say from the outset that I am no stranger to small business, having been a small business proprietor in both the diving and construction industries prior to coming to this parliament. I would like to thank those business owners who not only welcomed me into their business with open arms but also provided me with an invaluable opportunity to gain firsthand experience and knowledge of the day-to-day issues that they are currently facing. Their generosity has allowed me to bring their ideas and my experiences to this parliament, which will enable me to better advocate for them as their local member.

A big thank you to John Manning and Renee from Manning Shoes in Forster who taught me the art of fitting fine shoes, to which I am sure Tim Connell, the journalist from the *Great Lakes Advocate*, can attest; to Joanne Jay, the owner of Tuncurry Newsagency, a very bright lady who is always on top of the news and ever in tune with the Great Lakes community; to Michelle Bellamy, the store owner of Gloria Jean’s Coffees in Salamander Bay and, I am informed, also the best barista in the seaside town; to Sandra Ferguson, store owner and glamour extraordinaire of Bay Butterflies Boutique in Salamander Bay; to Kate Murphy and Jim Norris, who kindly invited me back to their flourishing business, Dungog Ready Mix Concrete, years after I had the honour of officially opening the plant; to James and Katrina Lovegrove, Mark Caves and Peter Trappel of Lovey’s Supa IGA Plus Liquor store and their staff, who took the time to show me around their award-winning
supermarket a year after I took part in its official opening celebrations; and, lastly, to Donna MacIntyre and her lovely staff and children at Tilly’s Play and Development Centre, who allowed me to indulge in an afternoon of reading books and making toys.

As I said, this is not the first time I have taken part in Pollies for Small Business, yet I was once again enlightened by the stories shared with me by business owners and their staff, about how their businesses are operating. The week reinforced to me the ups and downs experienced daily by small business owners. Many of the sentiments shared with me by these business owners were similar to those raised at the Jobs for Australia forums, which I recently hosted in the Paterson electorate. The insight that I have gained through connecting with small business owners, as well as their staff, has been invaluable. These people are on the frontline each day and are directly affected by the decisions that we as politicians make in Canberra. The very real suggestions and ideas from local business owners about strategies which they think will help to create and preserve jobs in the current economic climate are not lost on me.

One of the key issues brought to my attention was the effect that bureaucratic red tape was having on their business. Let me be clear on this: red tape is a huge burden on small businesses. It is time-consuming for small businesses who just want to get on with running their operations, growing their business and protecting and creating jobs. Government red tape means small business people in Paterson miss out on business opportunities and spend less time with their families. The resounding voice coming from local small business owners is for government to simply get out of the way and let small business do what they do best—supporting our local community with local jobs and quality services.

The coalition has a plan to reduce red tape in Australia to the lowest level in the developed world. While the Rudd government has made much noise about making life easier for small business, after 20 months in government it has managed to achieve out of 27 priority reform areas only one change—national reform of wine labelling. Small business is the lifeblood of Paterson, as indeed it is of the broader community across Australia. Only the coalition is committed to working with all levels of government—federal, state and local—to provide a one-stop-shop online portal for all forms and filings required of local small businesses. My time spent with various small business owners has reinforced to me the coalition’s position that well-paid, skilled and secure jobs are dependent on innovation and enterprise, along with low taxes and incentives that make it easy for businesses to invest in people.

Finally, the power and potential of small businesses must not be underestimated. They are key to Australia’s economic recovery. If jobs are going to be generated in Australia, they are going to be generated by small businesses just like those that I have had the opportunity to connect with. I would recommend every member of this House get engaged in the Pollies for Small Business program to connect with their small business community so that as they come to this House to advocate policies put forward by the relevant government or opposition they do it with a clear understanding of and connection with the small business community in their electorate.

Deakin Electorate: Blackburn Primary School

Mr SYMON (Deakin) (7.54 pm)—I rise this evening to speak about the works being undertaken at Blackburn Primary School under the Primary Schools for the 21st Cen-
tury component of Building the Education Revolution. Of course, Blackburn Primary is not the only school in my area to receive P21 funding, but it has been one of the early starters after receiving funding of some $3 million in the first round of the P21 program.

As all members of the House would be aware, this wonderful opportunity to enhance vital school infrastructure extends to every primary and special school not only in my electorate of Deakin but right across Australia, with funding dependent upon enrolment size. To date, the amount of $38,950,000 has been allocated to primary schools in the electorate of Deakin under round 1 and round 2 of the P21 program. In addition, a further $6,125,000 has been allocated under the National School Pride Program in the electorate for maintenance and minor refurbishments at 40 schools—primary, secondary and special. And $1,970,000 has been allocated under the science and languages centres component of the BER. That investment adds up to a total of $45,075,000 for schools in Deakin. There are still over a dozen schools awaiting the announcement of round 3 P21 funding, so this total will shortly rise quite substantially.

Now I will go back to Blackburn Primary. They received $3 million for the construction of a new multipurpose hall—a hall large enough to hold all of the students in the school or for students to play indoor sports such as netball or basketball. Currently the school only has a hall that is too small to fit all the students, teachers and parents in it at the same time. In fact, the hall is really four old classrooms bolted together, with some of the formerly external walls cut out. It is especially full when the excellent school band at Blackburn give a performance at assembly. They are very, very good. The state of Victoria has also allocated funding to the school, specifically for necessary maintenance on the school’s over a century-old original school building, which is still in use today and of great local significance.

Therefore, it was with great pleasure that I attended the school to turn the first sod on the project with the Victorian Minister for Education, Bronwyn Pike, the state Treasurer, John Lenders, the principal, Sue Henderson, the school council president, Peter Chaffey, and the school captains on 31 July. As we saw on the day, fencing around the site has already gone up, the land has been cleared and the builders have already set up their site sheds.

Victoria-wide, across the government and non-government schools sector, the state government has calculated that 1,500 additional jobs have been secured under round 1 of the P21 program, with a further 2,700 jobs under round 2 and yet more to come under round 3. Investing in infrastructure and supporting local jobs in a time of global recession is vital for our economy—not just nationally but also locally. I am sure that most people by now have heard of the Rudd government’s $42 billion economic stimulus plan, and these school projects are just a part of the Rudd government’s infrastructure investment in Deakin. Seventy per cent of the stimulus package is being spent on infrastructure—supporting jobs for today and providing badly needed public and community facilities for the future.

We also know that infrastructure such as roads, rail, schools, community and sporting facilities in Deakin and right across Australia are good for the entire community. That is real infrastructure. It is not flagpoles but rather infrastructure that will make a difference to the long-term learning environment for our children to learn and grow in.

The Liberal Party voted against the BER package in this parliament. If it was up to them, not one school would be refurbished, not one new school hall or multipurpose cen-
tre would be built and there would be no maintenance or sporting area upgrades. And of course we know that would mean no jobs. This is a fantastic program. It is a great opportunity for all electorates. I am surprised that members on the other side of the House do not support the program when they are in here but are quite prepared to go out of this place and support the program on the ground.

La Trobe Electorate: Clyde Road

Mr WOOD (La Trobe) (7.59 pm)—I just briefly want to remind the government of one of their election promises in my electorate of La Trobe, and that is Clyde Road. It was promised during the election; where is it? It is one of those roads that is absolutely vital. It is a $35 million commitment, with the other half of the funding to come from the state government. We must have both the state and federal Labor governments working together to deliver Clyde Road. It is an absolute disgrace. The residents deserve better.

Question agreed to.

House adjourned at 7.59 pm

NOTICES

The following notices were given:

Mr Swan—To present a Bill for an Act to amend the Foreign Acquisitions and Takeovers Act 1975, and for related purposes.

Mr Brendan O’Connor—To present a Bill for an Act to amend the Crimes Act 1914, and for related purposes.

Dr Kelly—To move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: construction of a new Australian Embassy Complex including Chancery, Head of Mission Residence, Staff Housing and Recreational Facilities in Jakarta, Indonesia.
Wednesday, 19 August 2009  

The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9.30 am.

CONSTITUENCY STATEMENTS

Sturt Electorate: National Broadband Network

Mr PYNE (Sturt) (9.30 am)—I rise today to raise an issue that most members of my electorate would be quite unaware was growing apace as a problem for them into the future. In fact, when they find out, they will be extraordinarily angry and outraged. It is the collateral damage arising out of the National Broadband Network proposal of the government.

Recently I was watching The 7.30 Report—for my sins—and noticed that David Bartlett, the Premier of Tasmania, said:

“Essentially, the optic fibre gets slung across the electricity wires and then enters the home through the same place that the electricity wires would.”

Conor Duffy, the reporter, said:

“It’s believed negotiating access to these poles was a key issue in the negotiations with Tasmania’s state-owned power company Aurora … negotiating access will be an issue right across the country …

I suddenly realised that the National Broadband Network is going to be rolled out across the overhead cables of the suburbs of Australia. I am absolutely certain that people in my electorate would have assumed that the National Broadband Network would have been underground. In my electorate, 70 per cent of cables being swung across overhead cables will do enormous damage to the urban environment of what has sometimes been described as the ‘leafy eastern and north-eastern suburbs’ of Adelaide.

Back in 1997, when the Howard government moved to protect the urban environment, we introduced measures which required local and state government approval for the slinging of overhead cables, especially in suburbs like those of the City of Burnside, the City of Norwood Payneham and St Peters, the City of Campbelltown, the City of Tea Tree Gully, the City of Port Adelaide Enfield and even the city of Walkerville, which is a small part of my electorate. This protected streets and trees and the urban environment from being chopped and lopped and disfigured, doing real damage to property values but also creating issues of safety, problems with vandalism and problems with fire which come from overhead cables, especially when there are far too many overhead cables in a particular location.

The government will be hearing a great deal more about my opposition to overhead cables being swung in my electorate, destroying the urban environment. I think the public in Adelaide will be horrified to learn that in New South Wales the Rees government has actually suspended the state and local development requirements for the overhead cables to be swung. If South Australia follows suit, we will be powerless locally to stop the disfigurement of our urban environment, our trees, shrubs et cetera, because of the National Broadband Network.

Banks Electorate: Closing the Gap Awards

Mr MELHAM (Banks) (9.33 am)—On 4 August I was privileged to host the inaugural Closing the Gap Awards in my electorate of Banks. The government introduced these awards to recognise and honour those Australians who contribute to closing the gap between Indigenous and non-Indigenous people in their own communities. While the government is striving...
to improve the lives of Indigenous Australians, for decades Indigenous people themselves have been quietly improving the lives of their own communities.

In my community, I recognised the work of Marjorie Anderson, who has served on many community boards, including as Chair of Koori Radio. Marjorie was the inaugural Chair of the Aboriginal Advisory Group for Hurstville City Council and has worked tirelessly to build strong ties between Aborigines and council.

Annette Webb is a Koori artist who paints with a group of women at Kurranulla Aboriginal Corporation, based in Jannali. Annette assisted with the establishment of the Hurstville Aboriginal Art Group, aimed at building the capacity of isolated and disadvantaged local Aboriginal women.

Louise Durmush returned to work after the birth of her twin daughters. She trained as a care worker. Louise became the Aboriginal project officer with the Benevolent Society, then moved on to Aboriginal Home Care as the disability and access officer.

Aloma Sagigi is a Torres Strait Islander artist who visits local schools and is a member of the Aboriginal and Torres Strait Islander Advisory Committee for Bankstown City Council. Maggie and Colin Williams visit schools to provide education on Aboriginal issues. In addition, they visit prisons to provide encouragement and support for Aboriginal youth. Jaleesa Donovan runs an Aboriginal oral history project from Bankstown Youth Development Services. She keeps the community in touch with government initiatives. Sheila Fay is a member of Bankstown Koori Elders and is a volunteer for St Vincent de Paul. Carol Carter is an Aboriginal elder and very active through the Bankstown Aboriginal and Torres Strait Islander Advisory Committee for Bankstown City Council.

I recognise their hard work and dedication to providing a lifetime of support to the local community. All have contributed magnificently to fostering pride in their culture and protecting Indigenous heritage, and we thank them for their leadership in our community.

It was a wonderful evening of celebration in recognising the contribution that each of these people has made to their local community. The warmth and good nature of each of the individuals has to be seen to be believed. They are all putting something back into their community; they are all contributing to their community. These awards are a wonderful way of saying thank you to these volunteers. I can tell you that that made a difference. If you looked into their eyes, you could see that they were pretty proud and happy. I was really pleased to be associated with giving them recognition on the evening.

Telstra

Mr BRIGGS (Mayo) (9.36 am)—It is a pleasure to follow the member for Banks. I rise this morning to talk not about a positive issue, as the member for Banks has just done so eloquently, but, unfortunately, about an issue which is affecting many people in my electorate, particularly older constituents, and that is the decision by Telstra to apply a fee when people pay their bill over the counter. I am sure many members on both sides in this place will have been contacted by constituents about this issue. Many of you will know that I have quite an old electorate. In fact, I have the oldest local district council in the country, Victor Harbour. Many of the people who live in my electorate are self-funded retirees, and they are very unhappy with this decision by Telstra. This fee is a genuine increase to their costs.
A lot of these older people do not have access to the internet. They do not use phone banking. They are not as up-to-date with new technologies as some of us are, and they rely on paying these sorts of bills over the counter. Telstra’s decision to impose this fee is an outrage. I have written to the CEO of Telstra, but I do not expect too much joy there. I have spoken to a senior member of Telstra’s executive, who is a good person usually, but on this occasion I disagree strongly with their decision. Telstra say that the reason for their decision is that it is a significant cost to them to provide this service and that their competitors, such as Optus, also charge a fee. You can understand Telstra considering this fee, given that that is the case with some of their competitors. Frankly, I think it is a disgrace that Optus and other companies charge a fee as well. However, Telstra have always come from a very strong position in this market. Many people, but older people in particular, have always had their phone bill with Telstra. Even though there are some exemptions for pensioners and the like, this fee is a cost increase for older people and families and it is in addition to other cost pressures that they are facing in the community. Telstra should reconsider this decision. I know that many members in this place will support me in that call.

Many people and, in particular, young families are now facing the threat of higher interest rates because of the pressure that large government debt is putting on interest rates. We will see, as Glenn Stevens told the economics committee last Friday, whether there will be an increase in interest rates of somewhere between two and 2½ per cent over the next little while; that is going to be a massive increase. Now add to that the pressure on families from childcare costs. We saw reports the other day of massive increases in childcare costs. That is a pressure as well. It is all a very bleak picture for young families and also for older people in the community. I urge Telstra to reconsider their decision. I think it is an ill-thought-through decision and one that will hurt many ordinary Australians.

Newcastle Electorate: National Energy Efficiency Initiative

Ms GRIERSON (Newcastle) (9.39 am)—Just recently, Newcastle City Council announced it will bid for the federal government’s National Energy Efficiency Initiative, Smart Grid, Smart City. This initiative will support the installation of Australia’s first commercial scale smart grid, an advanced energy network that makes better use of available energy resources, can identify and resolve problems automatically and enable the most accurate consumer information about energy use and cost to be gathered.

Smart grids have the potential to transform the way we use energy in our homes and businesses. They use sensors, meters, digital devices and analytical tools to automate, monitor and control the two-way flow of energy across operations from power plant to plug. Smart grids also better incorporate renewable energy such as wind and solar generation and have the potential to support the widespread use of plug-in electric vehicles and other innovative technologies.

The successful tender for this initiative will be announced some time in early 2010 and, of course, as the member for Newcastle, I believe that Newcastle is the perfect fit. Newcastle has now firmly established itself as a centre for innovation and development in the clean energy sector. I have already talked at length in the House about the Clean Energy Innovation Centre and the Australian Solar Institute, both located in Newcastle. I know the Australian Solar Institute’s first board meeting will be held on Monday and I wish them great success.
These federal government initiatives place Newcastle at the forefront of clean energy research and development in the Asia-Pacific region. But they are only the tip of the iceberg in terms of progressive, innovative initiatives taking place. The Together Today program started in Newcastle in 2007 and has a stated aim to make the Hunter the most energy and water efficient region in Australia. Initially part of a Newcastle City Council business unit, Together Today incorporates ClimateCam, which commenced in 2001 and was the world’s first greenhouse gas speedometer. ClimateCam measures greenhouse gas emissions in the Newcastle local government area every day. In June of this year, at the National Awards for Local Government in Canberra, Prime Minister Kevin Rudd announced that the ClimateCam initiative was the best local government program in Australia.

Local businesses have also been doing their bit to position Newcastle as a leader in the clean energy sector. Just this week, two local businesses, Crucible Carbon and Sunengy, located in the Hunter electorate, were announced as having received grants under the COMET program. This means that they can demonstrate great innovation and the potential to develop successful commercial technologies. Sunengy and Crucible Carbon are now the second and third Hunter based companies to receive COMET grants after Precision Roasting and Drying, another Newcastle company, received a grant earlier in the year. All three of these companies were awarded their grants for the development of innovative and environmentally conscious technologies.

Local schools are also doing their bit to support the push for Newcastle to be the centre of clean energy initiatives, with 34 schools having now registered for the government’s National Solar Schools Program. I support Newcastle’s bid to become the Smart Grid, Smart City.

Forrest Electorate: Budget

Ms MARINO (Forrest) (9.42 am)—I rise to call on the government and the Minister for Education, Minister Gillard, to stop ignoring the plight of current gap year students and their families caused by the government’s proposed changes to Youth Allowance. The stress and uncertainty for these families created by this minister and this Labor government is totally, totally unacceptable—not only for the people in my electorate, but all those in regional and rural areas right around Australia. As all of us know—except, it appears, the minister, despite our repeated representations—the current gap year students will not qualify for Youth Allowance under the government’s proposed changes.

So, Minister, what do these parents and students do now? How will they be able to go on to university when the only way they could afford to do so was through the financial assistance of Youth Allowance? It is absolutely appalling and, unfortunately, patently obvious that the Minister for Education simply does not care at all about the stress and pressure her decision has placed on students and their families in regional and rural areas. Just as obviously, to this Labor government and to this minister current gap year students are merely collateral damage in this change and the educational aspirations of those current gap year students are totally dispensable.

Where is the detailed analysis on the number of current gap year students in my electorate who will be disadvantaged? How many students in my electorate, who would previously have qualified for Youth Allowance, will now not meet the eligibility criteria? How will they now be able to afford to go to university? Is the government simply expecting the parents to work
even harder and longer to try to afford the additional costs of offering their child their educational opportunity? Do these students have to go back to square one, start their gap year process again and push back their study for a further 18 months to two years? This supposes, of course, that the university will retain their place.

Where in my electorate will these currently disqualified gap year students find 30 hours of work every week for 18 months in small regional towns and rural communities? Where is the acknowledgement of the students’ need to travel to find such work, even if it is available? There is no equity of opportunity for higher education for regional students in the proposed changes, or the acknowledgment that every student from my electorate who has to relocate to study faces substantially higher costs to access their education than a student who lives at home and does not have to travel. Students from my electorate live at least two to four hours drive from metropolitan universities and have no choice but to relocate to Perth. There are a multitude of additional costs associated with relocation, such as accommodation, transport, food and communication with home, just to mention a few. One of the parents said to me that she is very concerned her children will not be able to go on to university; they cannot afford to do so. I call on the government and Minister Gillard to stop ignoring the plight of current gap year students and their families on the effects of the government’s proposed changes. I also call on the minister to stop discriminating against regional students. (Time expired)

**Integrated Humanitarian Settlement Strategy**

Mr LAURIE FERGUSON (Reid—Parliamentary Secretary for Multicultural Affairs and Settlement Services) (9.45 am)—I wish to detail the consultation that occurred around this country starting on 29 June in Newcastle and finishing last Wednesday in Albury about this country’s refugee humanitarian settlement process, the Integrated Humanitarian Settlement Strategy contract. Consultations were held in all capital cities and six regional centres. I want to salute the effort by Vincent Giuca and Peter Templeton, assistant secretaries of the Department of Immigration and Citizenship, and also Joy Puls and Nerys Jones, for their part in this process.

In most of these 12 locations there was consultation, firstly with government agencies that have impact on settlement, including Centrelink, state education departments, the police and departments of housing. Secondly, there was consultation with the settlement sector itself, including contract providers, settlement grants providers, charitable groups, youth organisations and voluntary groups. Finally, there was consultation with the refugees that went through the experience. I have to say that, around the country we had Rohingyas and Hazaras; we had people from the Congo; we had Somalis; we had Sierra Leonians; we had a variety of Burmese, including Karens and Chins. We were looking at how this country settles people—what is right, what is wrong, what can be improved in the contracts that we construct each year.

I have to say that the work of the department was exemplary in mobilising these people to attend. It is worth saying that nearly every member of this parliament, Labor and Liberal, was invited to these consultations and a small minority of members did take up the offer. We gained much from this consultation. We go to a variety of cities and see the very obvious differences. Those differences can relate to the ability of the various contractual groups to work together and the knowledge they have of each other; it can relate to other capital cities where unfortunately there is not a seamless, transparent process between the IHSS contractor and the
Settlement Grants Program contractor. Unfortunately in some capitals, as a result of contractual conflict, there are group of people who sometimes do not prioritise the clients.

At this stage, some very important points have come out of that process, and let us hope that they become part of the contract outcome. There is obviously a very deep problem with what we call AUSCO, our offshore orientation process. Perhaps we should look at another orientation onshore because the current process does not seem to fully get through. We have a housing crisis throughout the country which has a very big impact on people who do not have a rental history and sometimes are not attuned to the rental process in this country. We have the focus on youth, and 70 per cent of Australia’s refugee humanitarian intake is now under 30 years old. This is a very different pattern from the postwar nuclear family migration from eastern and southern Europe. We have a situation where a focus on youth needs to be a very big part of where we are going. We have to make sure that there is a good relationship between SGP and IHSS and adult migrant English contractors.

Petition: Warrego Highway

Mr BRUCE SCOTT (Maranoa) (9.48 am)—I present a petition on the condition of the Warrego Highway to put on the record for evermore the urgent message from 5,362 petitioners who are calling on the federal government to immediately provide funds for the upgrade of the Warrego Highway, which runs from Charleville in the west of my electorate to Ipswich, just half an hour west of Brisbane.

The petition read as follows—
To the Honourable the Speaker and Members of the House of Representatives
• the inadequate condition of the Warrego Highway, which is a vital link in the Brisbane-Darwin Corridor and major transport route for the primary, tourist, agricultural and resource industries;
• the significant increase in activity on the Highway, due to the development of the Surat Coal Basin and increased presence of resource companies in Western Queensland;
• the impact the Highway’s worsening condition has on the safety of motorists and efficiency of industry.
We therefore ask the House to:
• recognise the strategic importance of the Highway to Queensland’s primary, tourist, resource and agricultural industries;
• acknowledge the hazards of increased traffic and constant surface damage to locals and tourists;
• address the situation immediately by providing immediate funding for an upgrade of the Highway to ensure an appropriate standard is met for travellers, tourists and transport providers.

from 5,362 citizens
Petition received.

Mr BRUCE SCOTT—In the past few years, the Warrego Highway has seen unprecedented levels of heavy vehicle traffic as a result of the discovery and the rapid development of the Surat coal basin’s resources. Added to this is the slow but painful demise of Queensland Rail, which has pushed even more large trucks onto the highway. In 2007, recognising that the ever-increasing volume of traffic on the Warrego Highway was becoming a safety issue for motorists, I announced a Liberal-National coalition election commitment of some $128 million for the upgrade of the highway between Dalby and Mitchell. Some $50 million of this
was dedicated to the upgrade of the Roma to Mitchell corridor to allow type 2 road trains to access the Roma cattle yards, the largest cattle selling centre in the southern hemisphere.

The Rudd government responded with a commitment of some $55 million and, whilst this is certainly welcome, I am extremely disappointed to report that not a cent of this money has been spent. It has now been almost two years since the Rudd government was elected and none of the committed money has gone to construction works and none of it has begun, anywhere, on this highway. I have spoken with the Queensland Minister for Main Roads, Craig Wallace, and have expressed the urgency of an upgrade. I am obviously willing to commit a bipartisan support to this and I know that the 5,362 people who signed the Warrego Highway petition certainly support the fast-tracking of this important work.

Of course the Warrego Highway can only sustain so much traffic, and rail must carry its fair share of the freight task in the transport of grain, coal and livestock. So today, in calling for the federal government to fast-track these works on the Warrego Highway, I also urge the Bligh government to refocus their sights on restoring the once great Queensland rail network.

My time here, unfortunately, is very limited. However, I would like to take this opportunity to thank not only the thousands of people who signed the petition but also the many Maranoa small businesses, councils, service stations, truck stops—which put this petition on display—and the many individuals who passed it around to friends and family to harbour support for this vital upgrade of the Warrego Highway. Their support has been invaluable and I thank them. This petition sends a very clear message to this government and Craig Wallace, the minister in Queensland, to get on with the job of the upgrade of the Warrego Highway.

Werriwa Electorate: Macarthur Triathlon Club

Mr HAYES (Werriwa) (9.52 am)—I rise this morning to extend my congratulations to an exceptional group of athletes in my electorate who have achieved remarkable success. We Australians take great pride in our continual triumphs in our sporting endeavours and, as such, I feel it necessary to acknowledge the achievements of 12 local athletes in my electorate—members of the Macarthur Triathlon Club—who have been selected to represent Australia in the world championships.

The Triathlon World Championships is staged in a different country each year. This year, the three championship events will be hosted by Australia. There are Olympic and sprint distance events. To put this into some context, the Olympic distance consists of a 1.5-kilometre swim, a 40-kilometre bike ride and a 10-kilometre run; whilst the sprint event is half that distance, consisting of a 750-metre swim, a 20-kilometre bike ride and a five-kilometre run. These events will be held on the Gold Coast in September. The long-course event, which consists of a three-kilometre swim, an 80-kilometre bike ride and a 20-kilometre run, will be held in Perth in October.

Triathlon is a highly competitive sport. Competitors from all over the world are selected by their own countries to attend the world titles. Amongst the thousands who competed across Australia for this opportunity, the Macarthur Triathlon Club did exceptionally well, particularly in light of its being regarded as a very small club. A staggering 12 members will have the opportunity to represent their country in a couple of months time in these three events.

The Australian distance team consists of Julie Foster, Meegan Farrawell, Keira Pride, Rob Picken, Paul Rowher and Glenn Schwarzel. The Australian long-course distance teams con-
sists of Julie Foster, Garry Robinson, Boey Alam and Steve Papas. The Australian sprint distance team consists of Kanen Picken, Cameron Weeks and Kurt Dreyer. In representing their country, they join the ranks of a fellow club member, Erin Densham, who represented Australia in the 2008 Olympics. I wish them all well in their endeavour.

Finally, I would like to pay particular regard to Glenn Schwarzel, who is the president of the Macarthur Triathlon Club, for his dedication and commitment to local sport. We all know that, despite having athletes and people eager to have a go out there, unless we have people who are prepared to put the time and administration in, week in and week out, to help young people develop we will not have local sport and we certainly will not have champions of the calibre that we have seen in the Macarthur Triathlon Club. (Time expired)

Youth Allowance

Mr SECKER (Barker) (9.55 am)—Labor should have thought twice when it decided to save $1.87 billion by making changes to the independent youth allowance, hitting hard at rural and regional students. The anger and frustration expressed to me by students, parents and teachers from rural and regional communities in my electorate are quite extraordinary. I have never seen anything like it before. So angry and frustrated are my constituents that today I seek leave to table a document of 1,921 signatures, all expressing their opposition to the changes to youth allowance by the Rudd Labor government.

Leave granted.

Mr SECKER—Current gap year students have found themselves caught out by the changes. Their expectations of working this year to save towards the costs of moving to the city for university next year, supported by youth allowance, have now been dashed. A rally in Mount Gambier in June of this year was organised by Sasha Miles and Sarah Dickins, who are both taking a gap year to work and accumulate money so that they can attend university next year. That rally was attended by several hundred students. It was not a rally I organised; it was a rally they organised. I also met a large delegation of students from the Riverland with the very same issue at my Berri office.

Students who participated in the Mount Gambier rally told me that, of the graduating year 12 class last year, only a couple could afford to go straight on to university. These students told me and are telling the parliament through this petition that they believe the proposed changes are wrong, and they want their representatives to act to fix them. Our families are not wealthy. The mean weekly income in my electorate is $1,077, much less than the national average. The university aspirations of many families in my electorate, many on this petition, have been dealt a blow by the Rudd Labor government, which should hang its head in shame.

If you look at that petition, you see that you have people from all over my electorate signing it, whether they be in Renmark, Berri, Loxton, Barmera, Waikerie, Angaston, Tanunda, Nuriootpa, Murray Bridge, Mannum, Kingston, Millicent, Mount Gambier, Naracoorte, Padthaway, Bordertown, Lameroo or Pinnaroo. A whole host of towns around my electorate have been affected by this change. In fact, in every part of my electorate the students have to leave home to go to university, and as a result they are drastically affected by these changes. (Time expired)
I would like to speak today on the principles of universal design and their application in Australia. Universal design is the simple and powerful concept of building homes that meet the needs of all people regardless of age or impairment and that can be easily and cheaply adapted to meeting the changing needs of occupants. There are 1.3 million Australians with a severe or profound disability, and we also have a rapidly ageing population.

Honourable members interjecting

Mr SHORTEN—Sorry, I was thinking about the opposition there! We also have a rapidly ageing population—I need to get the member for O’Connor out of my head! We also have an ageing population whose needs are not being met by our existing housing stock. People with disabilities become used to adapting to a world where everyday objects, buildings and systems are not designed for their needs. Sadly, it is the people with disabilities who have to adapt, because in many cases their needs are considered to be secondary and somehow not relevant when objects are designed. In the field of housing, people with disability face limited choices or the prospect of spending thousands of dollars to retrofit a house. Further, universally designed houses also make sense for our ageing population. It is obvious that our needs will change as we get older. It is also obvious that most people prefer to age in their own homes, on their own terms, with as much independence as possible.

Some of the practical features of universal design are simple: solid walls in bathrooms so that rails can be easily attached; showers where a person does not have to step over the side of a bath or an obstacle to get in; benchtops in kitchens at both sitting and standing heights, which is important for people who are unable to stand for long periods of time and also allows small children to use the kitchen; extra living spaces on the ground floor of homes to accommodate future needs; a level principal entrance to a house and sloping landscaping to allow easier access; and windows that can be opened or closed with one hand by a person in a sitting position.

None of these items adds significantly to the cost of a new house. We have reached a point in our society where at last and at least environmental sustainability is considered an essential part of the design of new homes. The idea of sustainability is now not a bolt-on or an afterthought but there from the beginning. New houses are being built with an emphasis on saving electricity and water. There are easy to understand star systems operating to tell purchasers how energy efficient their homes are.

I would love to see us get to the same point with universal design. I would love to see real estate agents spruiking the fact that a universally designed house will increase in value because there will be more potential buyers in the future. I would love to see people buying a house asking themselves: will I be able to live in this house as I grow older? Our government is working on new standards for disability access to public buildings. However, legislation is only part of the answer. The building industry has a part to play in encouraging the adoption of universal design principles in what has previously been considered the too-hard basket of residential housing.
The DEPUTY SPEAKER (Ms AE Burke)—Order! When the member for Barker presented his petition I thought he meant it was out of order, but it is not. The document will be forwarded to the petitions committee for its consideration and will be accepted subject to confirmation by the committee that it conforms with standing orders.

Mr Secker—Deputy Speaker, it has already been forwarded to the petitions committee. They have rejected it on the basis of its length. That is why I sought leave to table it as a document.

The DEPUTY SPEAKER—we are having a bit of a dispute, then, about that. We will talk to them forthwith. I thank the member for Barker. He was giving me the right advice. In accordance with standing order 193, the time for constituency statements has concluded.

60TH ANNIVERSARY OF THE GENEVA CONVENTIONS

Debate resumed from 13 August, on motion by Mr McClelland:

That the House:

(1) notes the sixtieth anniversary of the Four Geneva conventions of 1949;
(2) congratulates the International Red Cross and Red Crescent Movement for continuously fostering the principles of international humanitarian law to limit human suffering in times of armed conflict and to prevent atrocities, especially against civilian populations, the wounded, and prisoners of war;
(3) recalls Australia’s ratification of the Conventions and of the two Additional Protocols of 1977;
(4) affirms all parliamentary measures taken in support of such ratification;
(5) encourages the fullest implementation of the Conventions and Additional Protocols by the military forces and civilian organisations of all States;
(6) encourages ratification by all nations of the Conventions and Additional Protocols; and
(7) recognises the extraordinary contribution made by many individual Australians, including Australian Red Cross members, volunteers and staff, in carrying out the humanitarian ideals expressed in the Conventions and Additional Protocols.

Mr ROBERT (Fadden) (10.02 am)—On behalf of the opposition I am very pleased to rise in support of the Attorney-General’s motion on the 60th anniversary of the four Geneva conventions of 1949. History well tells that on 12 August 1949 the international community took an enormous step in the name of humanity in adopting the four Geneva conventions to protect the victims of armed conflict. Fresh from the horrors of World War II—with the displacement of nations, the death of tens and tens of millions of military personnel and civilians and the revulsion of destroyed lives, shattered cities and wrecked nations—the world stood up with a determination to do something concrete and to provide a set of rules on how armed conflict should occur.

Whilst recognising that armed conflict is indeed inevitable, freedom is for those alone who are prepared to fight for it. Whilst recognising the inevitability of conflict—and it continues today and will continue tomorrow—the conventions recognise that conflict should be engaged in within a set of broad parameters. It is a sad indictment that in 1986, the International Year of Peace, there were 46 wars raging around the globe.

The conventions make comprehensive provisions for those who are most vulnerable: the wounded on the battlefield, the shipwrecked, prisoners of war and civilians who find themselves in the hands of the enemy. They also recognise emblems of the Red Cross and the Red
Crescent. Of course, protocol 3, adopted in 2005, added the Red Crystal. The conventions require respect and protection of those symbols.

Of the four conventions signed in 1949, now known as the Geneva conventions of 1949 or simply the Geneva conventions, the first relates to the amelioration of the condition of wounded and sick in armed forces in the field and the second to wounded, sick and shipwrecked members of armed forces at sea. The third Geneva convention relates to the treatment of prisoners of war and the fourth to the protection of civilian persons in time of war.

The conventions and indeed three protocols followed in 1977—protocol 1, the protection of victims of international armed conflict; protocol 2, the protection of victims of noninternational armed conflicts; and protocol 3, in 2005, the adoption of an additional distinctive emblem. The conventions and their protocols provide for measures to deter violations. It is the solemn duty of all states to stand up and recognise the conventions and the associated protocols and to adopt them, not just in good faith but in hard standing. It is the duty of all states to investigate, to prosecute and to punish those guilty of breaches, especially grave breaches, regardless of where that offence was committed and regardless of the nationality of the perpetrator.

Sadly, as we all know, recent times have seen a rise of nonstate actors—an asymmetric battlefield that covers not only air, sea and land but online internet communications operating within the civilian community. We have seen agents of warfare across state borders and we have seen battlefields that know no population or territorial limits and have no respect for human life. Whilst conventions are now well recognised by the states of the world, modern warfare, and indeed its laws, must now contend with those groups who do not hold out as states, who do not adhere at all to the conventions and their protocols—groups whose sole purpose is the destruction of states and the implementation of ideologies. These nonstate actors present a present and very real danger to the world as we know it. Nevertheless, regardless of the identity of protagonists, regardless of how they seek to prosecute their arguments, regardless of the violence they enact upon civilians, states and the militaries, it is still the challenge of the civilised world to stand up and continue to recognise the conventions and to engage in conflict according to its precepts and principles, regardless of how other nonstate actors fight their battles and present their cases.

The civilised world should never reduce itself to the lowest common denominator of those who seek other means of conflict. The civilised world must continue to stand up and set an example. In 1949 humanity adopted the four conventions and said that even within conflict there are rules, regardless of what the nonstate actors do today. That sense of humanity held true then and it holds true now: warfare and conflict still has rules. Rules must be followed. The conventions are designed to protect those who cannot protect themselves.

One only needs to look at the great work of the International Committee of the Red Cross and to see where it is most active today to get an understanding of where the trouble spots are and indeed where many of the nonstate actors continue to work: in Afghanistan, the Lebanon, the Democratic Republic of Congo, Liberia, Columbia, Haiti and in other areas. Conflicts range from traditional warfare, insurrection and widespread terrorism to societal breakdown, much of it precipitated by acute poverty.

Indeed, in Australia the National Red Cross has made an enormous contribution to the implementation of the conventions’ humanitarian ideals and principles that are espoused within
the protocols and the convention. On the most recent available information, work of the International Committee of the Red Cross included educating over 17,000 people in humanitarian law, handling almost 3,000 international tracing and refugee services and assisting over 1,500 asylum seekers. That is profound and great work by the Red Cross in Australia. We should pay tribute to the work of the chairman, Greg Vickery AM, and the chief executive officer, Robert Tickner.

It is with much pride that the coalition supports the 60th anniversary and, once more, states categorically in this place that the conventions set a standard and an ideal of how armed conflict is to be engaged in. The coalition supports the conventions. It supports the government’s work in ensuring those conventions are adhered to and applied, and it supports the work of the government as they seek to engage other players, other countries and non-state actors, in also adopting the conventions and protocols as together we seek to build a better world.

Mr PERRETT (Moreton) (10.10 am)—Last week, on 12 August, I was out the front of Parliament House and there was a demonstration taking place. Like many of these demonstrations, it had attracted many people. The Federal Police were there watching over the demonstration. There were also members of the armed forces—in fact, there was someone from the Navy, someone from the Air Force and someone from the Army. So the military was standing there watching over the demonstration, but it was not your normal sort of Parliament House demonstration. It was a particular event that saw 10 people standing in a line handing a book from one to the other. The last person in that passing line was the Attorney-General, Robert McClelland, and what he received was a copy of the Geneva conventions. There were members of the military in that parade passing that document along. It was a very moving event. Later on the same day, people from that demonstration were down at the High Court, where Chief Justice French gave a great talk about the history of the Geneva conventions. It was fantastic to be able to witness that event that took place in between those two important institutions: the High Court and the parliament. Between those two, between justice and democracy, was that ceremony of the Geneva conventions passing between members of the military, members of the public and members of parliament. It was fantastic.

Why did this occur? Because it was 60 years to the day since the four Geneva conventions of 1949 had been signed. The Red Cross had been around a long time before that, but these four separate conventions were signed in 1949 and remain in effect today. The first convention contains laws pertaining to the care and protection of the wounded and sick on the battlefield. Obviously that is the history of the Red Cross. The second convention applies to those wounded, sick and shipwrecked at sea. The third pertains to prisoners of war, which was very important coming after World War II when many prisoners suffered atrocities and is especially poignant for Australians because of the horrors of what happened in Changi as well as in Europe. The fourth convention deals with the protection of civilians in time of war. This was also very important because, as the military machine had grown in power, unfortunately civilians were the collateral damage, I guess, more so in World War II than in any preceding wars.

At the media event that I just talked about, Robert Tickner, the CEO of the Red Cross, talked about the recent survey they had done around the world. Standing in between the High Court and the Australian parliament building, we had a discussion about the fact that the survey found that more than 40 per cent of Australians believe it is okay to torture captured en-

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emy soldiers in certain circumstances. Yet according to this comprehensive research on attitudes to war released by the Red Cross, which surveyed more than 1,000 people, 93 per cent of Australians also believe that those who break the rules of war should be punished. It is interesting to try to reconcile those competing ideas: that it is okay to torture captured enemy soldiers in certain circumstances and, on the flip side, that if you break the rules of war you should be punished. It is reassuring to know that a majority of Australians understand that even wars have laws, but it is a bit horrifying that two out of five Australians also believe it is sometimes okay to break those laws. As I said, standing there between the High Court and Parliament House, maybe in Australia because we have such institutions we are a little more relaxed about them.

In the same survey, people in countries like Afghanistan and Liberia were much more focused. In countries that have been wracked by war and where to have an election is a major event where people are dying today, people died yesterday and, no doubt, in the next couple of days in Afghanistan more people will die just in an attempt to cast their vote. In countries such as Afghanistan and Liberia 85 per cent of the people believe that the Geneva conventions limit the sufferings of civilians in wartime. Dr Durham from the Red Cross made the point: Cynicism and complacency are luxuries for people who aren’t living in a conflict zone and who haven’t experienced the horrors of war. Almost half of those surveyed in Australia believed the laws of war made no difference, yet those from conflict-ravaged countries feel more positively that laws can make a difference.

That is a telling survey result. The same day after that ceremony when the Attorney-General received the Geneva conventions he then came into the House and moved a motion commemorating the 60th anniversary of the Geneva conventions. In his opening comments he made the point that, when Nauru ratified the Geneva conventions in June 2006, every single nation had ratified these conventions. It does not matter where they sit on the political divide or where they sit culturally, every nation has said, ‘These are rules that we must embrace.’ Every member state of the United Nations is party to them, which is quite momentous. I know, on occasion, we can focus on the darker side of human nature and that is obviously a role of government, but it is also important to recognise the positive things that occur.

In 2002 I especially recognise the previous Howard government for enacting the International Criminal Court (Consequential Amendments) Act, which provided that all crimes within the jurisdiction of the court namely genocide, crimes against humanity and war crimes are now crimes under Australian law. They can be dealt with in Australian courts irrespective of where they are committed and regardless of the nationality of the perpetrator. It is fantastic to think that these are universal laws. If you have ended up on our shores and you have committed these crimes then we can prosecute you in our own judicial system. I note that 109 countries have signed up and that the courts have started their first trial looking at some of the atrocities committed in the Congo, Uganda and Sudan—something which is of particular interest to the Sudanese population in my electorate.

The Red Cross has a wonderful tradition that can be traced back to the Battle of Solferino in 1859, which was witnessed by Henry Dunant. It is great to see that in Australia in 2009 we are still making changes and still trying to ensure that the laws of war are enforced and that the laws of war hopefully will protect more civilians and prisoners of war. If we go back to 1859 when the Austrians and Italians battled it out with horrific casualties that then prompted
Henry Dunant to get off his backside. So many organisations spring from someone saying, ‘I have to do something about it, what can I do?’ In 1864 he had the first Geneva convention and then in 1867 the Red Cross formed. In 1929 we had a later Geneva convention that was a precursor to the ones I have already mentioned. In 1949 we had the Geneva conventions that I have mentioned. The symbol was the Red Cross on the white armband. Initially it was just going to be a white armband but people thought it might be a little bit too close to the act of surrendering. In Muslim countries it was a Red Crescent. And in 2005 a non-religious symbol of the Red Crystal was introduced.

The Red Cross is well respected throughout the world and well respected in this parliament. On the Labor side, I am one of the convenors of Parliamentary Friends of Red Cross. We also have Bruce Scott from the Nationals and Senator Russell Trood from the Liberals. That is three Queensland blokes, so to give us a bit of balance we have Christine Milne from the Greens as well. We will continue to do what we can to recognise the good works of the Red Cross both in Australia and around the world.

Mr HALE (Solomon) (10.20 am)—I rise in support of the Attorney-General’s motion in the House of Representatives on the 60th anniversary of the Geneva conventions on 12 August 2009. What the Attorney moved was:

That the House:

(1) notes the sixtieth anniversary of the Four Geneva Conventions of 1949;
(2) congratulates the International Red Cross and Red Crescent Movement for continuously fostering the principles of international humanitarian law to limit human suffering in times of armed conflict and to prevent atrocities, especially against civilian populations, the wounded, and prisoners of war;
(3) recalls Australia’s ratification of the Conventions and of the two Additional Protocols of 1977;
(4) affirms all parliamentary measures taken in support of such ratification;
(5) encourages the fullest implementation of the Conventions and Additional Protocols by the military forces and civilian organisations of all States;
(6) encourages ratification by all nations of the Conventions and Additional Protocols; and
(7) recognises the extraordinary contribution made by many individual Australians, including Australian Red Cross members, volunteers and staff, in carrying out the humanitarian ideals expressed in the Conventions and Additional Protocols.

Tragically, the world continues to experience armed conflict. As Dr Jakob Kellenberger, the President of the International Committee of the Red Cross, has said:

We sadly live in a world in which reports of direct attacks against civilians, of forced displacement, and of mistreatment of persons detained in relation to an armed conflict and the denial of their basic rights, judicial guarantees and procedural safeguards, are all too common.

By moving this motion, the Attorney-General is reminding all of us in this House, and Australians across the board, of our support for the Geneva conventions and our respect for the role that the Red Cross, the Red Crescent and now the Red Crystal organisations play in areas of conflict. I am very proud, as the member for Solomon, that I have the 1st Brigade in my electorate. I am very proud of the efforts that many of my soldiers—I call them my soldiers but they are really not my soldiers; Brigadier Michael Krause is the commanding officer—have
put in in Afghanistan, Iraq and Timor. We welcomed home 1,200 soldiers on 8 August. They are back safely in the electorate. I recognise the contribution they make.

We also have a lot of people playing peacekeeping roles in different areas of the world—in the Solomon Islands in particular and in Africa in roles with the Federal Police in some 14 different deployments. We have a lot of our Australian service men and women serving us overseas. This motion shows them that we are thinking of them. It shows that the Attorney-General and the rest of us in this place are very much behind and supportive of what the Geneva conventions bring and what they are designed to do in conflict. Unfortunately, wars will occur. We need to make sure that there are rules with regard to the treatment of prisoners of war, and certainly the use of the civilian population during war should be fought against.

I agree with the comments of earlier speakers with regard to war crimes tribunals and how governments need to be thorough and committed in their support, regardless of nationality, race or religion, when it comes to convicting war criminals. This really goes to the core of what war can do, when innocent civilians are used in a way that is against the rules of combat.

As a young guy growing up, I remember Mum talking about my Great-Uncle Con. Great-Uncle Con spent four years in Changi prison during the Second World War. He went away as a 100-kilo man mountain. In the five years he was there, they often had to eat grass to stay alive. He was subject to systematic sterilisation, so he and my Aunty May could never have children. My mother’s father, who was Con’s brother, was able to put his hands around Con’s waist and touch them together when Uncle Con came back. That had a lasting effect on his direct family. When he returned some five years later he was nowhere near the person he was when he went away. That experience caused him great psychological damage.

In the past, wars were fought on a different type of battlefield. When you go to Anzac Day services, often you are consumed by your own thoughts. Although I may be in a crowd of 10,000 or 15,000 people, I feel very alone on Anzac Day and consumed by my own thoughts. We all have a vision of our Anzacs from the pictures that we have seen of them running up the beaches of Gallipoli. In those days wars were fought on fronts and there were stretcher bearers who would go out and retrieve the injured. Generally they were not shot at. My grandfather was a stretcher bearer in the Middle East. He stood on a landmine, which caused him some injuries. But in those days generally wars had fronts.

Now war has changed. Now the conventions have become increasingly difficult to police because of the desperation that war in the 21st century causes. It has taken a different turn. Every day our troops who are overseas are confronted by an enemy that is ruthless and that improvises. It is often very difficult for them to distinguish between the enemy and civilians. That puts an enormous amount of pressure on our service men and women when it comes to the treatment of civilians who have been caught in the crossfire of these conflicts. Conflicts are now more urban guerilla warfare than the war fronts of the past.

I fully support the motion moved by the Attorney-General. As I said, it drives home to us as a parliament the importance of the Geneva conventions and why they were put into place. But it also makes us remember not only those people who are overseas representing Australia and fighting with the coalition forces in Afghanistan and Iraq but also those people who are caught in the crossfire. It makes us remember how lucky we are. Often you will hear chanting and yelling out the front of Parliament House. The reason that we are able to protest, the rea-
son that our newspapers are generally allowed to write what they like, is the wars that we fought in the past. We fought for the democracy that we enjoy living in today.

In conclusion, I remember having a talk to Brigadier Kraus one day. Some adverse comments had been made about the ADF by a former member of this place. We were all outraged, on both sides of parliament, with regard to those comments. I will not repeat them. However, Michael Kraus said to me, ‘I was offended by the comments but I will defend his right to say them.’ That is what the ADF do. So I fully support the Attorney-General. I congratulate him on moving this motion. I congratulate the speakers from both sides of the House. It is something that is above political alliances. It is about our country. I am glad that, when it comes to our military, there is a bipartisan approach.

Mr SIDEBOTTOM (Braddon) (10.30 am)—I join with many others in speaking in support of the Attorney-General’s motion on the 60th anniversary of the four Geneva conventions of 1949. I too want to pay my respects to and thank all those who support people who have suffered because of war. In particular I thank the International Red Cross for the excellent work that they do, but also I thank similar organisations throughout the world for their work.

What brought the Geneva conventions and protocols to my attention more than anything else was that, in the years between losing my seat in 2004 and then regaining it, I did a postgraduate diploma in international relations in which humanitarian law and international law played an important part. I really did get a keen appreciation of a world outside of my electorate of Braddon, where I happily live, and beyond our peaceful Australia. I was so looking forward to seeing that world improve and prosper and become one where we could protect each other, particularly with the end of the so-called Cold War. But what we have observed instead is a level of conflict difficult to monitor. The nature of conflict has ranged from transnational conflicts to internal conflicts and on to other things, called asymmetrical warfare, guerilla warfare, terrorism and so on. All I can say is: thanks for the Geneva conventions and protocols, because, in a world of so much turmoil and hatred, they are a beacon where people can seek refuge and that others can use to help give that refuge and to bring some to justice for the perpetration of the suffering that has been caused.

I notice that in 1862 Henri Dunant published his book, Memoir of Solferino, on the horrors of war. His wartime experiences inspired this great gentleman to propose a permanent relief agency for humanitarian aid in times of war and a government treaty recognising the neutrality of the agency and allowing it to provide aid in a war zone. The former proposal led to the establishment of the Red Cross and the latter led to the first Geneva convention. For both of these accomplishments Henri Dunant became co-recipient of the first Nobel Peace Prize—and what a very apt award, for someone who so richly deserved it.

When we consider the time of the 1949 Geneva conventions and the protocols that eventually emerged, we had a world recently reeling from a total war that affected just about everyone and everything. Over 100 million soldiers were mobilised, and over 70 million people died. Most of these were civilians. It was indeed a horror of the greatest proportions. Out of this grew a demand and a need for some form of conventions and agreements to protect those who could not, in any sense, protect themselves.

The Geneva conventions comprise rules that apply in times of armed conflict and seek to protect people who are not, or are no longer, taking part in hostilities. Examples are: wounded or sick fighters, prisoners of war, civilians, and medical and religious personnel. The first Ge-
The Geneva convention was for the amelioration of the condition of the wounded and sick in armed forces in the field. The second was for the amelioration of the condition of wounded, sick and shipwrecked members of armed forces at sea. The third related to the treatment of prisoners of war, and the fourth related to the protection of civilian persons in the time of war. Added to these conventions are the protocols relating to the protection of victims of international armed conflicts, to the victims of noninternational armed conflicts—so very relevant today—and to the adoption of an additional distinctive emblem for medical purposes.

These conventions have what are called common articles. I suppose these are the minimum basis upon which people seek protection, and they seek to measure those who do not comply with them. Common article 2 relates to international conflict, and common article 3 relates to events contained within the boundaries of a single country. Article 3 establishes fundamental rules—for instance, it requires humane treatment of all persons in enemy hands, without any adverse distinction. It specifically prohibits murder, mutilation, torture, cruel, humiliating and degrading treatment, the taking of hostages and unfair trials. It requires that the wounded, sick and shipwrecked be collected and cared for. It grants the ICRC the right to offer its services to the parties to the conflict. It calls on the parties to the conflict to bring all or part of the Geneva conventions into force through so-called special agreements. It recognises that the application of these rules does not affect the legal status of the parties to the conflict.

The current Chairman of the ICRC, Mr Knut Dormann, made some very pertinent comments about the importance of the conventions, in particular about article 3. I think his views are very relevant to what is happening throughout the world today. Mr Dormann said:

The adoption of this article in 1949 was a breakthrough since previous IHL treaties had only covered situations of wars between States. As most of today’s wars are non-international armed conflicts, Article 3 remains vitally important because it sets a baseline for the protection of people who are not or no longer fighting, to which all sides—State and non-State parties to conflict—must abide.

Most recently, we have unfortunately seen situations where international and humanitarian laws have really been stretched. I think of the reaction to Abu Ghraib and the procedures that were taking place there and, controversially, are taking place at Guantanamo Bay even to this day. There is the fact that what has been taking place there has been highlighted internationally. I might add that I do not wish to look as though I am anti the US or anti the alliance or whatever else you want to call it, but we know about the abominable practices by lots of different parties that take place throughout the world and, as part of a democratic country, we expect our governments to abide by the international rules that we have signed up to. It is an unfortunate example that has been publicly demonstrated, and we have to question some of the practices that we and our allies may be involved in.

Knut Dormann, in his summation of the importance of the conventions and knowing full well that a lot of this relies on the goodwill of people and on leadership, particularly by governments, had this to say:

… let’s not forget that the Conventions have been hugely successful over the past 60 years, saving countless lives, allowing thousands of separated families to be reunited and providing comfort to millions of prisoners of war. In my mind, that’s ample reason to celebrate. I dread to think how much more suffering there would be in the world if they didn’t exist.
He went on to say:

Let’s also not forget that international armed conflicts and occupation are by no means a thing of the past. Last year’s war between Russia and Georgia is a recent example of an international armed conflict where all four of the Geneva Conventions were applicable.

Given the nature of the pain and suffering that we see on our television sets each night and the blatant abuses of international law that we see, I found a recent survey very interesting. Parts of it were published in the Herald Sun on 12 August 2009. They surveyed Australians about the effectiveness of laws of war. Maybe not surprisingly, the survey was cold comfort to people who promote international law, particularly in this country. Some of the results from the June poll of 1,030 Australians are disturbing. The article reads:

While 88 per cent of Australians have heard of the Geneva Conventions, half the respondents believed they make no difference to the conduct of wars.

Again, it is very difficult to measure that. It continues:

Forty per cent of respondents, for example, thought captured soldiers sometimes deserved to die, while 60 per cent thought they never do.

Well, 60 per cent is better than 50 per cent.

A significant 43 per cent of respondents believed it was ‘OK’ to torture captured enemy soldiers in certain cases to obtain ‘important military information’—

Indeed, that is a debate raised every time there is a terrorist attack. We have a public debate about whether you should be able to use measured torture in order to get information to be able to save many more lives in pre-empting an act—

while 57 per cent thought it should never happen.

Women were more likely than men to say torture should never be allowed.

More than a third of respondents—35 per cent—thought it was legal to torture a prisoner of war to obtain important military information.

Those respondents who had served in the military (134 out of 1030)—

or 48 per cent—

were more likely to say torture in such circumstances was legal …

I would like to finish, if I may, by reading a brief extract from Philippe Sands’ book Lawless World, published in 2005. I think it is a sobering reminder of the reality of war, pain and suffering in this world and the role of the Geneva conventions. He concludes his section:

It is frequently argued that the effect of these rules is to make offensive and inappropriate behaviour legitimate. But the rationale is that wars happen, whether just or unjust, lawful or unlawful, and there must be constraints on the actions of soldiers. This is part of law’s function as a ‘gentler civiliser of nations’, as the Finnish academic Martti Koskenniemi has aptly put it.

Mr HAYES (Werriwa) (10.43 am)—I move:

That further proceedings be conducted in the House.

Question agreed to.
VIETNAM SERVICEMEN
Pilot Officer Robert Carver
Flying Officer Michael Herbert

Consideration resumed from 13 August 2009.

Mr BALDWIN (Paterson) (10.44 am)—On indulgence: it has been over 36 years since Australia’s involvement in the Vietnam War came to an end. Yet the Vietnam War remains remarkably fresh in the minds of many Australians. The recent news that the final two Australian missing-in-action airmen from the Vietnam War have been discovered and identified has served to refresh the national conscience on the events of a war fought almost four decades ago. I rise today to pass on my condolences to those who survive Flying Officer Michael Herbert and Pilot Officer Robert Carver and to thank these brave airmen for the sacrifice that they made on behalf of a now grateful nation.

Yesterday, as part of the Vietnam Veterans Remembrance Day commemorations, I gave a speech to the local Vietnam Veterans sub-branch in Forster that focused on the need to redefine the Australian history of the Vietnam War. I spoke on that specific subject as I believe that the current version of the Vietnam War that the average Australian will recount is based on the American experience in Vietnam. This account of the Vietnam War does not reflect the Australian story in Vietnam—a situation that I believe should be changed. So, as I speak today of the final two missing-in-action airmen found in Vietnam, I do so hoping that their story, like the stories of the other four missing-in-action personnel, will become a part of the Australian narrative of the Vietnam War. I hope that their story will become our story.

When Australia’s involvement in Vietnam ceased in 1973, four Australian diggers and two airmen remained behind. I choose my words very carefully in saying that they remained behind, for no Australian soldier, airman or sailor would ever willingly leave a mate behind. This is an extremely important point to make, not just because it is part of the Australian military ethic but because all of our current serving soldiers need to know that, if the worst should happen, their mates will do everything within their capacity to bring them home and that they will not be left behind.

The men who were unable to be recovered when Australia left Vietnam in 1973 were: Private Peter Gillson and Lance Corporal Richard Parker, whose bodies were unable to be recovered at the time of the battle owing to the heavy weight of enemy fire; Lance Corporal John Gillespie, whose remains were unable to be recovered due to the intense enemy activity in the area where the helicopter he was riding in was shot down; Private David Fisher, whose body was buried by enemy soldiers after he fell from a rope beneath a Royal Australian Air Force helicopter during a hot extraction of his patrol in the eastern Long Khanh province about 30 kilometres from Nui Dat; and, of course, Flying Officer Michael Herbert and Pilot Officer Robert Carver, whose aircraft disappeared on the night of 3 November 1970 on its way back home after completing its mission.

On 30 July this year, after extensive research, forensic examination and many expeditions into rugged terrain, the remains of Flying Officer Herbert and Pilot Officer Carver were discovered and positively identified, thus ending the search for our Vietnam missing-in-action soldiers and airmen. Flying Officer Michael Herbert was just 24 years old when his Canberra bomber was lost. From Glenelg in South Australia, he joined the No. 2 Squadron in February.
1970 and was the pilot of Magpie 91. Flying Officer Herbert, who had qualified as a pilot at the age of 16, was a veteran of 198 operational sorties over Vietnam and only had two months to go until he finished his tour of duty. Pilot Officer Robert Carver was also 24 years of age. He was a navigator on Magpie 91 and served for only eight weeks in Vietnam, during which time he had conducted 33 sorties. Pilot Officer Carver was from Toowoomba in Queensland and joined No. 2 Squadron in September 1970. Magpie 91, as their Canberra bomber was known, disappeared off the radar screens on the night of 3 November 1970 on its way back home after completing its mission. It was rediscovered in April this year in thick jungle on a hillside in remote Quang Nam province, near the border between Vietnam and Laos. Since the discovery of the aircraft in April, research teams have been working hard to identify the two airmen.

I would like to make special mention of the work carried out by the RAAF investigation team, the Defence Science and Technology Organisation and the Army History Unit for their tireless efforts in discovering the aircraft’s location and identifying the lost airmen. I would also like to acknowledge the support afforded to them by former members of the North Vietnamese army, former Vietcong soldiers and local Vietnamese villagers. Finally, I would like to acknowledge the work of Jim Bourke and Peter Aylett, whom I understand were responsible for the ‘Aussies Home’ website and put in countless hours of work in attempting to discover the whereabouts of Private Peter Gillson, Lance Corporal Richard Parker, Lance Corporal John Gillespie, Private David Fisher, Flying Officer Michael Herbert and Pilot Officer Robert Carver—all of this work so that our MIAs could finally come home.

The finding of these six missing men, all killed in action, has reminded Australians of the risks that our soldiers faced every day when they were in Vietnam. It has also reminded us of all the terrible hardships encountered by our soldiers’ families not only during the war but long after the final round has been fired. The research into, and the discovery of, the last six Australians who were missing in action in Vietnam for almost 40 years is testament to the Australian spirit and untouchable qualities of mateship. Yet, as important as this discovery is for the nation’s conscience, their repatriation will touch no hearts more than those of their families. For the anguish that a family must feel when they are faced with not knowing the fate of their brother, son, father or uncle must truly be unbearable. For these heroes’ families, the repatriation finally brings closure on a much tormented chapter of their lives and now they can move on knowing that their loved ones are finally home where they belong. And although we must wait for the repatriation of Flying Officer Herbert and Pilot Officer Carver—due to take place later this month—their identification is already having an impact here in Australia.

I was reminded some time ago that six wristbands were presented to the National Vietnam Veterans Museum by a United States MIA organisation. Each wristband had a name plate with the name of the Australian MIA and was designed to be closed when the MIA was found. With the discovery of Flying Officer Herbert and Pilot Officer Carver the last two MIA wristband name plates have now been closed, and along with them, a long open chapter in Australian military history.

I would like to conclude with a very simple verse written by Private Gary McMahon 6 RAR, Vietnam. I came across this verse on the order of service of the repatriation service on 26 July for our latest digger killed in action, Private Benjamin Ranaudo. I believe that it accurately portrays the Australian experience and spirit during the Vietnam War, and it reads:

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**Main Committee**
We would do anything for a mate, anything except leave him on the battle field.
We shared our last drops of water and our last cigarette.
We patrolled together, we slept together, we laughed together, we fought together, we even died together.

Each of the four soldiers who were unable to be brought home at the time Australia left Vietnam has now been, or very shortly will be, repatriated. As I said, shortly, Flying Officer Herbert and Pilot Officer Carver will be returned to their native land. Of course, that is why I rise today, to pay respect to these two airmen—for their service, their sacrifice, their bravery, and for their patience, for it has been nearly 40 years since they were last on Australian soil.

Mr COMBET (Charlton—Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change) (10.53 am)—It is a privilege for me, also, to speak today about the discovery of the Canberra bomber containing the remains of our last two missing Australian Defence Force personnel from the Vietnam conflict—Flying Officer Michael Herbert and Pilot Officer Robert Carver.

On 3 November 1970, Flying Officer Herbert and Pilot Officer Carver disappeared approximately 65 km south-west of Da Nang in Quang Nam Province while returning to base following a bombing mission, leaving very little information available about what had happened to them. It was only for the efforts of many expert researchers and concerned people that this discovery was made possible. Flying Officer Michael Herbert was 24 years old when the Canberra bomber was lost. He was the pilot of Magpie 91 and was a veteran of no less than 198 operational sorties over Vietnam. Flying Officer Herbert joined No. 2 Squadron in February 1970 and was from Glenelg in South Australia.

Pilot Officer Robert Carver was also only 24 years of age. He was the navigator on Magpie 91 and had conducted 33 sorties in Vietnam. Pilot Officer Carver joined No. 2 Squadron in September 1970 and he came from Toowoomba, Queensland.

An inquiry conducted in late 1970 was unable to determine the cause of the incident from the available evidence. In October 2008 the Chief of Air Force requested the Australian Army History Unit investigate the aircraft’s disappearance, due to their experience in resolving four cases of Australian soldiers who were unaccounted for from the Vietnam War. The initial investigation team conducted a complete record search from Australia and then undertook reconnaissance in Vietnam in January this year, during which they conducted many interviews with veterans, government officials and locals from the surrounding villages in Quang Nam province.

This information led to a team of specialists deploying on a reconnaissance mission to Vietnam in April of this year. Deep in rugged and remote terrain of Quang Nam province near the Laotian border, this team made the initial discovery of the Canberra bomber crash site. While no human remains were found at that time—the group was ill equipped for an appropriate search—a number of military artefacts were found, including a club badge which was unique to Herbert and Carver’s RAAF No. 2 Squadron.

The team deployed again to the crash site in July of this year in an operation appropriately named Operation Magpies Return, in honour of the call sign of the crashed aircraft. This team in July included forensic odontologists, a forensic anthropologist, a forensic pathologist, an
archaeologist, an air crash investigator, the principal investigator, an explosive ordnance technician, a photographer and a civilian engineer. I was pleased to announce on 30 July in my portfolio capacity that the team was successful in uncovering the remains of our two final missing ADF personnel from Vietnam.

The discovery of the remains of Flying Officer Herbert and Pilot Officer Carver closes the final chapter in our quest to recover the remains of all of our Australian Defence Force personnel missing in Vietnam, which had been six in total. This follows the discovery and recovery in recent times of four of our soldiers, Private David Fisher, Lance Corporal Richard Parker, Private Peter Gillson and Lance Corporal John Gillespie. At the end of this month we will repatriate the remains of our final two missing ADF members. This means that all personnel lost in Vietnam will have been brought home and laid to rest in their home country.

There were many people involved and I would like to take this opportunity to congratulate them all for their efforts, because it has been an extraordinary team effort. Firstly, I thank Operation Aussies Home, which has always been a very strong advocate for the return of Australian personnel from the Vietnam conflict. I commend the organisation for that commitment, especially Mr Jim Burke, who has played a driving role in Operation Aussies Home. The Australian Army History Unit’s expertise and exhaustive research also contributed dramatically to unravelling the 40-year mystery of what happened to Herbert and Carver. The Defence Science and Technology Organisation also played a key role in offering precise modelling techniques that allowed what was an extremely large search area to be effectively refined and narrowed. This played a key role in aiding the discovery.

The cooperation and assistance the government received from the Vietnamese government during this mission has been extremely important. I make particular mention of the Vietnamese ministry of defence missing in action department, which facilitated the recovery team’s work in Vietnam. Without their assistance the discovery and recovery action could not have been effected. Interviews with local Vietnamese people and Vietnamese veterans were also crucial in understanding the fate of the aircraft and the identification of the site. Their support and assistance was overwhelming and we are enormously grateful to them.

In conclusion, we thank also the Royal Australian Air Force and the recovery team they sent in on two very difficult missions to locate the remains in a very rugged and dense part of Vietnam. Finally, to the families of Flying Officer Herbert and Pilot Officer Carver I would like to pass on my personal and sincere condolences. I hope that the families find some comfort in the knowledge that their loved ones have been found and that they will be brought home and laid to rest in Australia.

This brings to a close an enormously important chapter in the history of Australia’s engagement in the Vietnam War. Of course it was a divisive issue politically in this country in the 1960s and early 1970s and unfortunately—and this is important, bearing in mind that yesterday was Vietnam Veterans Day—our Vietnam veterans did not receive the respect and recognition across the community in those days that they deserved. It is extremely important now that we have found the last two missing ADF members in Vietnam that this respect and honour are extended to Flying Officer Herbert and Pilot Officer Carver and that we can close this particular chapter in our history with dignity. Thank you.

Mr SIMPKINS (Cowan) (11.01 am)—As a former Army man it is a very rare occasion that I get the opportunity to speak of the members of the Royal Australian Air Force. In read-
ing the history of No. 2 Squadron and the work undertaken by Flying Officer Michael Herbert and Pilot Officer Robert Carver, I see that there is a great need to speak of them and to speak of the exploits of No. 2 Squadron.

Back in April, as has been previously described by other speakers, a very old mystery was resolved with the finding of Magpie 91, the Canberra bomber that was lost on 3 November 1970 with the loss of Flying Officer Herbert and Pilot Officer Carver. It was found in Quang Nam province not far off route from the mission that they undertook on that night. The finding of the aircraft has served to solve that mystery. Then not long ago, in July, came the confirmation in Hanoi of the identity of the remains of the two servicemen in the wreckage. As sad and tragic as it is that the lives of these young men are confirmed as being lost on that night, I am sure that it gives some sense of relief to their families, both in Glenelg, the origin of Flying Officer Herbert, and in Toowoomba for the family of Pilot Officer Carver.

I would like to make some comments with regard to No. 2 Squadron. No. 2 Squadron was a highly regarded element of the Royal Australian Air Force and that respect stretched across not just Australia but also our US allies during the Vietnam War. We first got Canberra bombers back in 1953 and they were built under licence from the UK. We started building Canberra bombers and the first one flew in 1953. Despite the fact that reports from 1970 described the Canberras as ‘ageing bombers’, it is odd that it was only in 1982 that they were finally retired. I believe that No. 2 Squadron had them for the entire time that they served this country.

However, it was in 1967 that No. 2 Squadron, having had some active service in the Malayan Emergency, had their advance party and then finally flew into Phan Rang Air Base, a US built air force base about 250 kilometres from Saigon. As part of the 35th Tactical Fighter Wing, No. 2 Squadron served with our American allies, and within the history of the squadron there are a great number of records of the courage, dedication and effectiveness of the pilots of No. 2 Squadron.

Apparently, when the squadron first got to Vietnam the Americans were very keen to have Australian pilots and an Australian squadron with them. The American concept of bombing was that they very much liked level bombing to occur during nights and they could not understand after the Australians had been there for a short time that the Australians wanted to do daylight level bombing. So they pursued that and from 1967 to 1971, the time that they were in Vietnam, there is no doubt that bombing was predominantly done at night, and there are some records of the great work that the No. 2 Squadron did during their daylight bombing sorties.

Apparently the Tactical Fighter Wing was very appreciative of having No. 2 Squadron with them. It has been calculated that, of the total damage claimed to have been inflicted by the 35th Tactical Fighter Wing during this period of the war, No. 2 Squadron was responsible for 16 per cent and yet they only conducted only five or six per cent of the sorties. So what we have found is that the Australians, from a craft and professionalism perspective, were very accurate and they were very well regarded as a result.

They normally bombed from fairly high levels, and I believe on the night of the loss of Magpie 91 that they were meant to be bombing at the higher levels. But records of No. 2 Squadron describe them going as low as 800 metres. That is exceedingly courageous because at 800 metres anti-aircraft guns are highly effective, but accuracy improves at lower heights and there are a number of records of those on the ground, the Australian trainers, the US
forces and the Australian forces, who appreciated the efforts and the danger that No. 2 Squadron went to in fighting the fight and providing close air support and tactical bombing.

There is another story of when the squadron attacked at 800 metres. After the aircraft landed they found that fragments from the bomb that the aircraft had dropped had come back up from the explosion on the ground and done some fairly serious damage to the aircraft, so they were a little bit more careful about the low level bombing after that. But it just goes to show that they were very courageous people and they did an excellent job whilst they were over there.

General Westmoreland, who was the officer in charge of all forces in Vietnam, made some comments about No. 2 Squadron. He said:
The RAAF has an elite Canberra Squadron which has impressed me very much. Its discipline is superb and there is obviously a very high esprit de corps within the Squadron.
That certainly shows that No. 2 Squadron was highly regarded.

On 3 November 1970 the Magpie 91, with Flying Officer Michael Herbert and Pilot Officer Robert Carver on board, departed Phan Rang airfield at 7 pm. They reached their target and dropped their bombs in Quang Nam province at 8.22 pm, and it was reported that there was no radio contact after 10.15 pm. I have done some reading on this matter and maybe I am speculating on this, but it has been reported that the loss of the aircraft was as a result of some major problem, an explosion, that rendered the aircraft no longer able to fly.

There was some suggestion that this was as a result of one of the bombs not dropping properly. With the Canberra bombers, there were four 750-pound bombs—this is a classic Vietnam bomb load for Canberras—in the bomb bay area and then another 750-pound bomb on each wing. Given the fact that the bombs were dropped at 8.22 pm and it was some time after that that radio contact was lost, it would suggest that it would be unlikely that some fault with the bomb-dropping mechanisms would have been responsible for the explosion which ultimately took the aircraft down.

When you look at what else the North Vietnamese had during the Vietnam War, you would probably suggest that the most likely option would have been the North Vietnamese army use of an SA2 surface-to-air missile—a Guideline—which the Russians used to call the S57. That sort of rocket was radio controlled. It could go as high as 20 kilometres in the air—more than enough for it cover Canberra bombers—and had a range of 45 kilometres. It was known that within the broader vicinity the North Vietnamese army had deployed SA2s—the S57 Guideline.

There is no doubt that this is a highly effective weapon because this was the weapon that was credited with the shooting down of the U2 plane over Russia in 1960, with Francis Gary Powers being the famous pilot of that. I would imagine that there will be further information coming out in the months ahead, but I believe that with the Magpie 91, with Flying Officer Michael Herbert and Pilot Officer Robert Carver aboard, it will be found that a SA7 surface-to-air missile was responsible for their deaths and shooting down that aircraft.

To conclude, I would say that No. 2 Squadron within the Royal Australian Air Force for the Vietnam War was a highly regarded squadron of very courageous men that served their country very well. With regards to Magpie 91 and Herbert and Carver, they were doing their duty. They had done quite a few missions. They had been very effective in their work as well. They
were no doubt very proud and effective members of No. 2 Squadron. As I said right at the start, I am sure the final resolution of this matter will be of some comfort to their long-suffering families. It is most particularly good news that this chapter in Australian history, for our service men and women, is closed—with all Australians recovered that were killed and never found at the time of their death. It is a good time for Australia, with a tinge of sadness, but it is important that we finish the chapter on this part of our military history.

While their deaths were tragic for their families, friends and those that knew them, it was the supreme sacrifice and it was a cause worth fighting for. I know that not long after the end of our involvement in the Vietnam War there was a time when we as nation tended to look back upon how there were mistakes made and that maybe we should not have been there. But I would like to make mention that the government took some decisions at the time which they thought were right.

In any case, despite what has occurred or our assessments since then, there are a lot of Vietnamese people who lived in the south of Vietnam, in the Republic of Vietnam, that absolutely, categorically, supported our involvement in that war and appreciated the sacrifices that were made by our servicemen, in particular by those who lost their lives. So I would say that, despite the politics of it, we can be certain now that this country, as one, greatly appreciates the fact that Flying Officer Michael Herbert and Pilot Officer Robert Carver will be coming home very soon. That will be a great day and we all look forward to it. To their families I would say: they did not die in vain; they served their country very well. They served the causes of freedom and democracy. I hope that the families will rest a little bit easier now.

Mr GRIFFIN (Bruce—Minister for Veterans’ Affairs) (11.15 am)—I rise today to speak briefly with respect to this motion regarding the location of the remains of the last two members of the Australian Defence Force missing from the Vietnam conflict, Flying Officer Michael Herbert and Pilot Officer Robert Carver, and to express our condolences to their families at their loss. I also express our collective thanks that at this time the mystery that surrounded their deaths has at least partly been resolved and that their remains are able to be repatriated back to Australia to proper and just heroes burials where their families can pay their last respects in an appropriate manner.

Others have spoken regarding the detail of what took place so long ago, so I will not go into great detail, other than to mention that on 3 November 1970 they were believed killed when their Canberra bomber disappeared while flying a night bombing mission in the northern 1 Corps region of South Vietnam. An extensive aerial search of the area failed to find any trace of the aircraft or crew and was called off after three days. It was a particularly inhospitable part of the country and the circumstances around the question of where they may have crashed have been a matter of conjecture for many years.

What we have seen on this occasion, though, is the location and repatriation, so many years after the event, of the last remains of six men who had been MIA in Vietnam and were left behind. In this context, I would particularly like to acknowledge Jim Bourke, Peter Ayllett and others from Operation Aussies Home for the work they did. It is true to say—and it is understandable, I guess, in the circumstances—that many within the Defence Force and through official channels had taken the view that so many years after the event, given the circumstances around those particular disappearances, it was going to be too difficult to mount missions to establish the identities and recover the remains of these soldiers and airmen. How-

MAIN COMMITTEE
ever, Jim Bourke and those veterans who involved themselves in Operation Aussies Home took the view that in fact it could be done. Working together they were able to effectively lead the charge with respect to official sources in order to ensure that it was recognised that it should be done, and they were given invaluable assistance in ensuring it was done. In saying this, I acknowledge the previous government with respect to assistance given by then Minister Billson in the early stages of this plan, and I know that that was appreciated at the time by people like Jim Bourke.

From talking to Jim, I know they very much approached this in a military manner. They took the view that the circumstances around Private Gillson and Lance Corporal Parker’s deaths meant they were probably the casualties whose location would be most easily established and therefore there was greater capacity for their recovery. So they targeted them and focused on that and were successful. Subsequently, Lance Corporal Gillespie, who came down in a helicopter crash, was located. I had the privilege, on behalf of the government, of accompanying his relatives to Vietnam in December 2007 for the repatriation of his remains. Subsequently Private Fisher was located and then of course were the two gentlemen we are speaking of today.

I think it is important also to acknowledge the ADF, particularly the Army History Unit and the work that they did with respect to a number of these casualties, and, in the most recent situation, the role of Air Force in mounting the mission to bring these boys home. I know that Peter Aylett was part of the most recent mission. He has described to me some of the details around the ruggedness of the location. It was particularly inhospitable country. He told me some stories about the sorts of conditions that they found there which meant that it really was quite an effort to be able to get to the location, identify the remains and bring them back. But that work was done, and it is a credit to those who were involved that it was done.

It brings to an end a chapter of the Vietnam War that has been open and unfinished for many, many years. We now look back at a conflict that was our longest war, some 10 years long, where some 60,000 Australians served across the forces—Army, Navy and Air Force—and 521 paid the ultimate sacrifice, some 2,400 were wounded in battle and many more returned with scars, both physical and mental.

Others have spoken about the issues around the proper recognition of those who fought in Vietnam and the nature of the public debate that occurred at that time and in the years subsequent. What we can and should say is that those who served their country at that time did it in the very best Anzac tradition. They served where they were required to serve at the orders of the government of the day, and they served their country with great dignity, great pride and great honour.

The families of those six who were left behind, from those that I have met and those that I have heard of, have had many years to ponder, worry and grieve, but always in a situation where there was a certain open question—open wound, if you like—that was still to be resolved. I know from talking to some of them that, in their cases, they feel that that is now something that can be better dealt with. It is not a situation I have ever had to deal with. It is not a situation that I would wish anyone to have to deal with, but I hope that in the circumstances, for the families of Herbert and Carver, we have a similar situation as I think occurred with a number of the relatives of the earlier MIAs, and that is an opportunity for some closure. I certainly believe that, with that, all those involved in ensuring that the last of our boys
were brought home can look back and say this was something that was long overdue but which needed to be done.

Mr ROBERT (Fadden) (11.23 am)—‘When you go home, tell them of us and say, “For your tomorrow, we gave our today.”’ That is a simple inscription on a tombstone in Gallipoli. It is reflective of over 100,000 of our country men and women who lie buried on foreign soil, having given their lives in defence of the freedom that we enjoy so passionately today. One of those 100,000 is one of my cousins, Lieutenant Carthew, who died on 7 August 1915 with the 8th Light Horse Regiment, when he led his men to charge at the Nek. I have stood at the Nek, on the Gallipoli Peninsula, as it overlooks the beautiful Anzac Cove—and turning around you can see Suvla Bay—and I have wondered where he lay. He was buried where he fell, with no marked grave, as were many of the 8th Light Horse and the accompanying 10th Light Horse when they charged that fateful day over an area a few tennis courts in width. He was buried where he fell, with no marker, no grave to know of.

I have read his diaries and listened to his mother speak from those pages. She often wondered where her boy lay. She writes that, at the literal minute Lieutenant Carthew died at the Nek, his dog, the family dog, ran away and disappeared. She did not know why until three days later, when the historian CEW Bean wrote of the historic charge of the 8th and 10th Light Horse on that morning of 7 August, and she realised that was the time.

There are so many things we cannot explain in the tragedy of combat and the fiery battle of war. But one thing that can be explained is that wherever possible we must seek to bring our fallen home. Families give their loved ones to fight in the name of freedom, to defend the land they passionately love, with the expectation and the hope that their family will come home but, if they do not, that there will be the opportunity to bring their boy or their daughter home to bury them in the land they love.

In 1987, 22 years ago, I spoke about those missing in Vietnam. I spoke about Flying Officer Michael Herbert and Pilot Officer Robert Carver and I spoke about the soldiers, the infantrymen, who were missing, and the desire that they should come home to be buried in the land they loved. So it is with great pride that we reflect on what Pilot Officer Robert Carver and Flying Officer Michael Herbert have done. Stationed at Phan Rang in South Vietnam, they were sent on a bombing mission over Da Nang on 3 November 1970. At about 2222 hours Carver radioed Magpie Base that he had dropped his bomb load from the Canberra bomber from 7,000 metres. At 2215 hours radio contact was lost with the aircraft, and it subsequently failed to return to base.

With no eyes to witness, there was varied opinion, of course, on their fate. One popular theory is that a Vietcong heat-seeking missile tracked them down and sent the No. 2 Squadron bomber down into the dense jungle. We will never know exactly how that aircraft crashed but we do know that two warriors were lost that night. Search teams tried to locate Carver and Herbert and were clearly unsuccessful. It was never known for sure if they survived the crash, yet with a descent from such altitude into the jungle it was ‘missing in action, presumed dead’.

Flying Officer Michael Herbert was 24 years old when that Canberra bomber was lost. He was the pilot of Magpie 91 and a veteran of 198 operational sorties over Vietnam. He joined the squadron in February 1970 and was from Glenelg in South Australia. Pilot Officer Robert Carver was also just 24 years old. He was the navigator of Magpie 91 and had conducted 33
sorties in Vietnam. He joined in September 1970 and was from Toowoomba in Queensland. This morning in this House I pass on the condolences of the member for Groom, who represents Toowoomba, the Hon. Ian Macfarlane. He is away, unfortunately, and unable to speak in the House today. But he would want me to speak fondly of these two men, including Pilot Officer Carver from Toowoomba who, at such a young age, went to fight for our freedom’s name.

Greg Combet, the Minister for Defence Personnel, Materiel and Science, says that their remains were found in an extremely remote area of Vietnam near the Laotian border. It is a testimony to the work done by the previous government and, indeed, this government, and I also acknowledge Operation Aussies Home—particularly Jim Bourke—for their resolute determination to ensure our warriors come home.

The very first bomber to go down in the Korean War was piloted by Squadron Leader Graham Strout, my mother’s cousin. The opportunity to recover Squadron Leader Strout’s body and to see the wreckage brought great comfort to my family. I can only imagine the difficulty for the families of Pilot Officer Carver and Flying Officer Michael Herbert in not knowing for so many years. Now, 39 years later, we can bring two warriors home and we can bury them with the honours that befit them.

It will only ever be a small gesture by a nation, but it is a gesture that stands up tall and says thank you: ‘Thank you for your service that came before self. Thank you for your sacrifice that came before comfort. Thank you for your endurance in the face of an enemy that came before your personal freedom.’ We owe our service men and women and, indeed, our veterans a great debt of gratitude that in many ways we will never be able to repay. But we can stand in this place at this time and on behalf of a very grateful nation we can say thank you. We can proudly say, ‘We did not leave our fallen soldiers and airmen; we sought to recover them.’ Even though it may have taken 39 long years, we this year bring home the last two of our fallen warriors, as a nation should do for its heroes.

Mr ZAPPIA (Makin) (11.30 am)—I too rise to speak on this motion. On Sunday, 16 August I attended at the Torrens Parade Ground in Adelaide, as I have for several years now, a commemorative service for the Australians who served in Vietnam and, in particular, in remembrance of the 521 Australians who died as a result of serving our country there. Last week the Prime Minister advised that the remains of Pilot Officer Robert Carver and Flying Officer Michael Herbert, who had been missing in Vietnam since the war, had finally been found and were being returned to Australia. I extend my condolences and respects to the families, friends and colleagues of Pilot Officer Robert Carver and Flying Officer Michael Herbert. For their families, their return will bring a sense of closure. It will also bring them some peace of mind by having better knowledge of the fate of these two servicemen and finally bringing to an end 39 years of uncertainty. The return of the two servicemen is also significant to Australia as a nation because it marks the end of unfinished business relating to the Vietnam War.

I did not personally know Pilot Officer Robert Carver, who I understand came from Queensland, or Flying Officer Michael Herbert, who was from my home state of South Australia and lived at Glenelg. However, over the years I have listened to and spoken with many associates and friends who did serve in Vietnam. I have heard their stories, I have seen their photos and I have read their accounts of the Vietnam War. Every war is horrific, and Vietnam was no ex-
ception. But for Australians who served in Vietnam it was different from other wars because of the deep divisions throughout the country on Australia’s involvement in that war. Understandably, many of those Australians who served felt their service was never properly recognised. That has added to the tragedy and to the memories and psychological scars that many who served there still carry. I am encouraged, however, that as each year passes greater recognition is being given to the Australians who served in Vietnam. Hundreds of Vietnam veterans and their family members attended Sunday’s march and wreath-laying ceremony in Adelaide and then stayed on for a day of family entertainment. It was particularly meaningful to be joined at the memorial service by ex-South Vietnamese defence force members who proudly wore their own uniforms and medals.

In addition to attending the services on Sunday the 16th, I was represented yesterday, 18 August, by James Piekert from my office at the annual Long Tan Day service at Montague Farm in my electorate. Being in Canberra I was unable to attend the Montague Farm ceremony, but it is of special significance to me. Montague Farm is an estate name for a relatively new community of some 1,300 homes, in the suburb of Pooraka within the city of Salisbury, that was developed by the South Australian Housing Trust around 20 years ago. The estate has become an important monument to Vietnam War veterans for three reasons. Firstly, a formal monument has been constructed in Henderson Square in recognition of the Vietnam War veterans. Secondly, each year a Long Tan Day and wreath-laying ceremony is held at the memorial site, and I understand it has become one of the largest Long Tan Day ceremonies in Australia. Thirdly, on the initiative of Fred Pritchard, a Vietnam veteran himself and the project manager for the South Australian Housing Trust at the time, all roads within Montague Farm have been named after South Australian soldiers who lost their lives in Vietnam. There is Noack Street, in recognition of the first national serviceman to lose his life in Vietnam, Private Errol Noack, who died on 24 May 1966, only 16 days after he said goodbye to his family. Henderson Street and Henderson Square, where the memorial is located, are named in memory of Warrant Officer Malcolm Henderson, who died on 16 December 1967. Badcoe Street is named after Major Peter Badcoe VC, who lost his life on 7 April 1967 and was posthumously awarded the Victoria Cross. I could go on with every other street name but clearly time is limited today.

To emphasise the initiative and significance begun by Fred Pritchard, Salisbury City Council designed and installed special street signs which note the rank and date of the death of the soldier after whom the street is named. These signs and the names on them will become permanent memorials to many of the South Australian soldiers who lost their lives in Vietnam.

I should mention that the northern branch of the Vietnam Veterans Association this year walked from Port Augusta to Adelaide, raising funds for Legacy, the Vietnam Veterans Scholarship Foundation and the Repatriation General Hospital in Adelaide. I understand that they raised around $25,000 as a result of their long walk. This is the third occasion since 2005 that they have made the walk. The first walk was also from Port Augusta to Adelaide and, on the second occasion, they walked from Renmark to Adelaide. This year they were joined on the walk by the only surviving Vietnam Victoria Cross recipient, Keith Payne VC, who again came down from Queensland to support his mates. Four Victoria Crosses were awarded to Australian defence personnel who served in the Vietnam War. They were Keith Payne, whom I have just mentioned, and Major Peter Badcoe, whom I mentioned earlier. There is also
Kevin Wheatley, who was killed in action on 13 November 1965, and Warrant Officer Ray Simpson, who was awarded a VC for his actions on 6 and 11 May 1969.

Along the way from Port Augusta to Adelaide, Keith Payne and Ian Leraye, a long-time friend of mine from Salisbury, stopped at schools in Port Augusta, Stirling, Quorn, Wilmington, Booleroo Centre, Gladstone, Port Pirie, Clare and Kapunda, where they addressed schoolchildren about the Vietnam War. It is so important that children of today are aware of what earlier generations went through in going to war. What better way for these children to learn about this than through hearing the stories in person from those who were there?

Wherever the men and women of our defence forces are serving in the world, they are fighting for and on behalf of Australia. As such, it is vital that the Australian government do everything in its power to ensure that those who lose their lives serving overseas are either brought home or have their memory appropriately preserved in foreign graves. Whether it was at Gallipoli, Fromelles, in northern France, or Vietnam, Australians who have died serving their country abroad must have their memory recognised and honoured.

Over the years, Australia as a nation has taken many significant steps to ensure that veterans of the Vietnam War receive the respect and acknowledgment that they did not initially receive on their return to Australia. The 1987 Welcome Home March, when 25,000 veterans of the Vietnam War came from all over Australia to march through Sydney, gave many veterans the public support and demonstration of gratitude that veterans from earlier wars had received on their immediate return home. The 1996 pilgrimage to Vietnam of 30 Australian veterans, representing all elements who served in Vietnam, visited Saigon, Nui Dat, Vung Tau and Long Tan in a symbolic gesture of ‘laying the ghosts’.

Many Australian service personnel have since returned to Vietnam of their own volition and engaged in community work there, such as the construction of a new school in Long Tan. There have also been significant occasions such as the 2002 rededication of the Australian Vietnam Forces National Memorial and the 40th anniversary of the Battle of Long Tan commemoration in 2006, where Vietnam veterans have been appropriately recognised and honoured. I believe that the discovery and return to Australia of the remains of Flying Officer Michael Herbert and Pilot Officer Robert Carver will be another significant occasion in the history of Australia and its commemoration of the Vietnam War. The last remains of Australian servicemen missing in Vietnam are being returned home.

I too commend the work of the Air Force investigation team; the Defence Science and Technology Organisation, whose innovative modelling techniques were used in locating the crash site; and the Army History Unit, whose exhaustive research and expertise supported the investigations. I also acknowledge the assistance provided by the local villagers, Vietnamese authorities and former North Vietnamese and Vietcong soldiers and commanders. I hope that the discovery of their remains brings some closure and peace to the families of Flying Officer Michael Herbert and Pilot Officer Robert Carver, as well as to their mates in the broader Vietnam veterans community.

I close with the prayer that was given by Pastor David Marr at the service that I attended on Sunday morning, because I believe that it sums up our view about those men and women who served this country:

Father, as we look to the past we give thanks for all those who fought for peace and were prepared to sacrifice their lives for the safety of their loved ones and friends.

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We remember with gratitude those who gave their lives for the cause of peace, dying that we might live in a just and free world.

We pray for those who suffer still living with the tortured memories of loved ones and mates lost, suffering physical and mental pain from a past that still holds its terrors. Not all wounds are visible.

We pray that we will learn the lessons of the past so that the future will be a time of peace, a future where reconciliation will be found in words and not acts of hatred; and a future where there will be recognition that we are brothers and sisters tied together by our humanity.

Let us in our own lives, by our words and by our actions, live lives in peace and in love towards our neighbours and may the nations of the world be inspired to work together for the common good of all humanity.

Dr JENSEN (Tangney) (11.41 am)—Five hundred and twenty-one Australians were killed in action in Vietnam. The problem with looking at statistics is that statistics are just statistics; they do not tell any personal stories and they do not give the feeling of the tragedy involved in each of those cases. Today I am speaking about just two of those people who were killed in Vietnam: Flying Officer Michael Herbert, who was 24, of Glenelg in South Australia, and Pilot Officer Robert Carver, also 24, from Toowoomba. Pilot Officer Carver was the navigator-bombardier and Flying Officer Herbert was the pilot and aircraft commander. They were both in No. 2 Squadron RAAF and they were flying in the I Corps region in South Vietnam, conducting a bombing raid approximately 60 kilometres from Da Nang. This occurred on 3 November 1970.

About 30 years ago I crawled through a Canberra bomber. I can tell you it is an incredibly cramped aircraft. It is very old-fashioned, particularly in today’s terms. The bombers first flew 60 years ago. It required incredible discipline to fly these aircraft, particularly at night. Just picture the story of these two men and numerous others who were flying these missions day in, day out. Picture them sitting in the briefing room with knotted stomachs, with an ever-present fear of the mission—but not a fear that meant that they were not going to conduct their mission. They knew what they were doing. They were highly disciplined. They were doing a job. They worked with that fear but that fear was ever present.

Picture them taking off at night. People who have flown over Australia, and particularly to Western Australia, can imagine just how dark it would have been over jungle type regions with very little habituation and very few electric lights. They flew at 22,000 feet in the pitch black. Occasionally they would see what is referred to as AAA, anti-aircraft artillery. They would see tracers coming up or explosions of flak. At 22,000 feet you are above most of that; nevertheless, you see these shells and bullets trying to get towards you. You fly for an hour and 22 minutes and you try to find your target. You then find it and you bomb it. In this case, the bombs were dropped at 8.22. Shortly after that, the aircraft disappeared from radar.

As I said, 22,000 feet was higher than most of the AAA. There were no known SA2s or SAM2s, which were very large radar-guided missiles, in the area; however, they could still have been there. I am reminded of the late General Robin Olds talking about, as he called it, the ‘terribly impersonal personal nature’ of having a surface-to-air missile fired at you. This missile is inanimate, yet it is coming, as he said, to get you. I can only imagine what must have run through these men’s minds through the mission. No-one really knows why that aircraft was lost. As I said, there have been theories such as a heat-seeking missile; however, I am not aware of a heat-seeking surface-to-air missile at the time that had that sort of range.
Another theory was that perhaps one of the bombs hung up, so to speak, within the aircraft when they conducted their bombing mission and that it exploded a little bit later. But, as I said, no-one will really know what the reason for that crash was.

But I do know that Australia owes those who have died in our service a great debt of gratitude, and I can only imagine the emotions that must be going through the minds of the men’s families as they now have closure and realise exactly what happened to their loved ones. At least now they have that certainty, which they did not have before. But this is also something that we really need to consider for the future. This is why I will continue to push very hard for proper evaluation processes for our defence capabilities to ensure that our defence men and women have the very best equipment that they possibly can. We have to remember that these men and women are going and fighting—abroad, generally, in the Australian context, and extremely rarely defending Australia directly. There is great potential for them to perish in combat, and we have to do everything that we possibly can to reduce the numbers of those killed and also the numbers of those who are wounded and the severity of their wounds. So we need to ensure that we have adequate capability—in fact, the best capability that we can possibly get—for our fighting men and women, and we also need to ensure that the acquisition processes that are followed are better defined than they are at present so that we get those capabilities to our men and women as quickly as possible and do not have the protracted delays and problems that we currently have.

Having said that, this is a condolence motion for Flying Officer Michael Herbert and Pilot Officer Robert Carver. I would like to suggest to Australians that, when they think about our losses in combat, they remember that these people are not mere statistics; these are people who have died in Australia’s service. Every story is personal and, where people are killed, every story is tragic.

Mr RAMSEY (Grey) (11.49 am)—I rise today on this condolence motion for the last two members of the Australian Defence Force missing from the Vietnam conflict. On 3 November 1970, Flying Officer Michael Herbert and Pilot Officer Robert Carver of No. 2 Squadron RAAF, on a mission in a Canberra bomber, were reported missing in action. ‘Missing in action’ is a terrible term. It is an incomplete story, and one of the most difficult stories for the families to deal with. I congratulate those on the Air Force investigation team who have now recovered the full six missing-in-actions from the Vietnam War and thank the Vietnamese government and people for their assistance.

Michael Herbert was from Glenelg in South Australia and a veteran of 198 sorties. I have learnt quite recently that Michael’s father, John, came from Port Pirie, in my electorate, and that his uncles, aunts and cousins still reside there. I can tell you that the 40 years since his disappearance have been very difficult for them and that they have struggled to deal with the nature of their loss. They are relieved that he has been located and brought back to Australia.

Robert Carver, the navigator, was from Toowoomba and was a relative novice who had been in Vietnam for just eight weeks. Both were 24 years old and had started on that great journey of life. Both, it is worth reflecting, would now be 63. I am always quite moved by the RSL ode when I hear the line: ‘They shall not grow old, as we that are left grow old.’ It causes me to reflect on not only those that we have lost in war but also the number of friends that I have lost. When I travel around my electorate and visit people and I am invited into their living rooms I will often see a photo of a young soldier on a mantelpiece—it may be from any of
the conflicts—that is still there 40, 60, 80 years on because that is someone they lost. The young face stares back at you and the very old face which belongs to their brother or sister will be alongside it. I reflect on that, because we grow old but they never shall.

We may never know what happened on 3 November 1970, but we do know about these men’s courage and commitment to Australia. The recovery of their remains is of great solace to their families and I thank them for the greatest contribution of all that they can make to this nation. Today, the recovery of these remains is more—much more. It is a symbol of the closing of a chapter in the book. It is not the last chapter in the book because the last chapters of the book of the Vietnam conflict will not be written until the last survivors and the last people who have collective memory of that war have passed away, but we are nearing the end of the book. The Vietnam War for Australia went from 1962 to 1972—10 years. In Vietnam, interestingly enough, it is called the American war. It is all about perspective. I guess it just depends on where you are sitting and the way you look at the world.

For Australia, there were 60,000 personnel involved, 2,500 wounded, 521 dead and thousands with their lives changed forever by the conflict. Australia, on one hand, had a very proud record. We were very proud of our servicemen; the way they conducted themselves operationally and the respect in which they are held to this day in Vietnam. On the other hand, it involved a shameful event in Australia’s history: shame on this nation for how we treated our servicemen when the war became unpopular. There is no point now arguing about the rights and wrongs of the war—largely seen as a useless war—but there is the old question: if a butterfly flaps its wings on one side of the earth, does it cause a cyclone on the other? If the Vietnam War had not occurred, would the whole world be different now? We will never know. But we do know that Australia will never again allow people to attack our armed forces for the decisions of government. Rightfully they should attack governments, but they should never, ever target the workmen.

The Vietnam War is very real to me. It was the first time that conscripts had been sent to a theatre of war. In 1972, I was 16. My friends and I, nearing our last years of school, had expected that we would go into the draft and that some of us would serve. Had our marble been drawn, we almost certainly would have all gone. So this was a very real thing in our lives. For the first time in our living rooms, on television, we were looking at action shots of the war as it was happening and action shots of the protest movement as it was evolving around Australia. It is an interesting thing, as I reflect on my youth and my time at school, talking with my friends as we spoke of the Second World War, in the mid-60s it all seemed so long ago. It was something that happened a million years ago, if you like. You failed, as a child, to understand how people could still be offended by what happened so long ago. In reality, it was only 15 or 20 years.

When you now look at the Vietnam War you can see that personal contact is what keeps the memories alive. As long as people have personal contact with these events, the memories will remain fresh. Those born after the Vietnam War probably look at it as just another conflict, but for those of us who lived through that era it will always be something very real. I had the pleasure a few years ago of visiting Vietnam with my family. We explored some of the sites where Australian troops had been represented and the war museums. When I saw the famous photos from the press corps that I had seen 35 years ago in our newspapers it brought back to me what a very real part of my life it was.
I congratulate the Vietnam veterans associations around Australia on the excellent job they do in helping the veterans of that conflict overcome the pain, and resettle and remake their lives. The recognition of the Vietnam conflict with Vietnam Veterans Day on 18 August, a date that represents the Long Tan battle, has been a great move forward in the healing with the rest of Australia. This year on Anzac Day I launched the Bruce Plane Memorial Medal at Yorketown. It was for the best player of the rematch of last year’s grand final in the Yorke Peninsula Football League. Bruce Plane was a soldier from Price who died in Vietnam. Although it has taken 40 years for this recognition to occur, it is very important this war has moved into mainstream Australia now and is not considered a boutique war. It was a very real confrontation; a very real war.

At this time when the families of Michael Herbert and Robert Carver are settling the last unknowns they can have some closure in their lives. I hope this brings peace to them. For the population as a whole it is a time to remember all who have put their lives on the line for Australia’s interests, including those who are serving in international theatres of conflict as we speak and the families of the 10 servicemen who have given their lives in the line of duty in Afghanistan. This is especially a time to remember those who made the ultimate sacrifices in Vietnam. On behalf of a grateful nation, I say to their families, thank you.

Mr BRUCE SCOTT (Maranoa) (11.57 am)—On indulgence, I want to make a very important contribution to the condolence motion that recognises the return of our two final missing from Vietnam. What a moment it is for all Australians to know that the last two, who had been missing for so long, will be finally coming home to Australia. It is now more than 39 years since they went missing in action. The bodies of Flying Officer Michael Herbert and Pilot Officer Robert Carver have been found. As a nation we all waited with anticipation for the day these remains would be found.

The Air Force recovery teams, the Vietnamese officials and all involved knew that we would never give up the search for the missing—whether in Vietnam or other theatres of war—and trying to identify those buried as unknown Australian soldiers or airmen. We will continue to work to identify and to find the remains of the missing. Flying Officer Michael Herbert and Pilot Officer Robert Carver will now not be on the Vietnam veterans’ memorial on Anzac Parade as missing, but will be with all of those now who have been recovered and returned to Australia.

It was on 3 November 1970 that the two servicemen, who were members of the 2nd Squadron Royal Australian Air Force, were participating in a night-time bombing mission. They were returning after that mission to their base when they disappeared in the Quang Nam province near the Laotian border. The day after they disappeared from the radar screen an extensive aerial search of the area was undertaken by both Australian and American units. After three days the search was called off. The search was hampered by bad weather conditions and was made extremely difficult by the very rugged expanse where they were reported missing.

Pilot Officer Carver had served in Vietnam for just eight weeks and Flying Officer Herbert had just two months to go before he would finish his tour of duty and return to Australia. Both were 24 years of age. I guess it is hard for us in this generation and in this time but often I pause at a war memorial in my electorate and just listen all around me to the silence, the peace and the wonderful life that I have enjoyed and reflect on the loss of so many Australians throughout time to give us this peace in this wonderful Australia. I think of when I was 24,
thinking about marriage and thinking about a business, and I think about these two officers—just 24 years of age—and look now in 2009 at what they lost in their lives. I guess it is hard to really understand the pain felt by their families and, indeed, the families of all soldiers who have been lost in action. I know that over the ensuring decade Joan Herbert, who was Michael’s mother—whose son was only two months short of returning home—wrote some 600 letters to the Vietnamese authorities hoping that perhaps those letters might identify where her son was. I am sure that, as a mother, she never really gave up hope not only that her son would be found but that he would be found alive.

I was the Minister for Veterans’ Affairs in 1996 when I took the very first official pilgrimage back to Vietnam: veterans, war widows, next of kin and a number of servicemen representing the units which had served there. I have to say they were a great bunch of people. For them, it was going to be a return to some areas that had troubled them since their return from Vietnam. We had the widow of Peter Badcoe VC—and what a wonderful woman she is—and she was representing in so many ways the widows. We had the next of kin represented by a wonderful young lady who was starting to grow up at 20-odd years of age but who was four when she lost her father—a father she never knew. To take them back to Saigon, and to talk to them, helped me as the Minister for Veterans’ Affairs. It gave me a personal insight into not only how they felt about their service, how they had in so many ways got on with life since returning, but also the sense of camaraderie between the Vietnam veterans and what it meant to be a widow, a next of kin or a Vietnam veteran themselves. I will never forget the then Deputy Prime Minister, and a Vietnam veteran himself, Tim Fischer, joining us at Nui Dat. We had a very small memorial service at Nui Dat and he was able also to bring a sense of how he had got on with life and was able to manage in some ways in his own life the trauma that war can so often bring to people.

I was also able to see the work that the Vietnam Veterans Reconstruction Team are doing in Vietnam. I think in some ways that is also a measure of the Australian task force in Vietnam. I will never forget driving around some of the villages and areas around Vung Tau, Nui Dat and Ba Ria. We saw a Southern Cross windmill, made in Toowoomba—the home, of course, of Flying Officer Carver, who never returned having died that night in his Canberra bomber. In so many ways our reconstruction team was there helping these villages—for example by bringing clean, fresh, running water to their communities. That work goes on today with the Vietnam Veterans Reconstruction Team, and I commend them for the work that they do. It is important that we as a nation recognise that there was enormous damage inflicted on those communities and on so many innocent people. I know that the Vietnam veterans themselves, through the reconstruction team and the corporate support that they receive, are well meaning and are certainly making a difference to many of those communities which were formerly the battlefields of the Vietnam War.

I also want to say something about the new Vietnam gallery at the Australian War Memorial. It is a great credit to the board of the Australian War Memorial and all those who put the concept together. There is an Iroquois helicopter there, simulating a dust-off. There is a theatrette, where the battle of Long Tan is reconstructed and there are talks about the losses incurred. In many ways it is about the triumph of the Australian soldier under such trying conditions. In fact, when we stood in the battlefields of Long Tan we had with us Jim Richmond, who was left for dead that night but was actually recovered the following day. He also fea-
tures in *A Letter from Home* in the theatrette in the galleries of the Australian War Memorial. I just want to say to those who may be listening today that if they are ever in Canberra I would commend not only a visit to the Australian War Memorial but a visit to the new galleries that they have completed, including the Vietnam gallery, which I think does great credit to all those who served in Vietnam. It is appropriate; it has been appropriately done. I think the people, including young children, who visit that very important and poignant gallery will gain not only an understanding of the sacrifices made throughout wars but a knowledge of our involvement in the Vietnam War.

We can now close the book on these six brave servicemen who were missing in action. Finally we know the identification and final location of Flying Officer Michael Herbert and Pilot Officer Robert Carver, and they are coming home. In conclusion, I just want to say to all of us in Australia who have inherited the great legacy of freedom and the wonderful democracy we have that they come at a great price and we should never forget the sacrifices made nor the families who continue to suffer silently today. I am reminded once again of Joan Herbert, Michael’s mother, who kept writing and writing and writing, never giving up hope. I know we have families experiencing this today, and I saw it personally as veterans’ affairs minister. They never give up hope, thinking that one day their loved one will be found or their remains identified in a grave somewhere in the world, where they are listed as an Australian soldier or airman but nothing more than that. I commend all those who have been involved in the recovery. The work was never stopped. I want to also thank the Vietnamese authorities for their cooperation in helping this nation finally find the last two of our missing in Vietnam.

**THERAPEUTIC GOODS AMENDMENT (2009 MEASURES No. 2) BILL 2009**

**Second Reading**

Debate resumed from 23 June, on motion by Mr Butler:

That this bill be now read a second time.

Mr FORREST (Mallee) (12.10 pm)—I am pleased to have an opportunity to speak on the Therapeutic Goods Amendment (2009 Measures No. 2) Bill 2009. I am standing in for the member for Dickson, the shadow minister for health, who has been urgently called away for another meeting. This bill makes a series of amendments to the Therapeutic Goods Act 1989. There has been general support for the principles underlying this bill and the coalition supports the bill. The bill amends various technical aspects of the act. It is part of the ongoing reform of the act commenced by the Howard government and to which we have offered our support in opposition. The coalition supports ongoing streamlining and improvements of the regulatory processes surrounding the Therapeutic Goods Act. This is one of the important pillars of our healthcare system.

The most important aspect of this bill is the separation of the scheduling of medicines and poisons. Presently, medicines and poisons are scheduled jointly by a single committee, the National Drugs and Poisons Schedule Committee. The separation of scheduling for medicines and poisons has long been proposed and the coalition acknowledges the proposals put forward by the 2001 Galbally review and the 2008 Productivity Commission report. In fact, reviews dating as far back as 1954 have recommended that poisons and drugs be scheduled and regulated separately, citing (1) the efficiency gains in splitting up decision-making responsibility between the two areas, (2) the differences in the risk profiles associated with each area and (3)
the different decision-making paradigms required. Legislative powers will remain with the states, which have agreed to introduce uniform schedules to implement this legislation.

The bill also gives the Secretary of the Department of Health and Ageing the power to preclude certain use for medical devices on the Australian Register of Therapeutic Goods. Other amendments include provisions for greater consultation with the Gene Technology Regulator on genetically modified organisms, changes to offence provisions and the empowering of the Minister for Health and Ageing to specify advisory statements on specific medicines.

The coalition welcomes the Senate inquiry report from the Community Affairs Legislation Committee, published on 7 August. The committee recommends that this bill be passed. The coalition supports the conclusion reached by the Community Affairs Legislation Committee, which in particular calls on the Minister for Health and Ageing, Nicola Roxon, and her department:

… to work constructively together through a number of areas where industry raised concerns, and which will be the subject of legislative instruments, including membership and expertise on the Scheduling Committees, chemicals scheduling, appeal and review of decisions by the Secretary, cost recovery and the publication of advisory statements.

The coalition also supports the conclusion by the committee:

… that the government should give a commitment that it will undertake the further consultation as foreseen with industry in a renewed sprit of openness and cooperation that will provide meaningful feedback to the proposals, issues and general concerns held by industry to ensure that the new system when fully implemented is supported by all parties and is totally transparent and accountable.

Industry groups have been very critical of the lack of meaningful consultation and feedback from the Department of Health and Ageing so far. I might add here as a general observation that this seems to be a common criticism of the current government’s approach to a whole range of issues, but we will put that matter aside. It is vital that industry has trust and confidence in the regulatory regime surrounding medicines and poisons, and the coalition acknowledges the commitment by the minister to pursue further reform in the coming 12 months. We do call on the government to proactively ensure that industry remains a part of the process of reform. The minister is responsible for ensuring that there is a good culture of consultation across all agencies under her control. It is the opposition’s intention to hold her to that commitment.

Not having had a lot of notice on this particular legislation, I will conclude my remarks by just reinforcing the point about the importance of consult by the government. I regularly receive complaints from industry bodies and commodity groups across my electorate, particularly in regard to agriculture—which is the very backbone of the part of the world that I represent. The complaints are about the government’s lack of willingness to consult, particularly in regard to agriculture but in other portfolios as well.

Whilst the government might have a view that the Mallee division is a very conservative seat, it needs to recognise the important contribution it makes across the board to the nation’s coffers. It contributes significantly to the GDP and no minister should be frightened to come and consult with my people. They will find them very even-handed and with a desire to enhance their own position, with the recognition that the government has been elected but it need not adopt that governing process and leave them out of the consultation loop.
The coalition supports this legislation and I am pleased that I had an opportunity to comment on it.

Ms HALL (Shortland) (12.16 pm)—I must say that I wholeheartedly agree with the comments that the member for Mallee made about consultation. In regards to consultation on the Therapeutic Goods Amendment (2009 Measures No. 2) Bill 2009, there has been extensive consultation over a very long period of time about the new scheduling arrangements, particularly in relation to medicines. There has been consultation—and I am sure he will be really happy to hear this—with the Department of Agriculture, Fisheries and Forestry, the Australian Pesticides and Veterinary Medicines Authority and Safe Work Australia. They are all bodies that I am sure he would like the government to consult with.

The most recent consultations occurred in May this year on the key documents that underpin the new arrangements. I also reassure the member for Mallee that the Rudd government is totally and absolutely committed to consultation in all areas, particularly in relation to health. I just refer him to the current consultation that is taking place under the reforming Australian health care agenda. I encourage him to consult with his community and to consult with the government about that because it is all part of the overall health care agenda for this country; ensuring that his constituents and the constituents of every member of this House gets quality health care, just as this Therapeutic Goods Amendment (2009 Measures No. 2) Bill 2009 actually refers to another very important part of our health agenda.

Quite often these pieces of legislation relating to therapeutic goods slip through the parliament without people taking too much notice of them, but I have to say that each and every one of them adds to a different aspect of our health system and is vitally important. They actually streamline the way our health system works. They make our health system safe. They also ensure that the medicines, chemicals, appliances and various other products that the Therapeutic Goods Act 1989 applies to are actually going to benefit all Australians. They also ensure that they are appropriate.

This bill amends the Therapeutic Goods Act 1989. It implements new, separate scheduling arrangements for medicines and chemicals. It enables the Secretary of the Department of Health and Ageing—as we all know, the department responsible for therapeutic goods—to declare the purpose for which particular kinds of medical devices cannot be included in the Australian Register of Therapeutic Goods and thus made available. That is a very important aspect of this legislation.

The bill extends the circumstances in which consultation can occur with the Gene Technology Regulator on therapeutic goods that are or that contain genetically modified organisms, in addition to genetically modified products currently provided for under the act. I am sure the member for Mallee, given his commitment to the need for greater and ongoing consultation in this area, would also welcome this aspect of the bill that extends consultation; it is actually encouraging consultation with the organisations and authorities that he is particularly keen to see consulted.

The bill also amends the advertising offence provisions so that it is offence for any person to advertise a therapeutic good inappropriately, for a purpose that has not been accepted in relation to that product. In the past, I have had reason to be concerned about this particular area and I took a matter to the TGA. I have always found them very receptive. I have also taken this issue to state bodies because one case was contravening quite a few things. Once
again, this simple provision shows how important these amendments to the Therapeutic Goods Act are and how important it is for every member to be mindful of legislation as it comes through.

The bill amends the delegation provisions to enable regulations to specify a relevant person for the purposes of exercising delegation under section 19A of the act. That is pretty self-explanatory. It helps make the legislation work, because you need to have someone who can exercise that delegation; otherwise, the whole system becomes unworkable.

Finally, the bill introduces provisions to enable the minister, by legislative instrument, to specify advisory statements that are required to be included on the labels of specified medicines. Once again, that is an extremely important amendment. I believe manufacturers of medicines are beholden to highlight what is in a certain product, and that should be on the label. That gives the consumer the ability to decide whether or not it is appropriate for them to take that medicine, as such labelling will flag whether there is an ingredient in that medicine that a consumer might be allergic to.

It is important to note there are further amendments planned for later in the year to establish a new framework for the regulation of human cellular and tissue based therapy products, and to make additional improvements to the regulation of therapeutic goods in Australia and the operation of the act. Once again, I emphasise that this will be done in close consultation with all sectors of the community—all interested parties.

It is vitally important that we support these changes to the Therapeutic Goods Act. I must thank the opposition, too, for giving its wholehearted support to these changes. They know, as we know, that changes like these are ensuring greater safety for the Australian community and keeping the act up to date.

Mr LAMING (Bowman) (12.25 pm)—Obviously, the therapeutic goods amendments that are being discussed today in this debate on the Therapeutic Goods Amendment (2009 Measures No. 2) Bill 2009 touch on some very important ideas. Though it is not immediately obvious when you read the legislation, it is actually making some significant changes. The TGA of course plays a very important role in monitoring therapeutic goods and devices, and poisons as well, on behalf of the secretary of the department. Much of the debate on and consideration of this legislation has been about the responsibility of the Commonwealth, to be playing a role in the control of poisons—as they do for therapeutic devices and, of course, medicines themselves.

Another key issue that comes up every time we talk about TGA related issues is the role of complementary medicines. It was good to see the CHC and the Australian self-medicating industries having some say as well in these changes. But in the end we come back to the act—subsection (6)(1)—and the fact that it really does not clearly spell out the role of the Commonwealth. Those who have worked in this area—and I can go back to 2001 as an adviser to the then health minister—would know that we have worked very hard to get synchronisation between the states, to make sure that we do not have too much expectation on the TGA to operate on its own. It has to do so with other offices; the offices of, I think, chemicals and environmental health in the Department of Health and Ageing, all of which come together—as I note Charles Maskell-Knight has noted in his submission—under the secretary. Why do they do that? Obviously, you cannot afford to have every single decision about regulation coming
back to this parliament. At some point that has to be devolved to the secretary, which it is—and remember that the TGA operates as a division within that department.

But I do recall the RU486 debate, which obviously galvanised both the country and this chamber back in 2006. The debate there, of course, was on a highly controversial therapeutic agent. Where the TGA alone is responsible for safety, clinical efficacy and quality, can they actually be expected to be making moral and ethical decisions around pharmaceuticals? It is relevant to this legislation that one of the amendments that I put up, with the support of a coalition senator, was that, for truly controversial pharmaceuticals, there probably should be some kind of recourse beyond the secretary and the TGA back to this parliament. Of course, that amendment was defeated, and the prime reason for that was that you cannot imagine that every single therapy could potentially be referred back to this chamber, and I have some sympathy for that. But I am also mindful that, in the two or three decades where we have had these issues, RU486—which has been around for a number of decades—has been the only pharmaceutical of which it has ever been contemplated that it should come here for debate.

So we are hardly going to be overwhelmed with requests. But I think it would be an important avenue, because we are all aware what is just around the corner in therapeutics: genetically modified organisms and pharmaceuticals that will be testing the boundaries. At the risk of describing a therapy that does not actually exist at the moment, there may be a day where there is a pharmaceutical that one could take, as a mum, to abort, selectively, a male or female foetus. We would be completely unable to deal with that through the TGA under the current arrangements, and there may be, one day, a rush to look at these regulations and provisions again when something highly controversial comes along, where I think ordinary Australians would like to have a say about what is on the pharmaceutical shelves around this country or, for that matter, what is sold in health shops.

That aside, what we are doing today is extending the powers, somewhat—first of all by separating medicines and poisons, and that has always been a little bit of an issue. We can go back to 2001, when the Australian Health Ministers Conference turned their minds to it and commissioned the Galbally review of 2001, which was responded to by an advisory committee’s working group in 2003. There was some hope that we could one day move to an Australia-New Zealand arrangement for therapeutic products, through a transnational authority. It was the great vision of the early 2000s. It was disappointing that, around July 2007, that was delayed. Subsequent groups have worked to still bring forward some of those fairly sensible regulations in an Australia-only context.

So what do we have? We have a separation of medicines and poisons—and I am aware that you do not want them to be too separate but you do want them close enough so that we have effectively the one, overarching, structure, so that there can be transmission and dissemination of information between those two bodies. But you still do not want to join them completely so as to have both medicines and poisons being regulated by the same body. There is a sense that that would be a little cumbersome under the constitutional arrangements that exist at the moment—those arrangements where the states still do take the lead, in the main, for the regulation of poisons. I think they turn to the Commonwealth, in this slightly vexed federal arrangement, for the overall guidelines, but then we hope that, through identical structures in states and territories, they can make their own decisions—and that seems to be where we fall so often on federal issues like this.
Secondly, we are enabling the secretary also to determine purposes for which medical devices cannot be used on the Australian Register of Therapeutic Goods. That makes sense. You can imagine that there is a wacky little device that can be used by, say, a medical specialist, and they talk amongst themselves at conferences and say: ‘Do you know what? You can also use this device for something else.’ All of a sudden you have moved beyond the good work of the TGA, because this device is being used in some other context. So, instead of boring out one hole in the human body, it is being used to bore something else. Clinicians may well have some information, some evidence from overseas, but it has not been submitted to the TGA and has not been scrutinised. I think that it is only fair that we should be pushing for that to occur. One way to do that is to enable the secretary to make some decisions about how devices cannot be used.

I just state one caution there. There are some very common-sense ways in which devices can be used. Some rarely-used devices—often very expensive devices or devices for which there is an enormous cost for the manufacturer to go through the approval processes in a range of the developed economies where they are available—could be looked at using common sense. There is a countervailing view that clinicians in the end are responding to cutting-edge science. It may well not be the sponsor who has the energy to bring it forward to the TGA and the TGA’s hands are tied, in a sense, in that respect. If it has not been brought to them, the TGA can hardly be expected to go out and do the research on very specific uses of these products. So I can see that there is a balance. I would like to know that there is still an opportunity for unusual medications and unusual devices to be used within the current expectation of clinical experts in their field. We can only hope that either sponsors or manufacturers make the effort to apply for approval and have it granted in this country.

Finally, we are looking at increasing the provisions for consultation with the Gene Technology Regulator. The area of genetically modified organisms—that is, products that either are genetically modified or contain genetic modifications—is very controversial. It is an emerging area. One thing we know is that the field is moving faster than politics, which is moving faster than community understanding, and whenever that happens there are tensions and uncertainty. There has been a great deal of unease within the community about the use of GMO. so all I can recommend is that the government spends more of its time and resources making sure that people fully understand and are brought up to date with the implications and the potential for GMO—without the scare campaign that often goes with it.

The last area, which is just a tiny change, is obviously increasing the offences for not just sponsors but also anyone who advertises a therapeutic good. I do recall some of the situations where the supply chain, particularly around complementary medicines, has been brought into question. Whilst still having great integrity in this country, many of these products are deemed to be less dangerous, and I commend the TGA for still having at the moment a fairly balanced view. You can have a scheduled pharmaceutical or you can have one that is more freely available, and then you can have complementary therapies. Most of them are amino acids and natural ingredients, and there comes a point where overregulation just becomes completely ridiculous. We do have to strike that balance—and I can see the nods from the other side of the chamber. There is just no point setting the TGA loose on certain natural therapies that have well-known and well-tried natural ingredients. Again, there has to be a balance. Where they are combined or in unusual strengths, where they report certain adverse reactions or
where they are used for indications that are not conventional, I can understand the requirement of sponsors and people who import them to hold the evidence. I think it is very important that that information is available.

I will give you an example. A well-meaning lady in her 70s is diagnosed with dry macular degeneration and she obviously turns both to conventional and complementary medicine for anything that will preserve her sight. There is no surgical option and at the moment there is no pharmaceutical option for the treatment of dry macular degeneration. But there are plenty of complementary medicines out there, which must be incredibly luring to someone desperate to save every bit of vision that they can in a disease that has a fairly relentless progression. So she goes and purchases these products. She purchases them in a fairly unregulated environment and there is potentially a very serious adverse reaction, which in the end can be tied back to that therapy. What role does the TGA have there? I would like to believe that anything that is on the shelf can make a health claim only if it is backed up by evidence. That is fair enough, and that is how it is at the moment.

In this legislation I support further efforts to increase some of those offence provisions, and not just against the sponsor, if that were to occur. Let me explain why. We need to be able to turn to those importers and know that those pharmaceuticals have been manufactured in the highest quality manufacturing facilities, just as we would apply to local producers. You can see that if you are manufacturing locally with standards that are far higher than you accept from your imports, you are already setting up an unlevel playing field.

There is an even greater concern for me, which is that, when you try to block these products, what can you do? You can take action against the sponsor or the importer, but is that enough, because another sponsor can potentially appear. At the same time, this sponsor has actually disseminated the product around the country and it is sitting on shelves. Small business people have expended inventory, time, space and resources on stocking this product but of course no action can be taken. So we have this sort of invidious position where the TGA can potentially target a sponsor for errors in advertising or for making claims that cannot be backed up by evidence, but we still have the retailers who have made significant investments. In the past, many of them were unable to remove those products from the shelves if those advertising provisions did not apply to anyone, not just the sponsor.

In summary, this is important legislation. It has a history going back at least 10 years for the great vision that we had for Australia and New Zealand working together. It does not seem extraordinary that, for 26 million people, we could not find a way of working together for a trans-Tasman agreement. Let me remind members that the implication of parting from New Zealand is not insignificant; there are significant import situations where New Zealand authorised products appear on shelves here and are effectively able to bypass our TGA arrangements—one area is stimulant sports drinks. I know that mums and dads around the country have valid concerns about stimulants being added to sports drinks, and that is one tiny area in which we cannot afford New Zealand to be the back door to Australian supermarket shelves. That is an area we have tried and have fallen back somewhat, so this legislation, important to mention today, starts to make sure that those regulations become realistic, even though we fell away from that trans-Tasman agreement of a therapeutic products authority.

It is good that these additional powers fall to the secretary of the Department of Health and Ageing; it is excellent that these provisions for advertising are being strengthened; and, last of
all, it is important that therapeutic devices cannot be used too far beyond the area for which they have already made their application to the TGA. It will keep some balance between common sense and, of course, the risk that clinicians will tear off on their own and use devices, in those rare opportunities, for other clinical causes for which evidence is not available. For all those reasons, it is really important that both sides support this bill.

Ms BURKE (Chisholm) (12.38 pm)—I rise to support the Therapeutic Goods Amendment (2009 Measures No. 2) Bill 2009. This bill makes a series of amendments to the Therapeutics Goods Act 1989, and while we might look at the bill and think that it is pretty mundane and there is not a lot happening, a lot of the work of the TGA is something that we need to pay greater attention to. I am pleased that the bill has come before us and that there are ongoing amendments and reviews of the great work of the TGA. It reflects the government’s commitment to ensuring the ongoing safety and efficiency of therapeutic goods available in Australia by reducing the regulatory burden on the therapeutic goods industry.

The amendments made in the bill include: introducing new arrangements for the separate scheduling of medicines and poisons; enabling the secretary of the Department of Health and Ageing to declare purposes for which a device cannot be included in the register; extending the circumstances in which consultation can occur with the gene technology regulator regarding applications for the listing in the register of therapeutic goods that are or that contain genetically modified organisms; amending the advertising offences provisions to provide that it is an offence for any person to advertise a therapeutic good inappropriately; amending deregulation provisions to enable the regulations to specify a relevant purpose for the purpose of exercising delegation under section 19A of the act; and introducing provisions that would allow the minister, by legislative instrument, to specify advisory statements that are required to be included on the labels of specified medicines.

The main amendment to this bill allows the separate scheduling of medicines and chemicals. As the member for Bowman has said, this has been an issue discussed for many years. Many medicines and chemical products may present a risk of poisoning if inappropriately used. Some may require poisoning scheduling as part of the control mechanisms available. One of the interesting things that members of parliament put out is information to the electorate, and one of the interesting things to find is that the poisons line is one of the most rung lines by panic-stricken mothers who do not know what a child has put down their throat. So it is of great concern to many people that we know in a chemical sense what is actually in a product that someone is consuming or using.

Scheduling is the process by which substances are grouped into categories or schedules under which specified requirements are attached regarding supply, availability and oversight. This bill implements amendments to improve the current scheduling arrangements. It will provide that medicines, including biological and other therapeutic goods and poisons, will be assessed and scheduled by the Secretary of the Department of Health and Ageing, replacing the role of the National Drugs and Poisons Schedule Committee. The secretary will make these decisions based upon advice from two new advisory committees to be established by this bill, the advisory committee on medicines scheduling and the advisory committee on chemicals scheduling.

The advisory committee on medicines scheduling will provide advice regarding substances to the extent that they are included in therapeutic goods such as medicine. The advisory com-
committee on chemicals scheduling will provide advice in relation to substances not used in therapeutic goods, such as agricultural chemicals and veterinary medicines. This is a very sensible way to proceed and it is quite surprising we have not done it before now. Both committees will include members from the Commonwealth, states and territories as well as other experts to be provided for in the subordinate legislation. We need to indicate that there has been great collaborative work on making these changes between the Commonwealth and the states.

Decisions of the secretary will be incorporated into the poisoning standards, which will be retained as a single reference point to scheduling information. The separate scheduling of medicines and poisons follows a key recommendation of the Galbally review and a report from the Productivity Commission. It is also supported by the Australian Health Ministers Conference. This amendment will provide clarity and opportunity for individuals to make applications to the secretary to seek scheduling arrangements. The secretary will be in a position to seek the advice of either the medicines or chemicals committee, or both, in considering applications. The new arrangements will commence on 1 July 2010 to provide sufficient time to enable affected industries to make any necessary changes which will reflect the new arrangements. We need to indicate also that a great deal of consultation has gone on prior to this, so this will not come as a shock to anybody involved in any of the sectors.

This bill also allows for the secretary to declare purposes for which medical devices cannot be included on the register. Presently medical devices that satisfy all of the applications and certified requirements can be included in the register. Despite devices satisfying these requirements, there may be certain uses in specified circumstances where they could pose a risk to public health or be otherwise inappropriate. The internet is an amazing thing and it has opened up many opportunities for us as individuals, but in some cases it is a dangerous field in which people play. One of the most dangerous is in the medical world, where individuals nowadays are happily going online and individually diagnosing their own illnesses and then going online and purchasing devices and pills and have no idea what they are actually getting, and then using those pills and their devices at home. They think that they know what they are doing. It is a fairly unregulated and, I would hazard to guess, scary market.

We need to ensure that a device which might have a legitimate use, but which is put into the wrong arena or the hands of an individual at home, is not inappropriately used, and we also need to ensure we know that what it is being used for is what it has actually been registered for. Someone getting kits that provide self-diagnosis at home, which in a clinical setting and for those environments is perfectly reasonable, is highly dangerous outside those settings. I think information is a great thing, but we need to ensure that we are getting actual information. My child who was writing an assignment the other day said to me, ‘But it was on the internet.’ I said: ‘Well, that doesn’t prove anything. Where is the source and where is the backup?’ We need to ensure that appropriate organisations such as the TGA can monitor and ensure that devices out there are actually being used for the reasons that they were put on the register in the first place.

This bill will ensure that certain medical devices can be precluded from the register if the purpose of the device is determined as an excluded purpose. This will support safety and quality in the use of certain devices that would otherwise be unsafe, such as home tests for serious illnesses. In these situations people do not have the necessary medical support to understand the implications of the result or to notify health authorities if necessary. Amendments in this
Bill will ensure that medical devices are only available for appropriate purposes to support high-quality, safe medical care.

This legislation will impact on quite a number of pharmaceutical companies based within my electorate. Part of my electorate, around the Clayton area, has a rather large number of small industrial sites and many of these are home to a large number of pharmaceutical companies and factories. Right on the Chisholm-Clayton border—I claim it as mine, and not the Minister for Trade’s—is the head office of Sigma Pharmaceuticals, which is one of Australia’s leading manufacturers and marketers of pharmaceutical products. It is also the owner and operator of the country’s two largest pharmaceutical retail banners, Amcal and Guardian.

One of the other amendments today is about advertising and what can and cannot be claimed on certain products. We are now all-day purchasers of over-the-counter medicine. We all need to know that what is written on the box is telling us what the product can do. The member for Bowman said of complementary medicines that it is about knowing what reaction might occur when taking a natural product if it is taken in conjunction with other natural products or other pharmaceuticals. A lot of people do not think beyond that. They think that a pill is safe. But they need to know it is and what reaction it may cause when taking it with other medications. This will have an impact on Sigma Pharmaceuticals.

Another organisation, Kendle, is a leading global clinical research organisation, whose head office is based in Oakleigh, another suburb in my electorate. The Australian arm of the business was established in 1994 and employs around 80 people. Kendle provides a full range of early to late stage clinical development services for the world’s biopharmaceutical industry. The amendments in this bill will improve the efficiency of both these companies and will lead to better operational outcomes.

Also housed within my electorate is Monash University, at Clayton, and the Monash Medical Centre. Both of these are at the cutting edge of research into medicine, pharmaceuticals and gene technology which involve a whole range of issues that are covered by regulation within the TGA. I have had discussions about how myriad changes within something that seems downstream can impact on people who are at the top end of the stream regarding research work. They are always happy to see guidelines and greater provisions coming into place and commonsense arrangements coming through, as this amendment before us today does.

The amendments outlined in this bill are important to the therapeutic goods regulation regime and will be welcomed by key stakeholders in the industry. The government will continue to make further improvements to the regulation of therapeutic goods in Australia and the operation of the act to ensure the best outcomes for industry and consumers. I commend the bill to the House.

Mr Butler (Port Adelaide—Parliamentary Secretary for Health) (12.47 pm)—I thank members for their contributions to this debate on the Therapeutic Goods Amendment (2009 Measures No. 2) Bill 2009. I thank the opposition for its support for this bill and particularly recognise the member for Mallee’s cameo performance at very short notice standing in for the shadow minister for health and ageing. As mentioned in the second reading speech, this bill amends the Therapeutic Goods Act 1989 in a number of ways. Most importantly, it implements new arrangements for the separate scheduling of medicines and poisons, reflecting the recommendation from the review of the Council of Australian Governments of drugs, poisons
and controlled substances legislation undertaken by Ms Rhonda Galbally in 2001 and reiterated in a Productivity Commission report published in July last year.

This bill is the third in a series of bills making improvements to and strengthening the regulation of therapeutic goods in Australia. I am pleased to advise the chamber that the Senate Community Affairs Legislation Committee has inquired into the bill and recommended in its report of 7 August this year that it be passed without delay. Since the release of the Galbally review in 2001, the Therapeutic Goods Administration has undertaken negotiations with both state and territory governments, as key partners in scheduling, as well as consultations with industry. Most recently in May, the TGA undertook consultations in relation to the details to be developed under the bill. Feedback on submissions made during this consultation, detailing the comments made and proposed amendments to the framework, has been posted on the TGA website.

However, as members will appreciate, not all of the suggestions made over the past eight years were able to be taken on board and reflected in the bill that is before the House today. This is because the arrangements need to strike a balance between the flexibility and responsiveness sought by industry with the safety and access needs of consumers. They also need to fit within the overarching Commonwealth, state and territory structures within which the arrangements exist. Nonetheless, many improvements have been achieved in the drafting of this bill as a result of comments and suggestions made during the consultations. I am also stating here today that the government’s agreement that the chairs of the first expert committees for medicines and for chemical scheduling, formed under this bill, will be independent of the Commonwealth. This suggestion was made by ASMI, the self-medication industry group, and I am pleased to agree to it. Further discussions will be had with industry to ensure that the regulations underpinning this bill will promote both transparency and accountability. This government is committed to open and cooperative consultations with industry and, as I have said, further consultations are set to occur with industry to finalise the details of the arrangements to be established under this bill. I am confident that through these consultations administrative processes for scheduling will be developed that will be responsive to industry needs while maintaining the necessary balance between safety and access to medicines and chemicals.

Another issue raised during the Senate committee’s consideration of this bill was its constitutionality. Under the Constitution responsibility for controlling the access to and supply of substances rests with the states and territories. The Therapeutic Goods Act currently empowers the Commonwealth to establish a national schedule of medicines and chemicals that can then be adopted by the states and territories as a way of achieving national consistency. The amendments in the bill simply put in place a different process for setting the national schedule. The Senate Community Affairs Legislation Committee, in considering the bill, received submissions which on the one hand included calls from industry for the Commonwealth to take over the role of the states and territories and fully nationalise scheduling, while on the other hand presenting legal advice that called into question the constitutionality of the Commonwealth’s involvement in scheduling at all. Both extremes involve a misunderstanding of the constitutional position. While there is no power for the Commonwealth to legislate to impose a comprehensive national scheme, there is no doubt about its power to legislate to establish a schedule as part of a collaborative arrangement with the states and territories.
The bill also makes a number of smaller changes to the act to improve its operation. As indicated in the second reading speech, the changes made by this bill did not encompass all of the reforms the government intends to make to the therapeutic goods regulatory regime. The amendments in this bill are the third instalment in an ongoing program of reform to the act. Australia has been served well by the TGA in the past and it is important that the regulatory regime the TGA implements is kept up to date so that the TGA and the industry it regulates can operate as efficiently as possible, so that Australian consumers can continue to have timely access to safe and effective therapeutic goods. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that this bill be reported to the House without amendment.

RESALE ROYALTY RIGHT FOR VISUAL ARTISTS BILL 2008

Second Reading

Debate resumed from 18 August, on motion by Mr Garrett:

That this bill be now read a second time.

Mrs MOYLAN (Pearce) (12.53 pm)—I am very pleased to finally have a chance to rise to speak to the Resale Royalty Right for Visual Artists Bill 2008, but I see that the hour is late and we will shortly adjourn, so I hope to reserve my right to continue this speech at a later time.

Australia is indeed blessed with a vibrant and talented arts community. Artists from all over the country are making an invaluable contribution to enriching the lives and fabric of communities right around the country. Artists who produce material that can be readily distributed, such as musicians, poets and authors, receive royalty payments for their work. Conversely, visual artists currently have no mechanism to profit from the resale of their work. The aim of this bill, therefore, is to rectify the situation for all Australian visual artists, such as painters, sculptors and photographers, as well as artists who make fine art textiles and jewellery, to name a few.

The hills—and the valleys—in my electorate are alive not only with the sound of music; they are also alive with the vibrancy of wonderful art because Pearce is a place, indeed a hub, for some of the best-known artists in the country if not the world—people of the calibre of artists Robert Juniper and Wim Boissevain, and sculptors such as Ron Gomboc, who was an early contributor to Sculpture by the Sea and has been very much at the forefront of developing that concept in Western Australia. So one of the more pleasurable aspects of my job as the member for Pearce, when I am travelling around the electorate, is having the chance to view some of the incredible work that is produced by many of the artists and displayed by many of the galleries and at many of the exhibitions that are held within the electorate of Pearce and beyond.

Earlier this year I attended an art exhibition within my constituency, at the Mundaring Arts Centre. It was the premiere of the exhibition, as part of the centre’s 30th birthday anniversary, titled On Fire—a perhaps appropriate and much-discussed subject just at the moment. The exhibition examined the ways we experience, understand and appreciate fire in our communi-
ties, and works by artists such as Jenny Armati, Robert Juniper, Jude Taylor and Brian McKay and sculptor Hans Arkeveld were featured, with an auction of their works which raised in excess of $50,000. That particular evening demonstrates, I think, that, while many artists often live and work on very limited budgets, they are some of the most generous people when it comes to supporting charity. In fact, it was only a couple of months ago that Robert Juniper donated two of his fine works when we held a long-table lunch in the Swan Valley in my electorate in conjunction with Diabetes Western Australia to raise money to support people with diabetes. He is an enormously generous artist, as are many of the artists I have got to know in the electorate of Pearce.

The dilemma of artists being paid and earning ongoing royalties for the work they produce is certainly not unique to this time or place, for it was in France nearly 90 years ago that a right-to-resell royalty was first introduced. This meant that when an artist’s work was resold they were entitled to receive a percentage of the sale price as a royalty payment. The aim was to ensure that artists were able to share in the success of the work that they had created and to recognise the intellectual property rights artists should have over their work, in line with other art forms. Since then, over 30 countries around the globe have introduced systems to enable visual artists to receive money when their works are resold. Here in Australia, key groups such as the National Association for the Visual Arts have been campaigning for resale royalties for some 20 years.

The introduction of these measures has received widespread support, although there have been a number of key concerns, and I think some of those concerns still remain. But in essence this bill will introduce a system whereby a five per cent royalty is collected and distributed to an artist after their original work is resold in a commercial market for more than $1,000. The five per cent of the resale price is not capped, and it will be collected by a central agency unless the individual artist opts to collect the royalty themselves. This right will exist for the life of the artist and for 70 years beyond their death. I think it is very pleasing to know that their children and perhaps their grandchildren will be able to inherit some of the benefit of their work.

There were a number of submissions to the bill inquiry conducted by the House of Representatives Standing Committee on Climate Change, Water, Environment and the Arts, as well as information published by key artist representative groups, and it seemed the bulk of concerns rested with the requirement that the royalty right is only attached to works acquired after this bill comes into effect.

The DEPUTY SPEAKER (Hon. KJ Andrews)—Order! It being one o’clock, the debate must be adjourned. The member will have leave to continue her remarks when the debate is resumed.

Main Committee adjourned at 1.00 pm
QUESTIONS IN WRITING

Employment Services
(Question No. 811)

Dr Southcott asked the Minister representing the Minister for Employment Participation, in writing, on 25 June 2009:

In respect of the Employment Services Contract (ESC) 2006-09 and 2009-12, and the announcement that newly redundant workers will be provided Stream Service at Stream 2

(1) What proportion of Employment Services funding is it estimated will be spent on (a) Stream 1, (b) Stream 2, (c) Stream 3 and (d) Stream 4 in ESC 2009-10.

(2) What proportion of new jobseekers will enter each stream in ESC 2009-12.

(3) What proportion of the caseload will be in each stream in ESC 2009-12.

(4) How many newly redundant workers have accessed Intensive Support Customised Assistance 1 since 24 February 2009.

(5) What is the estimated cost per employment outcome for (a) Stream 1, (b) Stream 2, (c) Stream 3, and (d) Stream 4.

Ms Gillard—the answer to the honourable member’s question is as follows:

(1) to (3) Modelling was provided as part of the consultation process for Job Services Australia. It is available at:


(4) For the period 24 February 2009 to 24 June 2009, a total of 11 217 active job seekers have had the Redundant Worker flag (RDW9) applied.

(5) Cost per employment outcome for Employment Services delivered by Job Services Australia will be calculated as total expenditure divided by the number of job seekers employed (as measured through the Department’s Post Program Monitoring survey). The estimated cost per employment outcome is $4,000 for Streams 1 to 3 (averaged across the three Streams) and $17,300 for Streams 4, as per the 2009-10 DEEWR Budget Statement.