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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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Members of the House of Representatives

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

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

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

Hon. Kevin Rudd, MP
Hon. Julia Gillard, MP
Hon. Wayne Swan MP
Senator Hon. Chris Evans
Senator Hon. John Faulkner
Hon. Simon Crean MP
Hon. Stephen Smith MP
Hon. Nicola Roxon MP
Hon. Jenny Macklin MP
Hon. Lindsay Tanner MP
Hon. Anthony Albanese MP
Senator Hon. Stephen Conroy

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

Leader of the Opposition
The Hon. Malcolm Turnbull MP

Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition
The Hon. Julie Bishop MP

Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals
The Hon. Warren Truss MP

Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate
Senator the Hon. Nick Minchin

Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate
Senator the Hon. Eric Abetz

Shadow Treasurer
The Hon. Joe Hockey MP

Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House
The Hon. Christopher Pyne MP

Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design
The Hon. Andrew Robb AO, MP

Shadow Minister for Finance, Competition Policy and Deregulation
Senator the Hon. Helen Coonan

Shadow Minister for Human Services and Deputy Leader of The Nationals
Senator the Hon. Nigel Scullion

Shadow Minister for Energy and Resources
The Hon. Ian Macfarlane MP

Shadow Minister for Families, Housing, Community Services and Indigenous Affairs
The Hon. Tony Abbott MP

Shadow Special Minister of State and Shadow Cabinet Secretary
Senator the Hon. Michael Ronaldson

Shadow Minister for Climate Change, Environment and Water
The Hon. Greg Hunt MP

Shadow Minister for Health and Ageing
The Hon. Peter Dutton MP

Shadow Minister for Defence
Senator the Hon. David Johnston

Shadow Attorney-General
Senator the Hon. George Brandis SC

Shadow Minister for Agriculture, Fisheries and Forestry
The Hon. John Cobb MP

Shadow Minister for Employment and Workplace Relations
Mr Michael Keenan MP

Shadow Minister for Immigration and Citizenship
The Hon. Dr Sharman Stone

Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts
Mr Steven Ciobo

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

Shadow Minister for Financial Services, Superannuation and Corporate Law
The Hon. Chris Pearce MP

Shadow Assistant Treasurer
The Hon. Tony Smith MP

Shadow Minister for Sustainable Development and Cities
The Hon. Bruce Billson MP

Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House
Mr Luke Hartsuyker MP

Shadow Minister for Housing and Local Government
Mr Scott Morrison

Shadow Minister for Ageing
Mrs Margaret May MP

Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence
The Hon. Bob Baldwin MP

Shadow Minister for Veterans’ Affairs
Mrs Louise Markus MP

Shadow Minister for Early Childhood Education, Childcare, Status of Women and Youth
Mrs Sophie Mirabella MP

Shadow Minister for Justice and Customs
The Hon. Sussan Ley MP

Shadow Minister for Employment Participation, Training and Sport
Dr Andrew Southcott MP

Shadow Parliamentary Secretary for Northern Australia
Senator the Hon. Ian Macdonald

Shadow Parliamentary Secretary for Roads and Transport
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development
Mr John Forrest MP

Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs
Senator Marise Payne

Shadow Parliamentary Secretary for Energy and Resources
Mr Barry Haase MP

Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector
Senator Mitch Fifield

Shadow Parliamentary Secretary for Water Resources and Conservation
Mr Mark Coulton MP

Shadow Parliamentary Secretary for Health Administration
Senator Mathias Cormann

Shadow Parliamentary Secretary for Defence
The Hon. Peter Lindsay MP

Shadow Parliamentary Secretary for Education
Senator the Hon. Brett Mason

Shadow Parliamentary Secretary for Justice and Public Security
Mr Jason Wood MP

Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry
Senator the Hon. Richard Colbeck

Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate
Senator Concetta Fierravanti-Wells
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The SPEAKER (Mr Harry Jenkins) took the chair at 9 am and read prayers.

SOCIAL SECURITY AND OTHER LEGISLATION AMENDMENT (INCOME SUPPORT FOR STUDENTS) 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) (9.01 am)—I move:

That this bill be now read a second time.

Higher education is central to achieving this government’s vision of a stronger and fairer nation. At the last budget the government proposed a landmark reform agenda for higher education and research that will transform the scale, potential and quality of the nation’s universities and open the doors of higher education to a new generation of Australians.

Through our reforms we will make higher education more accessible by uncapping the number of public university places from 2012.

We will spend $433 million over four years to provide universities with an incentive to enrol students from disadvantaged backgrounds, through providing funding for partnerships between universities and disadvantaged schools and a per student loading for low-SES students.

We will drive improvements in quality through our new quality assurance body, the Tertiary Education Quality and Standards Agency (TEQSA). Its work will be supported by $206 million of extra funding to institutions that meet exacting quality standards across a range of indicators.

And, of course, the Rudd government is investing $578 million over three years for a landmark increase to the rate of indexation for higher education funding—long overdue after years of real cuts under the Liberal government. The government has also announced its move towards the full cost of research over time at a cost of $512 million over four years.

Our reforms are designed to meet two ambitious targets in particular:

- that by 2025, 40 per cent of 25- to 34-year-olds will hold a bachelor degree or higher; and
- that by 2020, 20 per cent of higher education enrolments at undergraduate level should be people from low-SES backgrounds.

This bill, which contains our response to the Bradley review recommendation on student income support, is a key aspect of this agenda.

This is because income support and other financial assistance are critically important to attract financially disadvantaged students into higher education and keep them there. And it is this issue that this bill considers.

The Bradley review found that student income support arrangements were poorly targeted. Assistance provided through Youth Allowance was not going to those students most in need.

For instance, the Bradley review found that 18 per cent of students who were living at home and were receiving youth allowance through having been considered ‘independent’ were from families with incomes above $150,000, 10 per cent from families with incomes above $200,000 and three per cent from families with incomes above $300,000.
Meanwhile, under the current system rural, regional and low-SES participation have all fallen.

Participation of regional students at university fell to 18.08 per cent by 2007 against a percentage of the population of 25.4 per cent, the remote participation rate fell to 1.12 per cent against a percentage of the population of 2.5 per cent and low-SES participation languished at around 15 per cent against a percentage of the population of 25 per cent.

The reforms outlined in this bill will help to arrest these trends by increasing access to, and better targeting, income support for students who need it the most, through a fairer and more equitable allocation of existing resources.

The government has taken the sensible decision to tighten the current independence criterion, as recommended by the Bradley review. This will allow us to redirect funding into a massive suite of reforms, including new scholarships, a higher parental income test and lowering the age of independence, which will mean a system that supports more students and better supports the students that need it most, including rural and regional students.

Each of the recommendations for reforming student income support arising from the Bradley review has been adopted by the government. This bill implements the recommendations that require legislation. The principal measures in the bill were announced in the 2009-2010 budget.

The Group of Eight has supported the reforms with Professor Alan Robson saying:

"with a finite amount of public funding it is vital we target those students most in need ... New Start-Up and Regional Scholarships ... will also make a big difference, especially for families in rural and regional areas."

The Australian Technology Network has also supported our changes and in their media release said:

"Supporting those who need it most—Government delivers for students."

The Chair of the Australian Technology Network, Ross Milbourne, said that the package of measures will direct funding to those most in need. He said:

"A well-structured income support system should act to increase enrolments from low income people. This package will ensure this."

The National Union of Students has said of our budget measures:

"This is a big win for students, a substantial investment in future productivity and jobs."

On budget night the National Union of Students said:

"Thumbs up for massive education funding, thumbs up for massive student income support."

And Universities Australia has lauded our changes to student income support commenting that:

"Lowering the age of independence progressively from 25 years to 22, and ensuring student support can be claimed by more of those students who are truly in need is commendable."

However, many students told us while they liked the new system they were concerned that gap year students—on a gap year this year—who needed to move to study would be caught between the old and the new systems.

So, over the past few months, I or my office have met with a broad range of students and interest groups to discuss the new system.

After wide consultation the government has announced a transition measure to allow gap year students who completed school in 2008 and who need to move to study until 30 June 2010 to qualify for independent status. This will be financed by delaying the intro-
duction of an increase to the amount of
money students can earn on income support
to $400 per fortnight to 1 July 2012.

This sensible change is included in this
bill.

Students have welcomed the changes and
Universities Australia CEO Glenn Withers
said that:

... they—
the changes—
augment the Government’s reforms for a new
student financial support system following the
Bradley Review of Higher Education. The new
system is framed to better assist students most in
need.

The reforms are roughly cost neutral over the
forward estimates. The costs are fully offset
by improved targeting of youth allowance
and Abstudy and the conversion of funding
from other programs affected by the reforms,
including the existing Commonwealth Scholar-
ships program and savings from family tax
benefit part A due to the anticipated migra-
tion of some young people from FTB to
youth allowance or Abstudy.

The measures of this bill particularly
benefit students who have to move away
from home to study, rural and regional stu-
dents and students from low-income back-
grounds.

The first measure in the bill outlines the
changes to the independence criteria for
youth allowance.

The age at which a person is automatically
independent is changing. It will be phased
down from 25 now to 22 by 2012—at a rate
of one year phase-down per year. This
change means that more young people will
be eligible for youth allowance, and many
existing youth allowance recipients will re-
ceive a higher rate of payment.

The Howard government increased the
age of independence from 22 years to 25
years in 1998—though at the time they put a
commitment in the legislation to progress-
sively reduce the age back down over time.
After 11 years, this government is delivering
where the previous government could not
and did not.

As recommended by the Bradley review,
our reforms will be largely funded by tight-
ening the workforce participation criteria for
independence under youth allowance and
Abstudy to ensure that it is a test of whether
a student is independent of their parents by
having worked at least 30 hours per week for
18 months.

Working part time will not be considered
sufficient to establish independence from
parental support.

Under the previous system, the parental
income test was so low that many students
sought to gain access to student income sup-
port as independent youth allowance recipi-
ents.

Many students took a gap year to meet
this criterion—and we know for a fact that
around 30 per cent of students did not return
to study.

Under the government’s new arrange-
ments many students who previously had to
prove ‘independence’ will now be able to
access support automatically as ‘dependants’
through the raised parental income test.
Those who have worked full time and are
independent of their parents can still access
support in this way.

No person who is currently independent
because of workforce participation will be
affected by this change.

The second measure in the bill is changes
to the income test for youth allowance and
Austudy to increase the level of support for
students, apprentices and young job seekers.

From 1 January 2010, the annual parental
income test threshold for dependent youth
allowance recipients to get the maximum rate of youth allowance will increase from $32,800 to $44,165. More young people will be entitled to youth allowance, and many people already receiving youth allowance will receive a higher rate of payment.

The parental income reduction for youth allowance will change from a taper rate of 25 per cent per person, to a family taper of 20 per cent. This measure reduces the effect of parental income on a youth allowance recipient, particularly where the same parental income applies to multiple kids in a family. As a result, the parental income cut-off point for a family will be substantially raised. For a family with two children living away from home, the parental income cut-off point will be raised to almost $141,000 per year, from $79,000 under the previous government. These changes will allow 68,000 students to become eligible for income support payments and will result in higher payments for 34,600 students.

Additionally, the personal income free area for youth allowance and Austudy students and new apprentices will rise from $236 to $400 per fortnight from 1 July 2012. Students and Australian apprentices will therefore be able earn up to $400 per fortnight without having their payments reduced. The increased free area will also be indexed to the Consumer Price Index.

The third measure in the bill is the provision of new scholarships for students.

All students receiving youth allowance or Austudy while undertaking an approved higher education course will receive a student start-up scholarship. In 2010, the scholarship will be $2,254 for the year and will be paid in two instalments. This new scholarship will benefit 146,600 students in 2010—28 times more than the number of equivalent scholarships that were provided by the previous government when the Rudd government came to power in 2007. My department estimates that, by 2012, 172,600 students will benefit from this additional assistance, which helps students meets the cost of textbooks, specialised equipment and other lump-sum expenses in each year of their course. Under the previous system, the number of scholarships was limited. Consequently, many eligible students missed out. There was obviously unfairness. Under the new system, scholarships will be administered by Centrelink and all eligible students will be able to receive a scholarship.

In addition to the student start-up scholarship, some students receiving student income support will receive a relocation scholarship to assist with the cost of relocating for study. The scholarship will be $1,000 per year, and $4,000 for a student’s initial relocation. My department estimates that 14,200 students will be eligible for this next year, up from 8,100 commencing students under the old system.

The value of the new scholarships will be indexed from 2011.

The government will be providing equivalent scholarships to students under the Veterans’ Children Education Scheme, the Military Rehabilitation and Compensation Education and Training Scheme and the ABSTUDY Scheme.

The fourth measure in the bill is exempting merit and equity based scholarships from the income test under social security and veterans’ entitlements legislation. These scholarships will be exempt to a threshold of $6,762 per year. The threshold will be indexed. This measure will increase the entitlement to income support for students receiving scholarships and provide an incentive to individuals and organisations to fund scholarships for students.

Overall, many students will benefit from the measures in the bill. Most importantly,
The funding will be directed to the students who need it the most. There is a particular focus on students who need to move to study, who will benefit from the new scholarships and higher parental income cut off points than students who stay at home.

The bill also amends the social security law and veterans’ entitlements law to facilitate the measures and make amendments of a technical nature.

The government’s changes to student income support will create a fairer system that will direct support to the students who need it the most.

I commend the bill to the House.

Debate (on motion by Mr Coulton) adjourned.

AUSTRALIAN NATIONAL PREVENTIVE HEALTH AGENCY BILL 2009

First Reading

Bill and explanatory memorandum presented by Ms Roxon.

Bill read a first time.

Second Reading

Ms ROXON (Gellibrand—Minister for Health and Ageing) (9.20 am)—I move:

That this bill be now read a second time.

Preventive health measures work.

This has been demonstrated by our experience in smoking, the impact of HIV/AIDS, the road toll, seatbelts, heart disease and even bicycle helmets.

But in some areas we are facing many challenges that could put these successes at risk unless we take effective action now.

This is why today I rise to introduce a measure to focus and revitalise Australia’s preventive health capacity—the Australian National Preventive Health Agency Bill 2009.

The establishment of the Australian National Preventive Health Agency has been recommended by both the Health and Hospitals Reform Commission and the National Preventative Health Taskforce. In fact, the creation of a national preventive health agency was proposed at the 2020 summit. So we have listened and we are now acting.

These reviews confirm for us that the rising incidence of chronic illness, combined with the ageing profile of the population, means that sitting on our hands is not an option in terms of both the cost to our health system and, more importantly, the human cost of illness and lost productivity.

This bill establishes a national infrastructure to help drive major change in the way we behave and how we look after—or do not look after—our own health.

It is widely appreciated that the ageing of our population is one of the major challenges to our health and prosperity. But there are also major pressures arising from changing lifestyles and consumption patterns.

Between 1950 and 2008, more than 900,000 Australians died because they smoked—despite the fact that there was from about 1950 clear evidence of the dangers of smoking.

Thanks to preventive health measures we now have one of the lowest smoking levels in the world, and yet nearly three million Australians still continue to smoke.

Of all cancers, lung cancer remains our biggest killer of both men and women.

While less people are smoking than ever before, thousands of young people continue to take up the habit each year and tobacco remains the single biggest preventable cause of death and disease in Australia.

In fact, 25 per cent of cancer deaths are attributable to tobacco and alcohol, and as such are avoidable, and a key job of the new
agency established by the bill before us will be to ensure that we reduce this burden.

The Preventative Health Taskforce set a target of reducing smoking rates to less than 10 per cent. This would mean approximately one million fewer smokers in Australia, and according to the taskforce would prevent the premature deaths of almost 300,000 Australians.

Similarly, with alcohol, barely a day goes by without the newspapers outlining the severe impact of alcohol abuse in our community.

In contrast to tobacco, our overall per capita consumption of alcohol is high by world standards. One in four Australians drink at a level that puts them at risk of short-term harm at least once a month. And around 10 per cent of Australians drink at levels that put them at risk of long-term harm.

And on top of that, we are now among the most obese nations in the world.

The National Preventative Health Taskforce stated that if obesity trends are left unchecked, the life expectancy for Australian children alive today will fall by two years by the time they are 20 years old. This would represent the life expectancy levels for males in 2001 and for females in 1997.

The Taskforce chair, Professor Rob Moody, is right when he says this is not a legacy we should be leaving for our kids.

These examples illustrate why the government has made prevention a key focus of our reform agenda.

We must ensure that Australia does not go backwards in health status.

And we have to make our health system sustainable in the long term.

We need to reduce the burden preventable health problems are already placing on an ageing workforce, and ensure Australia’s productive capacity is maintained.

In the past the prevention effort was neglected. We currently spend less than two per cent of the health budget on preventive health, and to make matters worse in many respects, current arrangements are fragmented, lack cohesion and focus.

Success in changing lifestyles takes a long-term, systematic approach informed by the latest evidence and ongoing evaluation of results.

In part this is because the skills and efforts required go beyond the capacity of any single sector, government or portfolio.

It cannot be about governments imposing solutions on the community. It needs engagement, action and responsibility to be taken by individuals, families, communities, industries and businesses.

But as a national government, we can play a leadership role by gathering and analysing and disseminating the best available evidence, and the best evidence-based programs.

We need to bring together the best expertise in the country, and we need to engage employers, businesses, other sectors and the wider community in prevention.

A new approach is needed, and the new Australian National Preventive Health Agency will play a key role in achieving this ambition through the deployment of a skilled and dedicated team which can work flexibly and responsively.

The Rudd government takes preventive health seriously. Under the auspices of COAG we reached agreement with the states and territories in November last year for a National Partnership Agreement on Preventive Health, which will reform how the Commonwealth and the states work together on preventive health. This agreement, funded by the government at $872 million, provides
the largest single investment in health promotion in Australia's history.

A key initiative of that Prevention Partnership is establishing the agency today.

The agency’s staff will include population health and other experts. It will have responsibility for providing evidence-based policy advice to health and other ministers interested in preventive health and will administer social marketing programs and other national preventive health programs which it may be tasked with by ministers. It will have responsibility for stakeholder consultation, and overseeing surveillance and research activities.

Initially it will have $133 million allocated to it, including funds to assist with the establishment and operation of the agency ($17.6 million), social marketing targeting obesity and tobacco ($102 million) and to support preventive health research, especially the translation of research into practice ($13.1 million).

It will also form partnerships with industry, as well as the community and non-government sectors.

I am therefore pleased to present the Australian National Preventive Health Agency Bill 2009 to establish the Australian National Preventive Health Agency.

The bill establishes the agency as a statutory authority under the Financial Management and Accountability Act 1997, or FMA Act, and specifies its functions, governance and structure.

Health ministers have agreed to the agency being established under the FMA Act and were consulted about the broad provisions in the bill. The Australian Local Government Association was consulted in relation to it being a named entity in the bill.

Provisions have been made to allow the agency to manage pooled funds through a special account if other organisations, including states and territories, choose to contribute financially to its operations. This provision reflects the government’s commitment to work with the states and also with other interested groups to achieve the preventive health outcomes this country needs.

A chief executive officer will manage the agency and will be directly accountable to the federal Health Minister for the financial management of the agency and to the Australian Health Ministers’ Conference, via the Minister for Health and Ageing, for the agency’s performance. This provision reflects that the agency is a COAG mandated body and that it has been established to support all health ministers in tackling the complex challenge posed by preventable chronic disease.

The Australian National Preventive Health Agency will have an advisory council which will consist of state, territory and Commonwealth government representatives and other individuals with expertise relating to preventive health.

Both the CEO and the advisory council members will be appointed by the minister, consulting with the Australian Health Ministers’ Conference.

Preventive health is a policy area which the government has given the highest priority. The establishment of the Australian National Preventive Health Agency is a key component of this government’s health reform agenda.

It is important that the bill is passed in the spring sittings to allow the agency to commence operations on 1 January 2010.

Once it is established, it will mean that for the first time Australia will have a dedicated organisation to help us combat the complex challenges of preventable chronic disease.
It will benefit all Australians, now and into the future, and will play a significant role in putting Australia on the path to becoming the healthiest country in the world.

It is with great pride that I commend this bill to the House.

Debate (on motion by Mr Coulton) adjourned.

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

Second Reading

Debate resumed from 9 September, on motion by Mr Albanese:

That this bill be now read a second time.

Mr BILLSON (Dunkley) (9.30 am)—I will pick up where I left off last night and briefly outline that the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009 is designed to extend the reach and duration of a power available to the minister to demand network related information from telecommunications companies and utilities with a view to feeding this information into the federal Labor government’s national broadband idea mark 2. That essentially is what this legislation is about.

Last night, before the adjournment debate commenced, I was characterising how the first instalment of this show-and-tell legislation was rescued by the coalition and got Senator Conroy out of a difficult hole of his own making. I fear that he has learnt nothing from that exercise and the federal Labor government will make the same mistakes it made last time around.

Stakeholders were not consulted with the first instalment of the show-and-tell bill. Now, on the second instalment, they still have not been consulted. Thankfully, through the Senate inquiry and the good work of the shadow minister for communications, my friend and colleague Senator the Hon. Nick Minchin, and his dedicated staff, there has been some consultation. Thank goodness for that. It is from that consultation that we will be bringing forward some amendments that highlight the concerns that arose. While indicating they will cooperate with the government on the provision of the necessary information, stakeholders have indicated that they have a number of concerns about the potentially broad and onerous requirements that could be imposed on them by the minister under this legislation. As I said at the beginning, this is an expansion of that power and a lengthening of the duration for which it is available. More particularly, the data that can be demanded from telcos and utilities is now being applied for a different purpose. In NBN mark 1 the failed, shambolic request for proposal process, which was actually a search for a policy by this federal Labor government, collapsed. At that time this show-and-tell legislation was designed to ensure that potential bidders for NBN mark 1 had available to them information that enabled them to construct a bid.

With that proposition now discredited, with that idea, that sound bite from the federal Labor government now in the dustbin of history, we are now onto NBN mark 2. Now, though, the purposes of that data will be to assist the government to shape up its sound bite about a new kind of National Broadband Network mark 2 yet to be defined, with the detail, about as much as you would expect, written in crayon on the back of an envelope. But now there is to be an expansion of that show-and-tell power, a greater range of respondents to include utilities and an extension of the duration for which that power will be exercised.

The Senate Standing Committee on Environment, Communications and the Arts re-
ceived nine submissions to its inquiry into this bill and had a public hearing in Canberra. Submissions were received from Telstra, Optus, the Energy Networks Association, the Business Council of Australia, the Australasian Railway Association, the Water Services Association of Australia, Integral Energy, the Privacy Commissioner and Unwired. The evidence presented to the committee highlighted a number of concerns with the measures proposed in the bill. Serious concerns related to protection of the information and in ensuring that no competitive advantage is gained by NBN Co., that is, Rudd Com—the government funded potentially broadband provider. That is its moniker at the moment. We do not know where it will be in the marketplace, armed and equipped with its competitors’ information. So even while the federal Labor government fumbles around with what it intends to do—it is happy to hock the nation through a debt funded proposal that it cannot even describe—it will have in its possession the data of its competitors. There is a serious concern about how that information will be protected and a serious concern about whether competitive advantage will be soaked up by NBN Co. through the proposals in this bill, which potentially give that company access to utility and carrier network information over the next 10 years—the very information that many of those providers, those utility and telco providers, view as intellectual property. The way they have designed and laid out their network will now be available to NBN Co. If it ever gets to a point where it does what the press releases say it may do, it may well be out in the marketplace competing with the very companies it is getting its information from.

However, it is important to note, given the prospect of compulsion under this bill, that there was no evidence presented to the committee inquiry into this current bill that carriers and utilities would not be prepared to cooperate with the government in providing information for the implementation study on a voluntary commercial basis. There are already some commercial disciplines that govern this kind of exchange of information where companies, enterprises and agencies are in discussion and where they have an overlap of interest, particularly at this implementation study stage. Implementation study is a nice term: it sounds a whole lot better than, ‘We have no idea what we are going to do but let’s hope we can work out something.’ That is synonymous with implementation study when it comes to the National Broadband Network. But the bill overlooks commercial disciplines and practice that would be perfectly suitable to the submitters to the Senate committee and that represent normal practice in the commercial world. But, no, there is a compulsion power, a waddy hanging over the head of utility and telco providers and of asset holders, hanging there saying, ‘If you don’t do what we want we can clean you up through a legislative tool.’

It is also worth highlighting some of the other concerns of stakeholders—for instance, consultation time lines. I have touched on the fact that stakeholders, including Integral Energy, the Energy Networks Association and the Water Services Association of Australia, raised concerns with the time lines in the bill, both in relation to the consultation on draft instruments—those instruments that would enable the minister to exercise the power this seeks to give him—and the time line for the provision of required information. Given the age and the complexity of the information of some of these utilities, we are sympathetic to those concerns.

On the issue of immunities, under this bill civil penalties apply for carriers and utilities that do not provide accurate information. Given that some utilities are required to pro-
vide information on old and legacy assets, some of which have been transferred through a number of enterprises, trading organisations and companies, they have rightfully and quite understandably expressed concern about their potential exposure to civil penalties, for honest and genuine errors in the information provided. So even doing the right thing—doing the best that they can with the material available to them—there is still this risk of penalty. We do believe that is a valid point and should be considered further by the government.

I turn now to the issue of cost recovery mechanisms. Utilities also raised with the Senate committee the issue of the costs associated with the provision of the information that may be compelled by the government and the actual ongoing costs associated with the potential use of that infrastructure. In the Bills Digest that canvassed these issues I recall a figure of around $100,000 or that order being the cost to the Commonwealth of exercising this instrument. The Commonwealth is the one saying, ‘We have the show and tell power; cough up this material.’ It is the respondents who have the task of compiling that material, bringing it together and presenting it in the format that has been required or in some cases demanded of them. Where are those costs going to sit? The government’s stated intention is to seek information on a cooperative and commercial basis, but there is currently no mechanism that requires consideration of compensation under a mandatory demand for the provision of information.

The consultation and the committee’s work on the bill raised concerns about the sunset period and the provision of information to NBN Co. The bill contains two amendments regarding the person or persons who can have access to the network information. It talks about clearly distinguishing the length of application of the provisions under this bill and a contrast between the implementation study and the NBN Co. So it distinguishes the length of application of the provisions between those two segments.

On the provisions relating to the implementation study sunset on June 2010: it is worth remembering that the implementation study is the ‘gee whiz, what are we actually going to do’ process. This is about hopefully putting sound policy behind the sound bytes—where the headlines actually need some hard work done about what is going to happen. The provisions in the bill relate to that implementation study—that sunset and that actual hard work of turning publicity material into some purposeful and practical plan. But the provisions permit the disclosure of information to NBN Co. to operate for 10 years. So the NBN Co.—in whatever guise it might pop out from the implementation study, on whatever posture the implementation study might recommend, and on whatever competitive basis it seeks to engage and in some cases take customers off its competitors—can require information to be provided by those very competitors for 10 years under this bill.

There are a number of other concerns with the bill—for example, the extent to which information can be compelled and used over the course of the 10-year period, particularly in relation to that issue I touched upon earlier of competitive neutrality. The concerns about competitive neutrality are minimised if this legislation is limited to the implementation study only. Why the government would want show-and-tell punitive powers to demand information from potential competitors well into the future on a plan that has not yet been conceived, has not been canvassed and is not publicly available. We do not know what the government actually wants to do. But in this bill it wants to be able to take information from its competitors for a 10-year horizon
with no clarity about what uses those pieces of information and that intelligence from competitors will actually be put to, because we do not know what NBN Co. looks like. No-one knows what it looks like, but here it has coercive powers to demand information from potential competitors. Why would the government not, in a more sober and measured approach, apply this legislation to the implementation study only? For these reasons, serious questions have been asked about the powers given to the minister in this bill.

We believe attempts should be made to restrict the application of this bill to the implementation study only. At least then everybody will know what the government is on about and there will be some flesh on the bones of this—well, they are not even really bones at this stage—and some content behind the press releases, the hype and the big words. The federal Labor government, at this stage, are promising the world when all they are actually doing is looking to borrow someone else’s atlas. We do not know quite what they will end up doing at the end of the day. So for these reasons we think the bill should be applied to the implementation study only. If the implementation study concludes that the rollout will occur and this sensitive information is required then let the government make the case, come back to this parliament with its proposal and we can consider just what additional information is required and can be coercively obtained by the government, given that its NBN Co. is out in the marketplace potentially competing with the very people it is demanding that information from.

The minister should not be given such broad, long-term powers in relation to sensitive network information prior to the completion of the implementation study, particularly given there is such scarce detail about exactly how any services will be rolled out, how any network might be built and what the implementations may be for existing infrastructure. As many have heard me say before, what is going to happen to the dangling DSLAMs—the hardware that is out in the marketplace now providing broadband services? Will it just be left dangling? We do not know. We do not know the prices that consumers will be expected to pay for any NBN Co. service. We have no idea of the commercial viability of NBN Co. We have plenty of friends in that regard; the government has no idea either.

At this point I foreshadow a second reading amendment, which we have circulated in the chamber, that calls on the government to limit the application of this bill to the implementation study only. We ask the government to consider carefully the amendment that the coalition is putting forward. Just as the coalition was instrumental in saving Senator Conroy from himself the last time this NBN show-and-tell legislation came before the parliament, we again ask Senator Conroy to recognise the virtue of our positive and constructive contribution here and ask that the government embrace these issues. The amendment we will move reads:

That all words after “That” be omitted with a view to substituting the following words: “while not declining to give the bill a second reading, the House is of the opinion:

(1) that given the lack of certainty about whether Labor’s debt-laden NBN proposal will even proceed, the Government should amend the legislation to limit the application of this bill to the implementation study only; and

(2) that the Government should be condemned for its irresponsibility in refusing to conduct any cost benefit analysis for its NBN proposal and as such, risking billions of dollars of taxpayer funds on a project that may not even be commercially viable.”

If the government opposes this amendment, then the coalition will seek to improve the
bill in the Senate in line with the evidence presented to the Senate committee and the remarks of coalition senators in the committee report—primarily through limiting the measure provided for in this bill to the implementation study only. Our second reading amendment also condemns the government for their blatant irresponsibility in refusing to conduct a cost-benefit analysis.

Of great concern to the coalition is federal Labor’s steadfast refusal to conduct any cost-benefit analysis for their NBN proposal. They are treating taxpayers with contempt and putting billions of dollars at risk with the NBN mark 2 idea. Their proposal to build a national broadband network should be based on firm evidence that substantiates why such a massive taxpayer spend is warranted, justified, and cost effective. The government’s arrogant approach should worry all Australians.

The coalition has had a long-held commitment, and proven outcomes, on enhancing the availability, speed and affordability of broadband to all Australians. That focus has been on underserviced communities, those for whom competitive arrangements and market viability might deny them the performance, affordability and availability of broadband that might be more common in urban areas. That idea of focusing on underservicing was an idea that sat behind the OPEL initiative, an initiative designed to invest hundreds of millions of dollars to address where the market had failed and where communities in outer metropolitan, rural and regional Australia were being denied access to metro comparable broadband. Labor condemned that. It said OPEL was wrong. That did not stop Senator Conroy fronting up at photo opportunities to claim credit for some of the elements of the OPEL plan, in particular the WiMAX wireless technology. He is out there lauding that technology he characterised as a dog when he was in opposition.

It is quite breathtaking how, in the whole area of broadband, we cannot quite see a coherent plan from the Rudd Labor government. What we can see is plenty of politicking but no plan. Since the election of federal Labor, I would have to say the Commonwealth has been a net negative on enhancing the performance, availability and affordability of broadband in Australia. The confusion, the flip-flopping and the fog that has surrounded these politically motivated publicity announcements around broadband have spooked investors. Investors do not know what is going on. There has been no clear articulation about how federal Labor’s big spending plan will impact on their assets and their businesses. It has caused a reluctance to invest that has put a stop on many projects that would otherwise have been not only undertaken but concluded by now. This government has denied those kids in rural and regional Australia who would have been able to participate in their studies with access to more affordable, higher speed broadband—whether it be government funded like OPEL—and nothing has been put in its place. Those improved services that the coalition proposed would have addressed areas of market failure, through targeted taxpayer investment, and would have assisted students in outer metropolitan, rural and regional Australia and health providers looking at e-health—those who want to consider telecommuting and the opportunities that are there—but they have all missed out.

The small businesses that could have benefited from affordable higher performance, more readily available broadband have missed out under this government. A plan that would have delivered them a better outcome was junked by federal Labor instead of people being able to enjoy those benefits now. Let us pick the student who would have been able to tap into a high-speed more affordable broadband service now but who will...
have finished their education before it is in place. If they were in year 7 this year, they would have left secondary school by the time any kind of clarity comes out of what federal Labor is doing, let alone have any access to it. A pre-schooler might see something out of what federal Labor is on about by the time they finish their education.

So long term, so vague, so poorly planned is this Labor idea, this Labor sound byte. They have PR, media spin, headlines, stunts, and a political agenda from federal Labor, instead of practical progress on improved services, affordability, better accessibility for broadband here and now, taxpayer funded and targeted to areas of market failure, private businesses prepared to invest their own money—prepared and willing to do so because there is clarity in policy settings. They lost that when the election invited a Labor administration to come to Canberra and, in return, broadband users have got absolutely nothing.

Senator Conroy is proud of going around bagging the coalition for its various plans. What he does not tell you is that he picks out components when he does his little mathematical gymnastics. He talks about plans that over more than a decade evolved as the technology evolved. Why on earth would you stick with policy instruments when the technology has moved forward? The technology requires policy to move forward, as it did with the coalition. But Senator Conroy is critical of the coalition and where policy has evolved as the technology has improved. The great irony is the only program that may be delivering any help at all through government activity at a Commonwealth level with broadband is a program that the coalition put in place.

People are starting to wake up to what federal Labor and Senator Conroy mean for broadband in Australia, and they are waking up with a fright. They have heard the dream but they are realising when they wake up what a frightening nightmare all of this vagueness, lack of clarity and fog is actually producing. There is a critical need for a cost-benefit analysis. Look at and listen to what federal Labor says and then at what they actually do. The Prime Minister, when he spoke to the heads of agencies, said:

Policy innovation and evidence-based policy making is at the heart of being a reformist government. Policy design and policy evaluation should be driven by analysis of all available options and not by ideology. We are interested in facts, not fads. In fostering a culture of policy innovation we should trial new approaches and policy options through small scale pilot studies.

Let’s apply the Prime Minister’s benchmark to broadband. Where is the analysis? Where is the innovation? Where is the meaningful analysis when all we get is mantra? Where are the small-scale pilot studies? We have a $43 billion whopper here without any data to back it up.

The head of Treasury, someone who is often quoted by the Prime Minister when it is convenient, made a contribution last week. He said:

Government spending that does not pass an appropriately defined cost-benefit test necessarily detracts from Australia’s wellbeing.

Has there been a bigger detraction from Australia’s wellbeing than the distraction of Labor’s NBN nonsense? There is still a lack of clarity. This needs to be addressed and that is why we have these amendments before the chamber. There is a growing and ever-expanding list of people calling for transparency from this government. They are calling for that cost-benefit analysis. They are calling for the Prime Minister to walk the talk, for the Treasury officials to have an influence over this process and for the instruments, whether they be the Productivity Commission, Infrastructure Australia or the
pathway outlined by the coalition in the Senate—any of those options would work—to do a transparent cost-benefit analysis.

In formally moving the amendment circulated in my name and seconded by my friend and colleague at the table we again ask the government: please be open, please be fair dinkum about this and please consider our amendment. I move:

That all words after “That” be omitted with a view to substituting the following words: “while not declining to give the bill a second reading, the House is of the opinion:

(1) that given the lack of certainty about whether Labor’s debt-laden NBN proposal will even proceed, the Government should amend the legislation to limit the application of this bill to the implementation study only; and

(2) that the Government should be condemned for its irresponsibility in refusing to conduct any cost benefit analysis for its NBN proposal and as such, risking billions of dollars of taxpayer funds on a project that may not even be commercially viable.”

The DEPUTY SPEAKER (Hon. BC Scott)—Is the amendment seconded?

Mr Coulton—I second the amendment and reserve my right to speak.

The DEPUTY SPEAKER—The original question was that this bill be now read a second time. To this the honourable member for Dunkley has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Mr TREVOR (Flynn) (9.54 am)—I rise to support the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009 before this House. In Australia we do many, many things extremely well. We have many achievements that we can be proud of but, unfortunately, access to high-speed broadband has not been one of them. Today, Australia is ranked in the bottom half of OECD countries in our take-up of broadband services—that is to say, we are ranked 16th out of 30 countries. When we do have broadband, we pay more for it. We are ranked 20th out of 29 countries with regard to broadband affordability. Our slower connection services are also not cheap. We pay more for our low-speed internet connection, ranking us fourth most expensive for low-speed services and fifth most expensive for medium-speed connections.

It has been stated that, as recently as July 2008, two-thirds of metro areas and more than half of regional areas in Australia had no access to an internet service capable of delivering 12 megabits per second. These figures tell us all a sad and sobering story. Personally, I would not like to see these figures get any worse. I am sure most of us in this House would not. If that happens, Australia will fall further behind in our access to broadband technology.

Looking at the figures, we clearly have a need as a government to act quickly and, of course, in the national interest. Whilst the so-called old economy of coal and resources may be strong and serving us well and will serve us well into the future, this does not mean that we can afford to turn our backs on the new economy of information and technology. This is particularly true in areas such as my electorate of Flynn in central Queensland, where our resources continue to contribute substantially on a state and national level.

We should remember that these access figures are not just statistics on paper but carry with them a very real human face. In my electorate of Flynn, I have unfortunately witnessed firsthand families that cannot gain access to standard broadband services. Some of these families have children at school and fear their child will fall behind their class-
mates who do have access to broadband. Some of these families have small businesses or work from home to be with their families and they fear that their work or business will suffer at the hands of a slow internet connection that puts up barriers to obtaining the information that they need to compete and to be productive in today’s world. Some of these cases have occurred in the very heart of my hometown of Gladstone, the proud powerhouse of the Queensland economy, and some in Emerald, the capital of the Central Highlands west of Gladstone. These families have simply been told that the ports and exchanges that operate this vital service are running at full capacity.

There are examples in my electorate of Flynn where people do have access to a broadband service, but this is where I fear a further problem lies. If we do not take action now to improve broadband services right across Australia, especially in the bush, then we are in danger of splitting communities into the digital haves and the digital have-nots. We are in danger of witnessing a great digital divide spreading further into our communities and we are in danger of witnessing hardworking Australian families, through no fault of their own, forced into digital poverty.

This is a very real problem facing ordinary Australians, affecting real people and real families. It requires a real solution and a strong government to take the lead, to pick up the ball and to start improving access to high-speed, high-quality broadband across Australia, which has been lacking for so many, many years. This is exactly what the Rudd government is doing with the National Broadband Network.

In April of this year my government, the Rudd Labor government, proudly announced a new plan to enhance broadband services right across Australia and establish the new company, known as NBN Co., which will build, own and operate a wholesale fibre-to-the-home network. The sheer size and significance of this project cannot be taken for granted. It is the single largest infrastructure investment ever undertaken by an Australian government. It is a $43 billion investment in our future, a future that we may not even be able to imagine today but that we must be ready for and well positioned to seize every advantage and every opportunity from. This network will vastly improve current access rates to broadband services, but unlike previous proposals the National Broadband Network will benefit 100 per cent of Australian premises, as this government believes that, no matter where in this great country of ours you live or work, you deserve access to a reliable broadband network and the many, many benefits that this brings.

The network will connect 90 per cent of our homes, schools and businesses with a fibre-to-the-home infrastructure capable of delivering speeds of 100 megabits per second—that is to say, 100 times faster than the current connection speed used by most Australians today. The remaining 10 per cent of premises will not miss out, and nor should they. They will be connected to the network with next generation wireless and satellite technology able to deliver speeds of at least 12 megabits per second. This is welcome news and a welcomed investment by the Rudd Labor government. It is welcomed particularly by rural and regional areas; as I stated earlier, currently more than half of our regional areas have no access to an internet service capable of delivering 12 megabits per second.

So what is the additional significance of broadband? While we may currently be among the strongest economies in the developed world, research company Access Economics has found that a national high-speed broadband network such as the NBN would
further positively impact on Australia’s economic performance. Access Economics predicts that a broadband network would see our economic growth 1.1 per cent higher after 10 years compared to not building such a network. And, as we are all too aware, with economic growth comes employment, prosperity, productivity and opportunities that would not have existed previously. This higher economic growth is an impressive benefit and at a local level, in my community of Flynn, the National Broadband Network has a huge potential.

The network will further overcome an old problem existing for many years and associated with living in the bush—that is, the vastness of distance and the tyranny of same. Before the internet became a valuable educational tool students in city areas had access to far more comprehensive resources than students in rural and regional areas. To take one example, state libraries and museums were at the fingertips only of those receiving an urban education in a capital city. Thankfully, this is now no longer the case, with the further help of the National Broadband Network, which will overcome the challenges that are put up by this vast land of ours.

The National Broadband Network will do what no government ever possibly could—that is, it will further place resources such as state libraries and museums right in the home of every single Australian student, including placing them at the fingertips of rural and regional Australian students. It will help provide a level playing field for those studying in rural and regional areas and it will help to break down barriers to information and opportunities for our kids in the bush. Improved educational outcomes for regional and rural students are only one of the many, many benefits of the National Broadband Network. It will also help regional and rural health services to deliver better care for our rural and regional communities, with better access to diagnostic and other support services. The new network will offer our local small businesses and our farming communities improved productivity to better and more efficiently compete, expand their markets and do business.

In my electorate of Flynn I am lucky enough to have had two areas declared by my government as priority locations for the rollout of the National Broadband Network. I am pleased to see that both Emerald and Longreach will share in the government’s initial investment in a fibre-optic backbone to link these two vitally important communities of Flynn. I have been informed that work on the Longreach and Emerald priority locations is progressing very well, with tenders for the work closing on 5 August and currently being evaluated. Work is set to start on these priority locations in Flynn as early as this year, and I expect the physical construction of the network to be a much-needed boost to our local economy, particularly in these two areas and surrounding areas, and a much-needed boost to local small businesses. I would like to take this opportunity today to thank the Minister for Broadband, Communications and the Digital Economy not only for his hard work and dedication on this matter but also for his understanding of the desperate need of rural and regional Australia and communities like Flynn for the rollout of the National Broadband Network. I look forward to delivering this network and its benefits in company with him, and I ask him to do so as soon as possible.

The technical aspects of the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009 deal with the information that will be required to plan and coordinate the rollout of the National Broadband Network. In order to efficiently and promptly roll out this network certain information will be required and this bill will es-
sentially outline the information that is to be supplied to the government from other telecommunications and utility providers. Such information could include locations of existing ducts, poles, pits, pipelines or other infrastructure that could be used to roll out the physical network of cables used to deliver broadband services. By using existing infrastructure where possible we are taking the most cost-effective path to delivering high-speed internet into Australian homes. Some of this information may be sensitive in its nature, both on a security and commercial level, but I do note that there are safeguards in place to ensure the appropriate handling of this information. This view is also expressed by the Environment, Communications and Arts Legislation Committee, to which this bill was referred on 25 June this year. The same committee also recommends that this bill be passed.

While I would never want to live anywhere else in the world, I know firsthand that living in a regional community presents its own unique challenges. But I feel that this far-reaching National Broadband Network will help overcome some of these challenges and present our regional communities with improved services and more opportunities. While I can admit to not being the savviest of technology users, I can see the huge potential of the National Broadband Network in many forms, including as a successful former small businessman, as a father of five children and from the many young minds that I am lucky enough to meet as I travel the many schools in my vast electorate of Flynn. I welcome any steps that bring forward the reality of high-speed internet connection to homes and businesses in Flynn and throughout Australia generally. That is why I wholeheartedly support this bill and commend it to the House today.

Mr ROBERT (Fadden) (10.09 am)—As we know, the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009 seeks to amend part 27A of the Telecommunications Act 1997 in order to require telecommunications carriers and utilities to provide information about their existing networks to the Commonwealth, to assist with the Commonwealth’s National Broadband Network, NBN, for both their implementation study and their eventual rollout. It is clearly the government’s intention that carriers and utilities will have the opportunity to provide the information on a cooperative or commercial basis, though the Commonwealth can compel. The minister has scope to define the information request and make rules in storage, handling and destruction of information, which is appropriate.

Before we look at the context of the bill and the reason the government is seeking to request on a commercial basis and then compel information on a carrier’s network, it is important to understand how we got to this place and how we got to a situation where the government is going to spend up to $43 billion of taxpayers’ money on a network that requires the request or the compulsion of information from carriers. Let me be very clear that the coalition recognises and supports the importance of universal access to fast, affordable and reliable voice, data and video communications and not just broadband, which has the connotation of moving towards fixed line broadband. We support high-speed, reliable voice, data and video communications across all spectrums—wireless, broadband, two-way satellite and the like. We support the continued enhancement of all services, but where we fundamentally differ from the Labor Party in this issue is how we ensure that all Australians get that access.

Labor promised at the last election that they would have a broadband network operating by the end of 2008. Yet here we are
quickly approaching Christmas 2009 and, frankly, we are nowhere on this. Almost two years of wasted opportunity, poor planning and what can only be considered as incompetence by the minister and the surrounding government! So here Labor starts the process again, abandoning their formal commitment—$4.7 billion—to provide broadband communications to the high 90 per cent of the nation and suddenly, in what can only be conceived as a thought bubble from hell, the Prime Minister and the responsible minister rolled out a $43 billion plan to provide broadband to 90 per cent of the nation. What started as $4.7 billion for 95 per cent plus has now morphed into $43 billion for 90 per cent. How can you spend 10 times more money to deliver less service?

With a nine-month implementation study, over $50 million and a rollout period from eight to 10 years, may I suggest this will never happen? I can only assume that this process was cobbled together at the last minute when it was quickly realised that the original $4.7 billion phase 1 was simply not going to happen. Labor has to stop this reckless spending. It has to put a line in the sand and stop this reckless spending. It is looking to commit $43 billion yet there is no study; there is no cost-benefit analysis; there is nothing tangible to put your finger on to look at where they are going. Indeed, the Prime Minister had the audacity to stand and say, ‘This would be a great investment for mums and dads, for families and others to be involved in.’ But there is no product disclosure statement; there is no analysis of return. If you as an individual in this nation put together a plan to borrow money and invest and you told the public that they should invest in this, that it is great, and you did not have the PDS or other documentation required, you may well be in breach of prudential or other securities laws. But that is exactly what the Prime Minister has gone and done.

The Prime Minister is looking at a new telecommunications company with twice the capitalised value of Telstra—twice $43 billion. Based on leading metrics overseas, telecommunications companies will be looking at about a 15 per cent return on their money. So we are looking for a company that will deliver, at a capitalised value of $43 billion, a profit of about $6 billion or $7 billion per annum. Telstra’s profit is something between $3 billion and $4 billion. We are looking at a company twice as big as Telstra. Yet no cost-benefit analysis has been done and there is no understanding of what the take-up will be. A simple ‘back of the beer coaster’ analysis would reveal that, if half of the nation took up Labor’s proposal, the cost would certainly be over $1,000, per individual, per year.

It is no wonder that many leading analysts predict that this project will clearly not be commercially viable, despite the government’s claims to the contrary. Labor’s broadband plan will see taxpayers carry the bulk of the risk, the government being at least a 51 per cent majority shareholder, and perhaps more, if the private sector cannot be encouraged to take up a rights offer. Not only is the government projecting a debt of $315 billion; it is now looking to widely increase that. Few analysts predict prices for retail services under the NBN will be less than $1,000 per month—$1,200 per year. Many consumers will be looking to pay double what the average broadband user pays today. Labor’s original backbone or broadband promise is shattered, strewn across the floor, being kicked into the wastepaper bins, and there is little indication to suggest that what is being proposed will actually achieve anything.
In 2008 a similar bill was considered and passed that required telecommunications carriers to provide specific information on infrastructure to the Commonwealth for the request for tender process under NBN mark I—the failed $4.7 billion charade. On 7 April this year the government announced it had abandoned that commitment and that it was all too hard. Why spend $4.7 billion when you can spend $43 billion—and all but $2.4 billion of that borrowed—on a fibre-to-the-premises broadband network, despite the irony that the take-up of wireless services is currently at a ratio of seven or eight to one?

All this was done without any cost-benefit analysis. Let us see what some of the leading writers had to say about Labor’s proposal in the absence of any cost-benefit analysis. On 2 June 2009, Michael Stutchbury, Economics Editor of the *Australian*, referring to the report of the Senate Select Committee on the National Broadband Network, said:

But what does Rudd then do with what is touted to be Australia’s single biggest infrastructure project, the $43 billion broadband plan? He and Broadband Minister Stephen Conroy brazenly flout the rigorous cost-benefit analysis that is supposed to be applied to all big infrastructure projects. They announce the plan to directly connect just about all Australian homes to an optic fibre network, whatever the technology risks, along with a price tag plucked out of nowhere. The technocrats and merchant bankers are supposed to reverse engineer the cost-benefit numbers to make them add up. This puts Eddington and his Infrastructure Australia in an impossible position in demanding that the states lift their game.

Let us look at the editorial in the *Australian Financial Review* on 9 April 2009:

Now the government wants to build a 43 billion fibre optic broadband network ... without being able to offer a shred of economic justification for it, let alone the kind of detailed cost-benefit analysis and business case that is being demanded by Infrastructure Australia—in the interests of “rigour”—of states seeking funding for their pet projects.

And moving on to Paul Kerin, in the *Australian*, on 15 April 2009:

If election promises are sacred, what happened to Rudd’s far more important ones such as “evidence-based policy, not grand rhetorical flourish”?

The *Australian Financial Review* editorial on 22 May 2009 states:

The government envisages selling its stake in the company five years after it becomes fully operational. But no one knows if it will be profitable. No one knows how $43 billion was arrived at, or what returns to expect. We do not know how much the government will spend on the NBN. No one has analysed the risks or the size of the potential pay-offs. There is no excuse for this shoddiness and lack of transparency.

The government should be more upfront about what it is trying to do, and why. Taxpayers should expect nothing less than a thorough cost-benefit analysis of the NBN. Everyone is entitled to demand much greater transparency and rigour from the government on this huge undertaking.

A statement of the bleedingly obvious, you would have thought. The sum of $43 billion is being thrown out there and there is not a shred of evidence, no cost-benefit analysis undertaken, no rigour—flat nothing! It is no wonder that the government’s announcement was treated with the contempt it deserved.

Finally, let us see what the government’s own party says in the *Daily Telegraph*, 3 May 2009, in the immortal words of Michael Costa: ‘The government has decided to gold-plate an economically unviable strategy.’ I think that just about says it all.

Let us now move on to understand the consultation process. The government have plucked a number, $43 billion, out of the air. They have plucked an idea. There was no rigour, no thought process, no cost-benefit analysis, but did they consult? Did they actually talk? The weight of evidence indicates,
especially through the Senate committee on this matter, that the government did not consult stakeholders about the content of the bill. Interestingly, in evidence to the Senate committee, Mr Claude Piccinin, Deputy Executive Director, Water Services Association, indicated he was made aware of the bill through the media. Let us have a look at the questioning in the Senate:

Senator MINCHIN— … From the perspective of your industry, I would like to know when and how you learnt of the existence of this bill.

Mr Piccinin—The way I learnt about it is that I was sitting at my desk on a Friday afternoon, minding my own business, winding down and looking forward to the weekend, when a journalist asked, “Would you care to comment on this?” and I said, “What?” It was a total surprise, shall we say.

Senator MINCHIN—You found out from the media—

Mr Piccinin—Indeed.

Senator MINCHIN—presumably after the bill had already been introduced?

Mr Piccinin—Indeed—yes.

That is the government’s consultation—nothing. They did not speak to anybody and they did not seek advice from the industry. They just pulled $43 billion of borrowed money out of the air and threw it on the table.

The bill has consultation time lines in it, yet stakeholders like Integral Energy, Energy Networks Association and Water Services Association—again in the Senate report—have raised concerns about the time lines in the bill in relation to the consultation on the draft instrument and the provision of required information. Likewise there has been concern about the immunities, because under the bill civil penalties apply for carriers and utilities that do not provide accurate information. Given that some utilities are required to provide information on legacy assets that are particularly old—some of the copper has been in the ground for 50, 60 or 70 years— they are concerned about the outcome of genuine, honest errors.

Utilities have raised concerns with the Senate committee about the issues associated with the compulsion by government and the actual ongoing costs associated with a potential use of their infrastructure. The sunset period and provision of information to NBN Co. have also raised concerns, because the bill contains amendments regarding the persons who can have access to the network information. It clearly distinguishes the length of application of the provisions between the implementation study and NBN Co.

Industry has a range of significant concerns that simply are not being addressed. Accordingly, the shadow spokesman has moved an amendment, which I fully support, that seeks to bring this bill back to some degree of coherence as to what would be expected, what would work and what would meet the expectations of key stakeholders—who were not consulted prior to the bill’s implementation. At least we could do them the courtesy of listening now. At least the government could do the stakeholders the courtesy of addressing their concerns now as it moves forward in its borrowing of $43 billion to put in place a network about which no information currently exists, about which no cost-benefit analysis has been produced and about which most commentators have been scathing because of the lack of information. At least the government could start now to provide some information to address the great, yawning vacuum that currently exists.

Mr ADAMS (Lyons) (10.25 am)—There is talk about consultation on the need for a broadband network in Australia. I tell the honourable member for Fadden: we consulted the people—small business, big business—about the need for it. Previously there
were 12 years of doing very little about the need for this country to get its broadband up to speed so it can compete with the rest of the world in a whole range of areas. I notice the honourable member did not say anything about the country not needing to do this work; he just wanted to talk political rhetoric—which the honourable member is getting a reputation for.

I rise to talk about the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009. Regulatory reform is a core element of the government’s historic plans for the National Broadband Network. The rollout of the NBN as a wholesale-only open access network will fundamentally transform the competitive dynamics of the Australian telecommunications sector. During the rollout and after, the existing telecommunications regulatory regime will remain important for delivering services in the interests of Australian consumers and businesses.

This bill will amend part 27A of the Telecommunications Act 1997 to establish a regime to provide access to network information held by telecommunications carriers and other utilities where it is important to the planning and rollout of the new National Broadband Network initiative announced by the government on 7 April 2009. Information that is obtained will support the NBN implementation study and, subject to further consideration, the rollout of the network by the NBN Co. and other companies designated by the minister. The amended part 27A will also provide a comprehensive framework to protect the confidentiality and security of any information obtained. The amended part 27A is intended to act as a safety net in the event that, after a reasonable period, cooperative and commercial negotiation to access information proves unsuccessful.

Earlier this year, the government made the historic announcement that it would establish a company that will invest up to $43 billion to roll out a forward-looking superfast fibre-optic based National Broadband Network, the NBN. This will fundamentally change Australia’s communications landscape. It will vastly improve access to broadband services in Australia and will improve the competitive dynamics in the sector. Telecommunications services that are universally available, reliable and affordable are accepted as a critical input to the operation of an equitable society with an efficient economy. Although once it was sufficient to have well-functioning voice and basic data services, high-speed broadband services are now essential to the future efficiency and productivity of the Australian economy.

A recent study has suggested that widespread access to and use of high-speed broadband would expand economic activity by approximately 1.4 per cent of gross domestic product after five years. However, these gains will not be achieved unless the correct regulatory settings are in place. In the transition to the National Broadband Network, the government is committed to creating the market structure that will maximise the benefits to economic efficiency and productivity of high-speed broadband services.

But the government does not want to reinvent the wheel; there is a huge amount of infrastructure already rolled out across the country. So it is important for the planning and rollout of the NBN that there is ready access to information about existing infrastructure that might be utilised in the rollout of the network. This includes, for example, information on the location and availability of facilities such as poles, ducts and pipes. Such information is important so that the options for rollout in an area can be assessed—for example, duct availability—and the network can be rolled out as cost-
effectively as possible. The information is held by telecommunications carriers and other utilities such as suppliers of electricity, water and transport services. The preference is to acquire this information on a cooperative or commercial basis.

This legislation is intended to provide a safety net to allow the Commonwealth to seek relevant network information where cooperative or commercial approaches may not be successful. This may be necessary to ensure the project is not delayed, or otherwise frustrated, by firms that have important information but have strategic or other reasons to withhold it. It also includes detailed arrangements to protect the confidentiality and security of the network information concerned, whether it is provided to the Commonwealth voluntarily or under the legislation. This is important, given that such information may relate to sensitive, critical national infrastructure. The collection of information of a personal nature that might raise privacy concerns is not envisaged.

The bill permits the Minister for Broadband, Communications and the Digital Economy to make a disallowable instrument, specifying information to be provided by specific carriers and utilities, for the purpose of the implementation study. The information would be subject to strict rules relating to handling, storage and disposal. Pecuniary penalties would apply for breach of these rules.

The proposed legislation is important in ensuring that information needed for the NBN implementation study—and, if appropriate, for the rollout of the network—can be accessed where it is not otherwise reasonably available through cooperative or commercial means. Importantly, the legislation also provides a structured framework to protect the confidentiality and security of such information, given it may relate to sensitive, critical national infrastructure, whether the information is provided voluntarily or under law.

The Treasury has advised that it considers the benefits to consumers and Australia from the rollout, both in terms of services and competitiveness, will far exceed any detriments by seeking access to information. Legal advice that has been obtained by the Department of Broadband, Communications and the Digital Economy indicates the Commonwealth has the legal authority to seek such information, including from utilities other than telecommunications carriers. The risk that the legislation would involve acquisition of property requiring compensation is low. On the cost to parties required to provide information, much of this information is likely to be readily available in their existing databases, therefore minimising any additional costs. Cost was not raised as a significant issue when part 27A was originally introduced last year.

This legislation is very important and shows the government’s ongoing commitment to ensuring markets operate through vigorous competition for the benefit of consumers, businesses and, more broadly, the Australian economy. The National Competition Policy reforms agreed to by the Australian and state and territory governments in 1995 and 2007 affirm the importance of effective competition in maintaining and improving the welfare of Australia. The competitive process encourages firms to produce goods and services at the lowest cost, to use resources to produce the goods that are most valued by the consumer, and to innovate by developing new products and services.

The telecommunications competition reforms introduced in 1997 have delivered benefits to date; however, the regime has operated in the context of a traditional vertical and horizontal framework. Moving to the National Broadband Network environment
will fundamentally change the competitive dynamics in the telecommunications sector. In the meantime, the government wants to ensure that the existing regulatory regime works more efficiently, including by removing incentives for discrimination and delays through regulatory gaming to increase opportunities for competitive outcomes.

There is still an ongoing commitment to regional and remote areas as the government recognises that appropriate telecommunications services are essential so families, businesses, schools and others in regional and remote areas can actively participate in Australian society. The government has recently reiterated its commitment to a prosperous and sustainable regional Australia in its response to the Glasson review. Its role was to assess the adequacy of telecommunications in regional, rural and remote parts of Australia and provide a report to the government, including recommendations.

Tasmania is fortunate in having the first part of the rollout, and work has started so that many areas that previously had no access hopefully will soon be able to link into the world. Other areas that have had slow speeds will be able to upgrade to the faster networks and be able to link into the multimedia soon to be available right across Australia.

As they say, ‘from little things, big things grow’ and we are only a small pond in Tasmania but we will be able to help the whole nation move forward with the future of IT. I support the bill.

Mr BALDWIN (Paterson) (10.39 am)—I rise to speak on the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009. Let me say from the outset that the coalition has some very serious concerns about this bill and with the government’s entire approach to its proposed National Broadband Network, an approach which will disadvantage millions of Australians and business whilst, yet again, plunging the national economy further into debt.

This bill seeks to amend part 27A of the Telecommunications Act 1997. Part 27A of the act that enables the minister to require telecommunications carriers to give information to the Commonwealth about their telecommunications networks. Whilst we, the coalition, support improved broadband services, we are yet to be convinced that the government’s latest proposal can or will be delivered, and at what cost, given its massive price tag and potential contribution to Australia’s record debt levels, especially given the failure of NBN mark 1.

Earlier this year the government announced that it had abandoned its election commitment for fibre-to-the-node broadband and the associated RFP process and would establish a company to own and operate a fibre-to-the-premises broadband network with a potential price tag of $43 billion. Nobody denies that fibre-to-the-premises broadband, as proposed by Labor’s latest plan, is a premium service, but it comes at an enormous cost to Australian taxpayers.

In light of these changed goal posts, this bill seeks to amend the existing provisions of the act to include the provision of information by utilities as well as telco carriers for the purposes of NBN mark 2. The bill proposes that the information of carriers and utilities be utilised not only for the implementation study but also potentially by the NBN company or its potential subsidiaries or partners for any actual rollout of the network over the next 10 years.

This notion is absolutely absurd. It disadvantages telcos and energy providers that are continually trying to stay afloat in a competitive market—the same telcos and energy providers who, for the most part, despite be-
ing key stakeholders in relation to this bill were not consulted prior to it being put on the table by the Rudd Labor government. In fact, many of them did not hear that they would have to pass on such delicate information about their businesses to government until contacted by media for their thoughts. This is truly concerning and a testament to the Rudd Labor government’s inability to manage such massive projects.

These stakeholders, whilst agreeing to cooperate with the government on the provision of necessary information, have indicated they have a number of concerns about the potentially broad and onerous requirements that could be imposed on them by the minister under this legislation.

The Senate Committee on Environment, Communications and the Arts received nine submissions on the bill and held a public hearing in Canberra. Submissions were received from Telstra, Optus, Energy Networks Association, the Business Council of Australia, the Australasian Railway Association, the Water Services Association of Australia, Integral Energy, the Office of the Privacy Commissioner and Unwired.

The committee received information which highlighted the various concerns stakeholders hold in relation to proposed amendments in this bill. Many of the stakeholders were concerned that the proposals offered little protection regarding information being passed on to the government. They were also concerned that no competitive advantage should be gained by the NBN Co through the proposals in the bill, which potentially gives the company access to utility and carrier network information over the next ten years.

Along with industry, the coalition thinks that this is an unreasonable request and is calling on the government to limit the application of this bill to the implementation study only. Also of grave concern to the coalition is the government’s steadfast refusal to conduct any cost-benefit analysis for their NBN mark 2 proposal. The coalition and a vast majority of the Australian public are up in arms over the $20 million price tag blow out of NBN mark 1. I suspect many Labor MPs would also be very embarrassed by this figure.

However, there is also every indication that NBN mark 2 will go the same way, only this time we are not talking about a cost blow out of $20 million but rather a now projected $43 billion blow out. That is right: $43,000 million of taxpayers’ hard earned cash wasted, simply because the flailing Labor government will not do a cost-benefit analysis to prove that this is able to be afforded and that they are able to manage such a large-scale project.

Forty-three billion dollars is an enormous figure to spend on any project and this Labor government must do the necessary research to warrant such a massive taxpayer spend to ensure the proposed NBN mark 2 project is cost effective and a viable way forward. The Rudd Labor government’s arrogant approach should worry all Australians.

In its submission to the Senate committee, the Business Council of Australia joined the growing list of concerned commentators and organisations, including the Productivity Commission, who believe the NBN needs a thorough cost-benefit analysis. In its submission to the inquiry the Business Council of Australia stated:

Without a proper consideration and estimation of costs and benefits, it is difficult to see that the government has provided sufficient justification for the proposed legislation.

What would constituents get for this $43 billion price tag? Thousands of residents across the Paterson electorate and, indeed, millions of people across Australia, will in-
cur dramatically increased broadband access costs. Industry predictions indicate that consumers may have to pay more than $200 a month to use Labor’s proposed National Broadband Network, a concept supported by analysis conducted by the highly-regarded economist and Concept Economics chairman, Henry Ergas.

To add insult to injury, Labor’s grandiose NBN plan is very scant in detail, and it has been made perfectly clear by the Prime Minister that towns with fewer than 1,000 people will not receive high speed fibre-to-the-premises broadband services despite the project’s record-breaking price tag. This means that, despite the government racking up a huge amount of debt, they are not spending on projects which are aimed at stimulating the economy and inclusive of the entire community.

In the Paterson electorate alone, the townships of Boat Harbour, Brandy Hill, Clarence Town, Coomba Park, Green Point, Gresford, East Gresford, Hinton, Karuah, Nabiac, North Arm Cove, Pacific Palms, Blueys Beach, Paterson, Pindimar, Salt Ash, Seaham, Smiths Lake, Stroud and Wallalong will miss out on upgraded broadband services. Conversely, the coalition has always been committed to ensuring that all Australians have equitable access to fast, reliable and affordable broadband services. Residents in these small communities who are to go on without upgraded broadband services are not faceless names—at least not to the coalition. Take, for example, a constituent of mine at Brandy Hill, Mr Arneson, who is bitterly disappointed that the Rudd Labor government has not done more to enable him to access broadband from home. In relation to this matter, Mr Arneson commented:

I could not obtain an ADSL broadband connection where I live, and had to suffer a very slow service as a result. The promised 3G service was slow coming, and also did not work in many areas around Brandy Hill, forcing me to use a satellite service, which, because it is connected via an Optus satellite, also has some problems. The 3G solution might be the way to go, but it is almost three times as expensive as the satellite service, and thus, as a pensioner, out of my price range.

So I ask the question: at $200 a month for the government’s new plan, how will a pensioner be able to afford that? I should also mention another constituent of mine, Mr McDonald, a Port Stephens resident who was disadvantaged by a lack of broadband services in his area. Mr McDonald had this to say:

As a young person with a physical disability who is self-employed, I need ADSL not for leisure but for my business. I would like to be treated fairly and have the same access to ADSL as everyone else has.

I can and will continue to prove to the House how the Rudd Labor government’s mismanagement of the NBN service is disadvantaging constituents in my electorate. Earlier this year I received a letter from a constituent in Thornton who had this to say:

I have been trying for nearly two months to get broadband up and running. At present, I am waiting (not-so-patiently by now) for Bigpond to send me a second, more powerful signal booster, in the hope that most of the powerful boosters they can provide will allow me better dial-up speed, and stop the somewhat-regular signal drop-outs I now suffer.

Labor are apparently only too aware of the problems associated with broadband in the Thornton area. Before Labor came into government, the member for Newcastle had this to say in an address to the House on 15 February 2007:

There are a lot of infrastructure needs in our area and of course broadband remains absolutely critical. One constituent wrote:

Having just moved into a new housing estate [I am concerned about] the lack of availability of broadband access …
Another Thornton resident said:
We applied for ADSL Broadband about 2 years ago and are still waiting.

So whilst these appropriations must of course go through, I join with my Labor colleagues in taking the opportunity in this debate to point to the wasted opportunities of the last 10 years. It is about time this government changed its direction. I know it will not, so we must change the government. The Australian people have the opportunity later this year to say: ‘Let’s have that change. Let’s get rid of this government and vote them out of office.’

So tell me, Member for Newcastle, why, when you have been in government for the past 22 months, are constituents from the Thornton area still writing to me complaining about infrastructure in the region?

The other falsity being put forward by the government is that the opposition did nothing in its 12 years in government. Mr Deputy Speaker Slipper, you were in the House during that period. Dial-up broadband did not really come online until 1997-98 and ADSL was not even introduced to the Australian market until 2001-02. So again they base their argument on false information.

Going back to the comments from the member for Newcastle: if the lack of broadband was the basis on which she sought to dethrone the former Howard government, will she announce that the Rudd Labor government is ready to pass over the reins? This is absolute hypocrisy on the part of a government which cannot provide broadband services in the Thornton area, yet has managed to waste $22 million of taxpayers’ money on disappointing, half-hearted attempts to do so.

I now draw the House’s attention to yet another example of a Great Lakes resident who has been left disillusioned by the Rudd Labor government’s inability to set up broadband services in his area. He wrote:

Recently I lost my broadband connection when I looked to change my server from AAPT to Telstra. During the cooling-off period, I found I was better off with AAPT. When I tried to change back, I found my broadband connection had been cut off and there were no more broadband ports available at the Forster exchange for any server. I could go on, but, keeping in mind the time limits available for debate, I will press on.

It is important to remember that, whilst the Labor Party have been elected into government to represent the needs of all Australians, it seems they are doing a particularly good job of pandering to the needs of marginal Labor seats and forgetting about those electorates held by Liberal or National party members. Traditionally, townships with fewer than 1,000 people have been represented by coalition members. At present, 60.4 per cent of these towns are in coalition-held seats, so it seems convenient that Labor has excluded them from their NBN mark 2 plan. It would seem that Labor is monopolising which electorates the majority of taxpayer’s funds are being injected into to ensure that they safely manipulate voting outcomes at the polling booths on election day. This is where the coalition differs from Labor. It has always been our mission to ensure that all Australians have access to fast, affordable and reliable services with the most cost-effective use of taxpayers’ funds.

Labor promised it would select the network builder for its broadband network within six months of coming into office. Yet, 22 months into their term, neither construction into these services nor connection is still available for many disadvantaged residents in the Paterson electorate. This is in stark contrast to the coalition’s thorough and cost-effective broadband strategies. The former coalition government had a firm plan to deliver affordable and high-speed broadband services to the entire population by the middle of 2009, meaning that under the coalition
this argument would be null and void, as many Australian that had wanted broadband access would have it today.

This would have all been possible under the coalition’s plan to include a targeted rural and regional Australian broadband plan, OPEL, which would have seen the Commonwealth invest $958 million to deliver new metro-equivalent broadband services to in excess of 500,000 underserved premises across the nation. The Paterson electorate would have been directly benefited by these plans as the coalition stood firm on their promise to deliver 25 new WiMAX base stations and eight telephone exchanges upgraded to ADSL2 broadband in the region. Furthermore, OPEL would have delivered new metro-equivalent broadband services to around 22,750 underserved premises. Disappointingly, the Rudd Labor government inexplicably cancelled this project despite having no real alternative to it. Also interesting to note is that, whilst Labor promised at the last election that they would have their broadband network operating by the end of 2008, they have failed. The last 22 months have been wasted by Labor due to their poor planning and incompetence. During this time, their National Broadband Plan has also become increasingly irrelevant, with more and more people taking up wireless internet services, making a cost-benefit analysis into the NBN mark 2 plan even more poignant.

The relevance of broadband has been further placed in the spotlight after comments from BBY Telecoms analyst Mark McDonnell, as reported by Communications Day, who has told a major industry conference that Labor’s National Broadband Network proposal is ‘lacking in any measure of financial or commercial rigour’. Furthermore, he said:

More to the point, no one has yet provided any real evidence relating to unmet demand for 100Mbps broadband delivery for the household. No one from government has been able to give any clarity on the prices consumers or wholesale customers could expect to pay.

The analyst said that without clarity investors would steer clear of the NBN:

Few analysts have been moved to describe it as a rational investment proposal … When it comes to risk, this is about as high risk as it gets.

Stephen Conroy and other NBN proponents have ridiculed the proposition that consumer prices of up to $200 per month would be needed for broadband to cover the costs, but completely avoid giving any statements as to what it could or should be.

Mr McDonnell’s comments are especially poignant given that in the June 2009 quarter around 640,000 new wireless broadband subscriptions came online, compared to around 80,000 fixed line subscriptions. As my colleague the shadow minister for broadband, communications and the digital economy pointed out:

This trend cannot simply be ignored by the Rudd government, but the reality is Labor has no idea how many customers will choose wireless services over fixed line in the coming years and what impact this will have on the viability of its NBN.

The coalition fully recognises the importance of universal access to fast, affordable, reliable broadband; we always have. We also fully support the continued enhancement of broadband services so that constituents in townships such as Boat Harbour, Brandy Hill, Clarence Town, Coomba Park, Green Point, Gresford and East Gresford, Hinton, Karuah, Nabiac, North Arm Cove, Pacific Palms and Blueys Beach are not disadvantaged.

Whilst Labor now begin to start a new process from scratch to implement their National Broadband Network, we must ask ourselves at what cost. This program comes with a $43 billion price tag; $43 billion of money that we as a nation just do not have. And the
bigger question of what timeframe it will all be delivered in is yet to be addressed with any surety. An article in the *Sydney Morning Herald* on 9 September in the Business News section says:

In a recent report entitled *Navigating the Path to Australia’s NBN*, a Goldman Sachs JB Were telecommunications analyst, Christian Guerra, predicted the network roll-out would not begin until 2011, and by 2017 it would pass only 50 per cent of homes. Mr Guerra thinks the Government’s target of 90 per cent will not be achieved until 2025.

So the government’s so-called action plan is, according to the article:

... [a] study by McKinsey & Company and KPMG which will not be finished until February 2010. This report will address network design, governance, ownership caps and ways to attract private sector investment.

I have to ask: when will rural and regional areas receive the much announced prior to the election broadband service? What the Australian public has witnessed is a litany of time delays and cost blow-outs, both of which will disadvantage the Australian public and business alike, particularly in regional and rural areas with little or no access to acceptable transmission rates.

On top of this, the cost is anticipated to be around $200 per month. This is an expensive option that I cannot imagine those on low incomes, pensioners or farmers struggling to survive on the land being able to afford. This is also a program that is city-centric at the expense of those in regional and rural Australia, particularly those in towns of less than 1,000 people. And that is where we, the coalition, come in; we are urging the Rudd Labor government, which has a history of reckless spending and project mismanagement, to do a full cost-benefit analysis and to ensure that they get key stakeholders onside, before pressing ahead with this controversial project.

The constituents in my electorate, particularly those in townships of less than 1,000 people, deserve better broadband services. They need cheap, reliable and easily accessible broadband services that will enable them to communicate online and connect with people around the world for work, play and leisure. The reality is that for those in towns of less than 1,000 people, they will get no better service than what was promised by the coalition and on the way to completion by mid-2009. Under this new NBN mark 2 scheme, as stated in the report, they may not see any action until 2025. They do not need their broadband bills escalating to ridiculous prices of $200 a month for inadequate services.

Broadband is not a new technology, and the Rudd Labor government needs to go back to the drawing board and keep in mind that they have been elected to represent all Australians, Australians living in urban and suburban dwellings as well as regional and rural areas, and not to forget those companies that are trying to survive in the competitive telco and energy industries. *(Time expired)*

Mr Sidebottom—

I must say that the angry ant, the member for Paterson, sounds like he thinks it is the end of the world. I will just remind the member for Paterson that I live in a rural and regional part of Australia. NBN is starting very soon in a town of less than 1,000 people in my electorate. So, for your information, it is on and about. What really strikes me about the comments of the member for Paterson, and the member for Fadden before him, is that we have gloom and doom preached to us by those on the other side after 12 years of all talk and no action. We went to the last election with the NBN plan, and that is what we are about to roll out.

Mr Baldwin interjecting—
Mr SIDEBOTTOM—If I may suggest to the member for Paterson, if you sit here long enough and listen very carefully you will hear what this legislation is intended to do and what is going to happen in my state of Tasmania, where the rollout is commencing very soon. So listen carefully and you might learn something.

I am very pleased to speak on what is a small but crucial part of one of the most important infrastructure projects of the Rudd government and, may I suggest, for the nation’s history this century. Specifically, this amending legislation, the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009, will play its part in bringing about the National Broadband Network, the NBN. The superfast National Broadband Network is about bringing Australia firmly into the 21st century and putting us ahead of the game rather than comparatively well behind, where we languish at present. This bill is essentially technical in nature—

Mr Baldwin interjecting—

Mr SIDEBOTTOM—if the member for Paterson actually were to read it—but could prove crucial in ensuring that the rollout of the National Broadband Network happens in a timely and efficient manner.

As the member for Braddon, I have had the privilege to witness not one but two major milestones so far in the establishment of the NBN, or, more accurately in my case, the TASNBN. I was able to stand alongside my fellow federal members when Prime Minister Rudd came to Tasmania in April to announce that my home state would be the vanguard for this leap into the future. Indeed, I was privileged to host our Prime Minister; the federal Minister for Broadband, Communications and the Digital Economy, the Hon. Stephen Conroy; and the Premier of Tasma-
want to see the new superfast network turn that around. This clearly demonstrates the government’s commitment to connecting the most regional parts of Australia first, wherever technically possible. They have as much right as the rest of the world to connect and to be connected.

I have been in close contact with the federal communications minister, Stephen Conroy, on a range of communications issues since the Rudd government came into office, and he has been willing to listen to me about the benefits this could bring to the people of my region. The first stage of the rollout has already begun. Aurora has conducted an open competitive tender for fibre-optic cable, and further tenders will be conducted in coming weeks. Physical work on the Tasmanian NBN will begin shortly. We will start digging new trenches in October and connecting the first homes at the end of the year. Our objective is for new services to be switched on in July next year.

On 13 August, Minister Conroy announced the establishment of a wholly owned subsidiary of NBN Co., NBN Tasmania, to roll out and operate the National Broadband Network in Tasmania. It will be jointly owned by Aurora Energy when Aurora and the Tasmanian government telecommunications assets are vended into the company. Mr Doug Campbell has been appointed as executive chair. He has more than 40 years experience in the telecommunications sector. Importantly, he has experience in country and regional areas, which will be vital in the rollout of superfast broadband in Tasmania. Six other directors have been appointed to the NBN Tasmania board, including Alison Terry, Greg McCann, Jodie Fassina, Mark Kelleher, Daniel Norton and Sean Woellner.

The statewide rollout seeks to connect 200,000 homes, businesses, hospitals and schools in Tasmania with optic-fibre cable capable of delivering speeds of 100 megabits per second. The remaining premises will be connected with next-generation wireless and satellite technologies that will be able to deliver speeds of at least 12 megabits per second to people living in more remote parts of rural Australia and Tasmania. Places like Smithton in the regions are currently bound by a lack of competition and provision for broadband services, but the delivery of a new superfast network will make that part of history. It will not just give people access to broadband that will be up to 100 times faster than anything available today but will open up a whole new world of possibilities in the digital era. I am sure many of these new frontiers are not even developed, but the new network will give young people in Smithton in particular and other regional locations the chance to be part of this development.

Already we have in my region companies that are making their mark in the information technology sector. They are excited not only about the potential for their own businesses through this unparalleled project but also that it will allow others to do what they have done, perhaps without the same obstacles that they have been forced to overcome because of current average communication systems.

Stan Kaine is one such Tasmanian IT innovator who is excited about the National Broadband Network and what it offers. From Ulverstone, his company, Point Duty, has been creating solutions to cybercrime and working with other companies on a range of IT projects for some years, particularly in relation to security matters. Mr Kaine says:

The NBN project is certainly a fantastic opportunity, not just for regionally based IT companies such as ours, but also for all levels of the community.
He goes on to say:

Broadband connections of the type being rolled out in our area gives the whole community access to improved services in health, education, government services and with the potential to create employment in each of these areas.

In our case, we are hopeful of creating opportunities to undertake work outside of Tasmania using the NBN infrastructure. We will be collaborating with other Tasmanian IT companies to allow us to contract for work on larger projects.

He concludes:

This will not only safeguard the employment of present staff, but will allow us to expand and employ more IT graduates.

Stan Kaine is just one of the many people who can see great benefits from the National Broadband Network, but it is not just a boon for the cyber savvy; Tasmanians will also be the first beneficiaries of hundreds of local jobs that will be created during the five-year life of the project. This nation-building network will be the most significant infrastructure project in Tasmania’s history—something akin to, and as important to the future of our island state as, the hydroelectricity drive in our state during the last century. It is another example of the Rudd government investing in nation-building infrastructure in order to support local jobs in communities across Tasmania.

The decision to launch the National Broadband Network in Tasmania was based on the advice of the government’s independent expert panel. Given the longstanding disadvantages faced by Tasmanians in accessing high-speed broadband, the Australian government happily accepted this advice. Last year the Tasmanian government submitted a proposal under the request for proposal process to roll out a national broadband network. The Tasmanian proposal combined use of fibre to the home and workplace as trialled by Aurora over the previous few years as well as adopting high-speed wireless services. I congratulate Premier David Bartlett and his government on their foresight and I look forward to working together with them to see it proceed further in the future. They have joined the Rudd government in a journey into the future—unlike those across the chamber, who can only seek to pick holes and criticise in a vain attempt to cover up their own inadequacies over the past decade in the broadband sphere.

For the record, the current opposition left a legacy of 18 failed broadband plans in 11½ years of government. Before the 2007 election the current opposition was prepared to deliver high-speed broadband only to those living in five capital cities, ensuring an ongoing digital divide. Furthermore, they provided no safety net for regional and rural Australia. In opposition they are policy-void—they have not announced a single broadband or telecommunications policy.

As a result of the current opposition’s inaction as a government over 11½ years, the Australian broadband performance is behind that of countries we consider as our international peers. The latest OECD figures show that Australia is in the bottom half of OECD countries in terms of broadband take-up—indeed, we are placed 16th out of 30 countries. Australians pay more for broadband than most other OECD countries—in fact we are 20th out of 29. And Australia is the fourth most expensive for low-speed connections and fifth most expensive for medium-speed connections in terms of average monthly subscription prices. So all in all we have fallen further and further behind. Telstra admitted on July 16, 2008 that two-thirds of metropolitan areas and more than 50 per cent of people in regional areas cannot get speeds of 12 megabits per second.

This government understands that Australians need improved broadband services no matter where they live, study or work.
Broadband is critical enabling technology that will change how businesses serve their customers; how government delivers services; how schools, universities and TAFEs deliver learning; how hospitals and health professionals deliver better health outcomes; and how citizens collaborate in the future. It will enable businesses and individuals not only to do more efficiently what they already do but also to do competently new things that nobody could anticipate today. I think that is the most exciting aspect of the National Broadband Network: its capacity to be able to do things into the future that really we cannot imagine now. I think that is very important, and we all know how quickly that future comes upon us.

Let me look at this particular piece of legislation. It is important to the NBN and its rollout that there is access to vital information about current networks, both communications and other infrastructure. The people planning and building this network must be quickly and easily able to access the detail of poles, ducts and pipes as well as cables and more. The preference is obviously to access this information in a cooperative manner. I am sure we will have little problem with this in Tasmania as Aurora is a key partner in this project and already has an extensive network through its electricity operations and is used to dealing with other utilities and service providers.

But it is important to have a mechanism where the government can place some obligation on other communications carriers and utilities to provide this type of information in a timely manner to prevent delays and problems in the rollout. This cannot be done in a haphazard or unregulated way. This legislation includes detailed protection for the confidentiality and security of the network information that will be the subject of planning for the National Broadband Network. This is important given that such information may relate to sensitive and critical national infrastructure and also may have commercial impacts.

Let me recap on what I have been saying about this program and the benefits it will bring. This government has committed to spending up to $43 billion on what is a massive infrastructure program with real and tangible benefits for just about every Australian. I am sure there are people out there who think that this will not have an impact upon their lives, but in months or years to come they may look back and wish they had had the benefits of this network many years earlier. This has the potential to touch the lives of everyone at work, study, rest and play in ways that we cannot even imagine now. The National Broadband Network will support and stimulate jobs in the short term and create the jobs of the future, drive productivity and underpin the strength of our Australian economy, improve our international competitiveness, assist the nation’s fight against climate change, improve education and health service delivery and ensure the connectedness of our regions.

I am sure that my sons, who live away from home to study, would agree that I am not the most technically adept person around, but I am looking forward to the day when I can access a superfast network to keep in touch with them by more than just a phone call or a patchy online camera system. This may be while they study or it could even be the catalyst that can bring them closer to home because of new business and employment opportunities that the National Broadband Network could open up in my region. Indeed, I am confident that it will do this. I am sure many other parents in regional and remote locations look forward to the improved communications that this project promises. Perhaps the new network will also allow me to speak face to face online with my constituents, wherever they may be.
across what is a large electorate. I am excited by the potential that it offers and I urge my colleagues here in this House to do whatever they can to support it. No-one can argue against the fact that it is time to bite the bullet and move forward, and I am delighted that the National Broadband Network is beginning in the beautiful township of Smithton in my electorate of Braddon.

Mr BRIGGS (Mayo) (11.17 am)—It is with great pleasure that I rise to speak on the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009 following the member for Braddon. I am sure we all look forward to the day when the member for Braddon can skype, and it will be an enjoyable experience I am sure for his family to have him dialling in each night and having his face over their computer screen. It is interesting to follow a member from a Tasmanian electorate, given that the whole farce of the government’s plan is being unravelled in Tasmania. It is interesting to note that, had the government continued with the OPEL program and not broken the contract as it did, by the end of this year the Braddon electorate would have had 13 new WiMAX base stations, would have had five exchanges, expanded to cell H-plus and would have been delivering faster speeds. Instead, we have this opportunity for a hard hat for the member for Braddon, the Prime Minister and the Minister for Broadband, Communications and the Digital Economy to have their photos taken but not to have any actual services delivered.

But let us not let the spin get in the way of the substance, which highlights the biggest issue with the NBN mark 1 or 2 or 3 or 4, whichever one is to come. It highlights the approach of this government like no other issue, and that is the approach of spin over substance, the photo opportunity and the announcement over the detail. We saw in April this year the second mark of the National Broadband Network announcement, which was the new plan to spend, as I understood, 51 per cent of the potential value of the NBN—although the member for Braddon has just said that the government will spend up to $43 billion, which appears to be the total cost indicated in the back-of-the-envelope calculation. So confusion reigns over on that side of the place on the economics of this plan. No business plan has been released. It is a $43 billion network without a business plan. There are no investors and there has been no information to market. If they were a company they would be locked up it is that badly planned and that badly thought through. But it does highlight like no other issue the spin-over-substance approach of this Prime Minister and this government. It is the New South Wales government’s way of doing business—the New South Wales Labor Party’s way of doing business—and we have seen the results in the state of New South Wales and what is happening there today with people like Senator Arbib from New South Wales and the minister for consumer affairs inflicting on the Australian public what they have done to that state.

This issue is a good example of that. We had during the last election campaign in April 2007 the NBN mark 1 announcement, which was that we would have a $4.7 billion spend for a fibre-to-the-node network of up to 12 megas per second. That promise, of course, was never deliverable to 98 per cent of the country. However, it was a good election promise; it was a nice pie-in-the-sky optic. Everyone thought that would be a nice thing for everyone to have—it sounded like it was new and fashionable, which fitted with the Kevin 07 mantra—but the problem was that it was never deliverable. So Labor get into government and they do a study. I think they spent about $50 million at looking at whether they could do it. There was great
fanfare and it was all meant to be rolled out by the next year, from memory.

Mr Billson—Services by the end of 2008.

Mr BRIGGS—Yes, services by the end of 2008, that is right. But instead we had some delays because they started to work out that they could not actually implement what they had announced in April 2007 without any plans, with just an announcement, with a nice press conference with the then Leader of the Opposition and the shadow spokesman on the issue. There was no plan and no detail, just a couple of things about a five-page policy document.

April 2009 comes along and we have another plan—NBN mark 2. This time, rather than $4.7 billion—destroying along the way the Communications Fund, which was the fund set up to support regional and rural areas, the very areas that the member for Braddon was talking about and that would have benefited from the OPEL project by the end of this year—we have a new plan, which is the $43 billion fibre-to-the-home network to 90 per cent of Australians. That would be on their own planning without the business case, so we are operating in the world of guesstimates a little bit here, but they say it is an opportunity for a large part of our population—most of the big cities—to get access to 100 megs per second with a fibre-to-the-home network. It sounds like a wonderful idea. They have it in Korea. I think the latest figures there are that about 15 per cent of people have taken it up because the cost is quite high. They have implemented it in Korea, so you can tell what their business plan was, unlike in Australia where there are no business costings and no plan about how to spend $43 billion. Numbers these days with this government are so high that it does not sound like a lot of money, but it is a substantial amount of money without a business plan.

We do not know how much it would cost per household—somewhere in excess of $200 per month, most probably—and it would miss most areas. It would miss most areas in my electorate. Even on the government’s own plans, which I take very sceptically, they say towns with over 1,000 in population would receive the service. That would mean that at least 24 of my communities—American River, Balhannah, Birdwood, Carrickalinga, Clarendon, Echunga, Gumeracha, Hindmarsh Island, Houghton, Kersbrook, Macclesfield, Meadows, Middleton, Milang, Mount Compass, Mount Pleasant, Mount Torrens, Normanville, Oakbank, Penneshaw, Springton, Somerton, Uraidla and Yankalilla—would all miss out. I suspect there would be more. I suspect Mount Barker, Nairne, Littlehampton and Stirling could be added—you name it. The reason is that it is not an actual policy or a thought-through plan. It has no business plan attached to it and no costings. It is a bit of spin. It is a bit of politics. It is designed to get a headline. It is designed to spread a message about being forward thinking and being for new technologies. We heard that all through the speech from the member for Braddon, who talked about the new service being the productivity lifter for the country. I agree with some of the things that the member for Braddon said; they are very true.

The internet provides an opportunity for our country to move to new and exciting industries and new and exciting ways of doing business. However, the problem is that, when you mislead the Australian people to the degree that those on the other side have, eventually someone is going to work it out. That time will come. You cannot just announce NBN mark 3. What will it be—$100 billion? This is the lunacy of this proposal. There is no detail. There is no outline of how the business case would work and yet we still have the farce of those opposite coming into
this place and singing the virtue of a plan that just will not go ahead. We have just seen that from a member from Tasmania, where it has been outlined writ large today.

The service is already two years delayed and it will continue to be delayed. This bill relates to provisions which the government sees it as necessary to pass as far as allowing access to important network information goes. We have seen a bill similar to this in this parliament before with NBN mark 1. We will potentially see another bill similar to this with NBN mark 3, mark 4 and maybe even mark 5. It depends on how long they can keep putting off the promise, making spin over substance. This bill seeks to allow access for, as I understand, a period of 10 years. We have moved an amendment on this side of the House to restrict that access to a certain period of time and I certainly support that amendment.

I think it is important that we put the challenge of broadband in Australia into context. Those opposite talk very often, and have for some time, about the fact that Australia lags behind in its service compared to the rest of the world. In some places that is true. In my electorate that would be true. We have significant challenges with broadband in Mayo, in the Adelaide Hills and outer metropolitan areas. Aberfoyle Park has some particular challenges. That relates to a couple of things. There is the history of the area in the way that Telstra first invested in the services many years ago. It also relates to the topography which, as many of you would be familiar with, is a similar issue as far as digital TV goes; that is another area where this minister seems to have some problems at the moment.

There are some challenges in certain areas, particularly outer metro and regional areas of our country, because we are so vast. The cleverness of the OPEL plan was that it addressed these issues in a way such that future technologies could be built onto it. The issue we should be dealing with in relation to broadband is that where the government can assist, have some real impact and help Australians is in areas such as mine, regional areas and outer metro areas where broadband fibre services are not likely ever to be viable; therefore the market is not going to go there. That is where government can assist through a range of technologies.

In some places investing in fibre will work where there is enough of a scale. However, in most regional and outer metro areas internet delivery will be via a mixture of wireless, ADSL2+ and these types of services. That is where OPEL was very clever in that it addressed these issues across the board and brought most Australians up to reasonable speeds—I think up to 98 per cent of Australians to speeds of 12 megs per second. Let’s be honest about this. Twelve megs per second is actually quite fast. I suspect very few people in this place actually have faster speeds than 12 megs per second at their house and, if they did, they would not know the difference. When you get past 12 megs per second, you are starting to talk about downloading videos and watching TV live across the internet. That is where a lot of this is being driven from. A fibre-to-the-home network is another way into the house for a communications company which can then start to deliver on-demand services—a fifth TV station, some would allege.

That is all very well where there is market and, frankly, that is happening in some places already. Many new housing developments in suburbia have fibre-to-the-home networks. In fact, on Hindmarsh Island—which is an outer part of my electorate in the Lower Lakes, for those of you unfamiliar with my electorate—there is a new independent living retirement village which opened late last year with fibre-to-the-home
services. The residents have TV through the fibre-to-the-home services and they get on-demand videos et cetera. They get the benefit of those services. However, there is no possible way for the government to build that network across this country. We are already seeing speculation that if they go ahead in some parts there will be overhead cables along streets. Those sorts of battles in my area will be interesting ones for this government to deal with.

If we are going to be serious about broadband and are not going to treat it with political spin, as an optics issue rather than looking at the substance of the issue, we should be looking at the mixture of technologies which will deliver the fastest and best services available to all people—not just those who are fortunate enough to live in the confines of the city but those who live in the outer regions of our country, as you would understand, Mr Deputy Speaker Adams. For those who live in my area and in the Deputy Speaker’s area, the services are underdelivering. In fact, for the first 14 months that we lived in Mount Barker we could not get broadband. That was because of the pair gain system that occurs in Mount Barker, a problem that affects my area.

However, the truth is that, if you want to really compare our speeds and availability of speed, most of our metropolitan capitals actually have very good speeds by international standards. Most of our metropolitan capitals have reasonably low-cost access to speed, because competition is working there because the scale exists. Most of our population centres have access to fast broadband speeds—or fibre speeds, in some cases—and the market is working quite well. Telstra provides a very good, competitive service, as does Optus and some of the smaller internet companies. Of course, another outcome of the government’s flawed plan is that, if they do build this network, they will destroy competition completely. All it will leave are Telstra and Optus, with the big scale of their operations, to offer plans which will just destroy anyone who wants to compete.

So at the moment we have good access in our major population centres—in most cases; there are some exceptions—but not in the outer metropolitan and regional areas such as that of the shadow minister at the table, the member for Dunkley, who still has issues in his area that relate to scale and distance. Australia is challenged by the tyranny of distance in many areas and this one is probably the greatest. That is why it needs an approach such as the WiMAX solution that was looked at in OPEL or the 3G solution which now operates so well throughout my electorate. In most parts of my electorate I now get downloads on my Blackberry very quickly, and that is how the competitive market has worked. This intervention by the government, this $43 billion pipedream, is all about politics and not about substance. It is missing the point of the challenge of broadband in our country—that is, the challenge of investing in the areas which are underserviced.

It is also the challenge of delivering the services that people want. A few years ago—I forget the exact year—there was a study done which showed that, even when fast speeds were available, about 60 per cent of people still chose dial-up or dial-up-equivalent speeds. That will change in time as more services are delivered over the internet, but many of my constituents and many of those in the constituencies of those opposite—it is probably a little bit different for Minister Plibersek, who is at the table, with a constituency such as Sydney, where they probably do access faster speeds more often given the nature of her electorate—still choose to go for the slower speeds because all they want access to is email and maybe some internet banking or a small amount of surfing the internet.
So the government is planning a network which most people do not want, which has not been thought through and which is going to spend a large amount of taxpayers’ money without any detailed business case and without being honest with the Australian people and saying, ‘If you want this network, you are going to be paying about 200 bucks per month.’ How many constituents will be willing to pay $200 per month in my electorate? I can tell you that it will be very, very few. In fact, I have some interesting statistics about my electorate from the last census—which, granted, was a few years ago now. Sixty-four per cent of people in my electorate have access to the internet but only 29 per cent take up access to broadband. Some of that will be because they cannot get access to broadband but some of that will be choice. Some of that will be that they do not want to spend more money than they would on what they think is a service that they need or want.

Of course, we have a plan for the future in this space. There is huge opportunity in this area to increase our productivity and our productive capacity for new businesses to enter the global economy. For small businesses based in small regional towns I think that is a wonderful, fantastic opportunity. If the government were serious, they would not have destroyed the $2 billion Communications Fund which was there for futureproofing the underserviced areas. But they have already done that.

Mr Billson interjecting—

Mr BRIGGS—They would not have killed OPEL. They would be thinking about how we genuinely deal with the areas which are underserviced in this country. The government do not need to invest in the inner cities. The inner cities are looking after themselves.

Ms Plibersek—Oi!

Mr NEUMANN (Blair) (11.36 am)—It is always interesting to follow the member for Mayo, one of the architects of Work Choices, one of the Howard advisers who under the previous government of 11½ years came up with about 18 different plans. In the lead-up to the 2007 federal election I can recall, when I was a candidate, having a look at what the Howard government proposed for fixed and wireless telecommunications solutions for my electorate of Blair. I decided to go to Geoscience Australia and have a look at what impact the proposal would have on the federal electorate of Blair, because I knew down at Mount Alford in the Fassifern Valley meetings were being held by furious residents. My predecessor was down there and I saw pictures of him in the Fassifern Guardian with irate residents in the Mount Alford area who could not get access to broadband. In the area of Lowood—which used to be in Blair and may well be in Blair in the redistribution for the next election—I saw with Senator Helen Coonan, the then Minister for Communications, Information Technology and the Arts, and my predeces-
sor residents who were angry about not being able to get access to the kind of broadband connection they needed. So I decided to get hold of the Howard government’s proposal, the latest version, the latest incarnation, the last plan that they would take to the Australian public after 11½ years of failure, to see what impact it would have. It was a very interesting map I had of the electorate. There were lots of country towns—Kalbar, Boonah, Laidley, Gatton and a medium-sized city like Ipswich where I live. I had a look at what it said and the interesting thing was that there were vast areas that were not covered for the kinds of telecommunications and internet access that people wanted. The reason was topography. The Howard government forgot about hills and anyone who knows Ipswich knows there are plenty of hills. So lots and lots of people could not get access to the kinds of internet services that they expected, desired and needed. That was the Howard government’s legacy in telecommunications. It was simply astonishing that the Howard government could not come up with a solution after 11½ years.

I say to the member for Mayo: OPEL could not do what we wanted it to do and our proposal goes way beyond anything contemplated by OPEL in the kind of coverage it will bring to the regional and rural areas in Australia and the kind of quality of service it will give the Australian public. It really is galling to hear members like the member for Mayo go on about the failures of the Rudd Labor government with respect to the internet. University students told us that they could not get the kind of world-class education that they expected when it came to getting access to the internet. They were incredibly frustrated that the internet kept dropping out. Doctors concerned with e-health came and complained about the fact that they could not get the information that they needed for their patients and the operation of their practices. We had small businesses coming to talk to us about the fact that they constantly found themselves knocked out of their computers and the internet and were constantly frustrated by the slowness of the connection. Young people said they could not download the kinds of videos and games they wanted. I even recall one particular gentleman who was frustrated at his failure to get access to the kinds of sites he wanted to use for—to put it euphemistically—‘recreational purposes’. It was a litany of complaints, and that is the legacy of the Howard government.

I am therefore very happy to support the Rudd Labor government’s commitment in this area and to speak in support of the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009 because we are committed to regional and rural Australia. As the minister said in his letter of 7 April 2009, this is not ‘a broadband bandaid’ as proposed by the previous government. This is in fact a superhighway. This is a superinfrastructure plan. It has been likened to the Snowy River scheme and not only is it a wonderful opportunity for university students, small business operators, those involved in recreational pursuits and those involved in the medical and allied health professions but also it will enable farmers in my community in the Lockyer Valley and the Fassifern Valley to get access to the information that they need on websites run by organisations like the National Farmers Fed-
eration, the Queensland dairy association and others that will help them in the management and operation of their farms in these rural communities which are the lifeblood of regional and rural Australia.

What we are proposing here in this legislation is to amend part 27A of the Telecommunications Act to impose a requirement to provide information if requested on utilities as well as telecommunications carriers. It sets out the purposes for which the information is permitted to be disclosed and makes very clear that it is able to be disclosed and used by Commonwealth officials and advisers for the purpose of the implementation study for the National Broadband Network. If appropriate, that information can be used for other purposes associated with the broadband telecommunications network as designated by the minister. There is also a sunset clause attached to the amendments.

We are carrying out an implementation study which will provide a detailed rollout schedule. That is important. We are making sure that the $4.7 billion that we are putting in will be an upfront statement of the government’s bona fides and intention to ensure that NBN Co. will operate and do what we said it will do, namely, build the National Broadband Network. The company will invest up to $43 billion over eight years, which will make a huge difference to the people of the city of Ipswich and of the rural communities and towns in my electorate of Blair. We are absolutely determined that 90 per cent fibre-to-the-premises coverage takes place. We are determined that 100 megabits per second will be delivered to consumers. We think this is important. I do not share the sentiment of the member for Mayo, who was prepared to say that 12 megabits is good enough and most people would not know the difference. That is not what my constituents tell me and it is not what the businesses and farmers in rural and regional Australia believe either.

This legislation and the National Broadband Network are important. Let me give you a couple of examples of why it is important. I do mobile offices around my electorate regularly and I never cease to be amazed at the number of people who tell me that, just outside Ipswich in the rural areas, they cannot get the kind of internet connection and coverage they desire. Large schools like West Moreton Anglican College on the periphery of the city of Ipswich inside the city’s municipal boundaries—a great school of about 15 years duration, a wonderful P-12 school—have the frustration of finding their internet connection dropped and lost on almost a weekly basis. This makes it difficult for the school. Ross Switzer, the principal, has talked to me about this and I have met with senior management and trustees of the board about this. It causes immense frustration for wonderful schools like WestMAC and to the parents who send their children to schools like this. It is inexcusable that in the 21st century this can happen at large schools like WestMAC. Fortunately, through efforts we have made and through the efforts of the school, we have been able to improve the situation, but we have had tremendous frustration with Telstra and with the whole process. If children cannot get access to the internet, how in the world can they possibly complete assignments, tutorials and examinations? If we want to make sure that we build the education revolution, if we want to make sure that our children—whether they live in Maroon or Melbourne, in Ropeley or Redfern—have the same kind of access to a good education, we need to make sure that they get access to an internet connection that will not simply drop out and punt them off the internet.

This legislation is extremely important and the National Broadband Network is ab-
absolutely vital for South-East Queensland. One in seven people in this country live in South-East Queensland and we will see more than a million people take up residence in South-East Queensland in the next 10 to 20 years. This morning, among a bipartisan crowd at a breakfast held by the South-East Queensland mayors, and hosted by Campbell Newman, the LNP Lord Mayor of Brisbane, there was talk about the need for greater infrastructure in South-East Queensland. I can assure my constituents who may be listening that we are doing everything we can to ensure that the physical infrastructure in South-East Queensland improves. The best example of that is the upgrade to the Ipswich motorway in my electorate, which is creating 6,700 jobs along the connection between Ipswich and Brisbane. The National Broadband Network will create thousands of jobs in its construction and its maintenance. It will facilitate greater productivity among businesses and among our employees and across the four million people who work in small business and the 1.9 million people who own and operate small businesses in this country. This gives small business a greater chance both domestically and internationally.

The National Broadband Network is vital infrastructure for the 21st century. I am pleased for the member for Braddon that he has seen the National Broadband Network first rolled out in Tasmania. He is a good member and he has advocated on this issue for a long time. I know that the Tasmanian members, who are all on this side of the House because the good people of Tasmania have seen the sense to return five Labor members to this House, are pleased that the government has used Tasmania as the first cab off the rank for the National Broadband Network. The people in my constituency of Blair know that the National Broadband Network is in the long-term interests of this country. They know that it is vital infrastructure and they know that those opposite have been obstructionist and that they have been procrastinators when it comes to the National Broadband Network.

The Labor Party is the party to help small businesses. We are the ones who have done it—from the trade practices legislation in the 1970s, which gave small business a chance to compete against big business, to the lowering of tariffs to the internationalisation of the economy. We want to make sure that small business gets a greater chance, and the National Broadband Network will help small business compete with large businesses domestically and internationally. We want to make sure that that happens.

I believe firmly that we would not be in the situation we are in today with so many of the problems that we have in telecommunication in this country if the previous government had stopped and listened to the voice of the Australian people with respect to the privatisation of Telstra. The coalition should do what they say and support this legislation here. We know that the shadow Treasurer, on his first day, said that improving broadband would be a good starting point. Amen to that. He is right: it would be. It is a pity that that starting point did not happen years and years ago.

We should guarantee, as the shadow minister has said, that the people of Tasmania will get broadband services—and we are guaranteeing that they will. We are guaranteeing across the country that broadband services will be improved. What we are doing here vastly exceeds what Telstra has proposed and does. It will vastly improve on OPEL. It will make a big difference to the constituents of my seat of Blair in South-East Queensland. It is pro-jobs, pro-infrastructure, pro-business and pro the economy, and I am happy to support it.
Ms MARINO (Forrest) (11.54 am) — I rise to speak on the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009, which seeks to require telecommunications carriers and utilities to provide information about their existing networks to the Commonwealth, to assist with the planning of the government’s National Broadband Network for both the duration of the implementation study and for a 10-year period should any rollout actually occur.

This bill, as we know from the Senate inquiry, raises serious concerns for the industry—the telcos and utilities—who were not consulted by the government about the content of this bill prior to its introduction. The utilities may be compelled to provide information for at least 10 years. The minister, through this bill, wants coercive powers to be able to take information from potential competitors of the government’s NBN Co. I note from the coalition senators’ additional remarks in the Senate report on the legislation that, even after meeting with some stakeholders, the department is opposed to any improvements to the bill to address the stakeholders’ concerns—and clearly the government has had time to do so during the process of drafting the bill.

Carriers and utilities are concerned about the restrictive time lines for the provision of information. That is information provided at their own cost. The government has stated: The cost of making this information available is not considered onerous.

I think the utilities might have a different view on that. Coalition senators noted that there is no evidence to support these assumptions regarding the cost to utilities.

Another key concern for the coalition senators is the protection of sensitive information about assets and infrastructure. This will be handing over information to a prospective market competitor. In real terms, that is what this is. The coalition senators also agreed with the Business Council of Australia in its serious concerns about the apparent lack of certainty regarding competitive neutrality in the context of this bill and NBN Co. They also did not agree with giving the minister complete powers for 10 years.

The issues of competition and competition policy are major concerns with this bill and its provisions. The coalition senators concurred with the Business Council of Australia that:

The proposal raises a number of issues in relation to competitive neutrality principles agreed by all governments at COAG and therefore warrants a net benefit assessment.

The assessment should take into account the likely impacts on competition resulting from the provision and use of information under Part 27A, in particular the possible consequences resulting from the broad definition of information that can be required and the time period of up to 10 years.

The senators also noted concerns about civil liabilities in the provision of information and made a very strong recommendation that the government further consider the concerns of stakeholders and refine the bill to accommodate these concerns, including through the reconsideration of the 10-year sunset clause.

The coalition strongly supports improved broadband services but, as I have stated, we have very serious concerns about this bill and the government’s entire approach to the proposed NBN. One of the greatest concerns for all Australians, including those in my electorate of Forrest, is and should be the very serious concern regarding the costings of the NBN and the amount of funding needed to be borrowed and repaid by taxpayers. Already we have seen waste and mismanagement of the NBN process. Labor’s election commitment was a $4.7 billion promise that the network would be operating
by the end of 2008. Following over 18 months of wasted time and, according to shadow minister Nick Minchin, $20 million of totally wasted taxpayers’ money on the flawed original broadband tender process, we now have the NBN mark 2. This time it is a proposal to spend up to $43 billion of taxpayers’ funds without, as we have heard in question time, any detailed cost-benefit analysis—a $43 billion commitment without any semblance of economic modelling.

We now have a further cost to taxpayers, a $50 million nine-month implementation study and a rollout period of eight years. My constituents are very rightly asking me: ‘When will the NBN actually be delivered in the electorate of Forrest?’ Leading analysts and those in the telecommunications industry are not all convinced that the government’s NBN program can or will be delivered at the proposed cost of $43 billion. It is now a matter of public record that the government’s $14.7 billion Building the Education Revolution budget has blown out by at least $1.5 billion. I ask what the potential blow-out for taxpayers to pay will be on this $43 billion project. Given that there has been no thorough cost-benefit or economic analysis done or provided, and given that this is at least an eight-year project, with challenging topography in my electorate and around much of Australia as well as in our major cities, I can certainly understand their reservations.

Ovum research director David Kennedy said that the rollout of such a network ‘would take up to 20 years’, not the eight claimed by Labor. Commentator Terry McCrann said of the plan: ‘It’s not crazy; it’s insane.’ And former Optus executive Paul Fletcher said:

They may wonder where the traffic will come from to fill up the new network and generate the revenue streams necessary to earn a return on the $43 billion.

Paul also said:

… the incumbent Telstra, which dominates voice telephony and broadband, will be allowed to continue to operate its own network. So when the new network operator starts looking for traffic to carry on the network, it may well not have Telstra as its ‘anchor’ customer.

I recently met with a telco company in my electorate of Forrest and they informed me that in their view the proposed $43 billion will only cover approximately one-quarter of the cost of the NBN. As an example, again in my electorate, it was recently estimated that it would cost $1 million to run eight kilometres of fibre from a town site to a major industrial site—that is, $1 million for just eight kilometres.

I understand that projections have been done in the continuing absence of economic analysis, which is that 99 per cent of internet customers must take up the national broadband network just to service the interest repayments. As one simple example, I asked the government, ‘How is this going to be achieved with the latest statistics showing growth in the uptake of wireless broadband?’

In the June quarter, around 640,000 new wireless broadband subscriptions were taken up compared with about 80,000 fixed line subscriptions. Constituents in my electorate who have taken up this option have told me they are choosing wireless services over fixed line because of the mobility of the wireless service. I will be interested in seeing where the alternatives to the government’s NBN are factored into the economic analysis.

The coalition would like to see all Australians have access to an affordable, fast and reliable service but with the most cost-effective use of taxpayers’ funds. According to the government’s NBN proposal and announcements, the fibre-to-the-premises proposal is extended to towns with a population of around 1,000 people or more. The Austra-
lian Bureau of Statistics shows that there are over 1,000 locations in Australia with less than 1,000 people and more than 550,000 Australians live in these towns. In Western Australia, there are 113 towns that fit this category.

People in 15 towns in my electorate of Forrest will miss out on the broadband proposal because their population is less than 1,000. The combined population of these 15 towns is 7,491 people, which means that 7,491 people in my regional and rural electorate, who currently may have fibre running to the nearest exchange, will be excluded from the government’s NBN. They are part of the 10 per cent of the population who will be excluded.

I also expect the government to use up-to-date statistical data when identifying the population of towns. The 2006 population census data for my electorate is, of course, outdated—for example, the town of Nannup had at that time a recorded population of under 1,000 but the Shire of Nannup informs me that the population is currently 1,200 people. So, in the economic analysis of the $43 billion cost, will this include or exclude the projected population growth of regional towns which, over the eight years of the rollout, will exceed the 1,000-person cut-off for the NBN? How many towns in my electorate that currently have populations under 1,000 will have in excess of this number when the rollout is actually delivered? Will they be included or excluded? Should the government use the 2006 census data for towns such as Nannup, which misses out on the NBN? That will be an issue in my electorate. These same constituents will have to bear the costs of the borrowings and interest for the NBN, like all Australian taxpayers, but will not have access to the service.

The coalition believes that government funding for broadband should be targeted at under-served areas, such as those 15 small towns in my electorate. The South Australian Farmers Federation recently said in the Adelaide Advertiser:

Some of these small towns could be considered major service centres for their regions.

And they are. Constituents in my electorate have serious doubts over the government’s ability to deliver the NBN and at the proposed cost. The Labor government promised at the last election that they would have their $4.8 billion broadband network operating by the end of 2008 but my constituents have seen nothing but a further waste of taxpayers’ funds on NBN mark 1, and now NBN mark 2. Even further delays and costs in the actual delivery of the NBN are forecast, as we know. The government has not provided any details about the likely customer uptake rates or prices that consumers will have to pay to use the network. The coalition has concerns about the affordability of the NBN for the average working household. Analysts’ predictions that consumers could be forced to pay double the amount the average broadband user pays today would clearly come as a major expense and burden on the average household. And how many customers will the NBN actually have in a competitive environment? I note that AAPT CEO Paul Broad said on the Lateline Business program:

If you project yourself 10 years ahead and you have a $43 billion investment, on any sort of reasonable return—say of 10 per cent—you have got to generate $4.3 billion just to make a return on the investment. And if you add up all the bits to run a wholesale and retail business, you will see that the average punter will be paying something like $200 a month for this service.

Mr Broad also said:

We could not see the economics stacking up for fibre-to-the-node so we obviously can’t see the economics stacking up for fibre-to-the-home.

Because of the government’s election promise my constituents expected, needed and
have been waiting for the roll-out of the NBN—the students, the farmers, the small businesses, the contractors, the seniors—people of all ages right across the spectrum. I have been contacted by a number of constituents who are unable to access fixed line internet as all the ports in the D-slams are fully occupied.

One example is the town in my electorate of Dalyellup, where a constituent moved just two houses away, on the same street, and can no longer access ADSL internet. This particular constituent runs his business from home, and the internet is a necessity. He was counting on the roll-out of the NBN proposal from the Labor government for 2008. I am told that it will cost approximately $7,500 including installation to put in another D-slam in the exchange, which would allow around 100 more homes to have access to the ADSL internet. My constituent is now not only waiting for the government to implement their long-awaited NBN promise but also for Telstra to install another D-slam. I have written to Minister Conroy for advice and a solution for my constituent, given the delays in delivering the NBN. If the government had delivered on its election promise he could have already had access to high speed broadband—as could the students, the farmers, the seniors and the individuals.

I have also been contacted by constituents in my electorate who query the use of existing infrastructure for the NBN. Will the government duplicate existing telecommunications infrastructure? When will the government release the actual details? My constituents need the NBN now. The coalition, along with those in my electorate, are urging the government to act on their election promise and deliver the NBN network to the people of Australia.

As I said, the coalition strongly supports improved broadband services, as demonstrated by our fully costed and targeted plan to deliver new, fast and affordable broadband services across the country. If this plan had not been rejected by the Labor government, Australia would have had a service that would now have been delivering services and been completed by the end of this year, 2009. Under the coalition’s national rural and regional broadband plan of OPEL, 32 new base stations would have been constructed and six telephone exchanges upgraded to ADSL2+ in my electorate of Forrest, which would have delivered new services to approximately 25,000 underserviced premises—again, the students, the farmers, the families, the small businesses, the individuals and the seniors.

I am seriously concerned about the potential cost of the NBN project for Australian taxpayers and the fact that the government has not conducted or released any cost-benefit analyses. It needs to be very clearly understood by Australian taxpayers that they will be carrying the bulk of the risk and cost of this project whether or not they are able to access the service and whether or not the price for accessing the service is affordable to them.

The coalition remains committed to the Australian Broadband Guarantee program, which the coalition established, seeing subsidised satellite services provided to people living in areas that do not have access to metro-equivalent services. I support the amendment by the coalition.

Ms RISHWORTH (Kingston) (12.08 pm)—I rise today to speak in favour of the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009, a bill supporting the government’s rollout of a national broadband network for Australia. This bill is an adjustment to the Telecommunications Act and is concerned with access to
network information and its protection. The information will support the national broadband implementation study that will guide the NBN rollout.

Let us just consider for one minute why we need to implement this amendment to the Telecommunications Act. It is because the government has decided to act when it comes to our nation’s infrastructure. The opposition, when in government, neglected the country’s critical economic infrastructure. It has been left to the Rudd government to fix. This bill and the National Broadband Network is the government’s plan to fix the former coalition government’s shocking track record when it comes to broadband. In fact, when it comes to broadband the Howard government’s legacy is shameful. They had 18 failed broadband schemes over their time in government.

Mr Perrett—How many?

Ms RISHWORTH—I hear the member for Moreton asking how many. They had 18 failed broadband schemes. These programs were created at the last minute, in desperation and on the eve of an election, by an out-of-touch government. We have heard in this debate some members from the opposition talking about the virtues of the Elders OPEL agreement, which the previous government hastily signed in an election campaign. This ‘had great promise’, the coalition government told us. It would give 98 per cent of Australia wireless broadband. However, after the election, the company quickly revised down its figure saying that it could only cover around 72 per cent of the country. There has been a lot of talk in this House about value for money. I would say that a revision from 98 per cent coverage of Australia to 72 per cent coverage of Australia does not equal value for money.

The National Broadband Network as it rolls out across the country will create jobs, build vital infrastructure and support small business. In my electorate, residents are well aware of the former government’s lack of investment in critical infrastructure, from roads to ports to urban rail. But, in particular, they are acutely aware of the failure of the previous government when it comes to broadband. The reason for this is that they are experiencing it first hand. Residents in Hallett Cove, only 23 kilometres from the CBD of Adelaide, and Sheidow Park, Aldinga, Reynella and Woodcroft—just to name a few suburbs—cannot even access ADSL2. They have been frustrated by the lack of action of the previous government, who refused to address their serious concerns. Residents in my local area understand the potential that fast broadband can have to assist with health care, support education and create new opportunities in business, especially small business.

While the Liberal Party pretends to be the party for small business, they have failed in their 12 years of office to address the No. 1 impediment to small business in my electorate, and that is the lack of access to fast broadband. It is not just saying me saying this. The Southern Adelaide Economic Development Board and the councils in the area have all identified lack of access to broadband as the No. 1 constraint for small business in the area.

Let us just consider the implications for small business. A national broadband network will allow small business, regardless of where they are in Australia, to be connected to a fast, high-quality broadband service. Small businesses will be able to easily file their online tax, place orders for stock and perform many administrative tasks quickly and efficiently in ways that currently do not exist for Australian small business. The increase in productivity for a small business will be met only by the increase in the reliability of having the communication tools to perform their business activities. The Na-
ional Broadband Network will bring Australian small businesses into the 21st century, allowing them to operate in the way they actually want to.

The need for a national broadband network is not just an imagined need of this government; it is a vital piece of infrastructure for this country, which my constituents know we desperately need. Just as at other times governments in our history have had to make bold decisions to build our great highways, our great railways and our great dams, so too must this government build the information highway. A national broadband network will change Australia like never before, giving improvements in business, in medical endeavours and in uniting Australians from the bush to the city.

I want to talk about some of my local constituents that have had real concerns with the lack of broadband—residents such as Shawn, who works from home looking after oil, gas and thermal drilling rigs. He is not able to receive broadband at his home in Aldinga Beach. Troy from Sheidow Park cannot get broadband because he was told he was not quick enough to get access. He was told that the street already had too many high-speed internet users and therefore he would not get broadband. As a result, he has to rely on dial-up, which makes it impossible to operate his business activity from home.

Heather and Shane, from Hallett Cove, use the internet for home use and have recently set up a business to sell video-digital phones. These phones, which have just been released, cannot operate on the current internet services that are available to them. They are very frustrated, as they need fast broadband to promote their new business product. So if Troy, Heather, Shane and Shawn all understand the vital importance of broadband, why not the opposition?

My electorate is ready for a National Broadband Network. It is a network that should have been built many years ago. However, as I have mentioned before, it falls to the Rudd Labor government to correct the shortfalls of the previous government. We do not shy away from this responsibility. We are here to engage in nation-building, and broadband is no different. My constituents have welcomed this. Gary and Thea wrote to me earlier this year. Speaking about the National Broadband Network, they remarked:

We are very glad to hear that this is actually going to happen.

This reflects the sentiments of the many constituents in my electorate who have contacted me and are eager to know when this will happen. The government has moved forward in building this network by announcing six initial priority locations where it looks to build an optic backbone, a link that connects the towns to the cities. I noted with interest the member for Mayo’s contribution to this debate. He talked a lot about areas in his electorate that are not getting broadband at the moment, but he did not mention Victor Harbor. I was quite surprised at that because the government has announced Victor Harbor as one of the initial priority areas that are being looked at. The member for Mayo was scathing in his remarks about the National Broadband Network. Does he agree with Victor Harbor being an initial priority area to be connected to the National Broadband Network? He needs to be upfront with his constituents and answer that question.

This government is not sitting back and waiting for someone else to do this. It is getting on with the job of building this network. The government’s broadband network will be built in partnership with the private sector. At the peak of the project it will support 37,000 jobs and, on average, it will support 25,000 jobs per year over eight years. Build-
ing this network, which will be one of the greatest national infrastructure investments in Australia’s history, will make a significant contribution to Australia’s economy in the short and medium terms.

Since elected to the parliament, I have spoken a lot about health care. The National Broadband Network will have a significant impact on our health system, allowing 21st century medical care to be delivered to all Australians. I have seen the potential of this at Flinders University, my local university, which teaches doctors in Alice Springs via broadband. Those doctors do not have to come down from Alice Springs to learn. In real time they are virtually sitting in the lecture theatre as they get trained in their local area. The National Broadband Network has great potential for training in medical services—things like e-records, which are currently being talked about under the national healthcare reforms.

In education, the National Broadband Network will give new potential to our classrooms. Every school will be linked to the National Broadband Network, creating the opportunity for a new understanding of learning. Students will be able to share and learn collaboratively across the nation. I think we will start to see real opportunities in education and connection.

While we are rolling out our long-term solution for our National Broadband Network, the government—and this is a very important point—has not forgotten that there are many people who need broadband right now. So I was very pleased to be part of a joint announcement by the federal government and the South Australian government of funding which will enable Adelaide to receive state-of-the-art wireless broadband to help address more than 350 black spots right across Adelaide. This is a collaborative approach, with the state government investing $3 million and the federal government also contributing through the national Broadband Guarantee program. I have welcomed the announcement that southern Adelaide, in my electorate, will be one of the first areas to benefit from the progressive rollout. This is an interim solution that can work alongside the National Broadband Network, and certainly both have a critical role in connecting my electorate to the rest of Australia.

I will now turn my attention to the specifics of the legislation. This bill amends part 27 of the Telecommunications Act and allows for ready access to information about existing infrastructure that might be utilised for the rollout of the network and, importantly, for the implementation study for the National Broadband Network. Given the size and scope of the new National Broadband Network, the Commonwealth will require information on existing infrastructure that might be utilised for its construction—information concerning things like fibre transmission links, points of interconnection, ducts, pits, poles and utilities such as electricity, water and transport services. This information is a necessity so that the options for the rollout can be assessed and the network can be rolled out in the most cost-effective way possible. This is particularly important for the implementation study for the network.

These amendments allow the Commonwealth, in the event that it cannot access this information through a cooperative or commercial approach, to seek this information. This is extremely important to ensure that this very important project, which people have been waiting for for some time, is not delayed. Of course, the government does understand the commercial-in-confidence issues. It has included detailed arrangements to protect the confidentiality and security of the information concerned and will impose a sunset period on certain provisions, which
means the information can only be obtained and disclosed during the period of the roll-out.

As I mentioned at the outset, this piece of legislation will assist the rollout of the National Broadband Network across the country. It is essential, because the rollout of the National Broadband Network is without precedent. It is the transformation of this country into the 21st century that will revolutionise the way we do business, the way we interact with each other and the way we live. Just as when the telephone entered widespread usage, and modern air travel was introduced, our society transformed, so too will it change again with the introduction of the National Broadband Network.

In thinking about the NBN, the greatest significance of this project, for me, is that its fullest capabilities and possibilities are still unknown. As this project is rolled out across the country it will spark innovation and create opportunities that are not yet imagined. We are bringing this country into a whole new environment of opportunities. Standing at the edge of this future landscape, I am proud to support this project and support this bill.

Mr RANDALL (Canning) (12.23 pm)—I am pleased to speak to the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009 today because it has many implications not only for this country but also for my electorate of Canning. Delivering better broadband services to Canning is essential, so I welcome this opportunity to speak because it is very relevant to the electorate.

I might say as a precursor that the previous speakers that I have listened to, the member for Kingston, the member for Braddon and the member for Flynn, seemed to be running this line in the House today that the opposition does not want broadband, that we are not keen on having broadband as soon as possible. That could not be further from the truth. That is what the debate is about, and I will be alluding to it further in my speech. We want to see it rolled out as soon as possible, as promised by the Labor Party in opposition. We do not want to see it taking until 2013 and all the years that are going to ensue. We want to see it rolled out as soon as possible. The markers on this debate have shifted all the time in terms of delivery, and this is what we are saying is an issue with this particular program, that it is taking so much time.

My good friend the member for Braddon tells me that Tasmania is ready to go, and I saw a few people with hard hats on with the Prime Minister in Tasmania. Let me remind the House that it was Senator Harradine who probably delivered more in terms of telecommunications for Tasmania than any other member of this federal parliament, given his ideal position as holding the balance of power in the Senate for several years and his ability to extract a certain amount of largesse from the federal government at the time for Tasmania. That is why he continued to be popularly elected as a senator for Tasmania for so long. So let us not talk about Tasmania being in any way disadvantaged and behind the eight ball. In fact, it has had a walk-up start on these issues for many years. I need to put that on the record.

As a whole, the National Broadband Network mark 2 is a case of deja vu. Last year similar legislation to this before us today was brought before the parliament in relation to the first bungled NBN. That was 18 months ago, and $20 million later there is nothing to show for it, so we are going over old ground again. The handling of the National Broadband Network, quite frankly, has been farcical; now the government wants to create a company to deliver a $43 billion mark 2 fi-
bre-to-the-node network. If history is anything to go by, unfortunately for all Australians I have serious doubts that this project will actually get off the ground. How many marks 2, 3, 4 or whatever is it going to take to get this program right? The fact is that this amount of money, $43 billion, is a massive amount when there were other proposals placed before the government.

As we have heard, this legislation seeks to amend sections of the Telecommunications Act to require carriers and utilities to provide information about their existing network and infrastructure to the Commonwealth to assist in the planning of the NBN and over the course of the rollout, if we ever get to that. It was aptly named by the member for Dunkley the ‘show-and-tell’ legislation. While it is hoped that all carriers will cooperate with the request to provide information, there is the power in the legislation to compel disclosure. That is what it is about.

Nine submissions were received from the major telecommunications carriers and utilities by the Senate select committee. Most highlighted major concerns about the onerous obligations contained in the legislation; timeframes and fundamental security of handling of sensitive information. Why would they want to give a competitive edge to the Rudd company, as it might be called, which might eventually build the NBN? I can understand their grievance. What we should not be surprised about is that the government has failed to consult any of the stakeholders before introducing this bill. They had to read about these new obligations in the media. Because of the nature of the information sought, the coalition believes that the application of this bill should be restricted to the implementation study period only. When there is no real plan as to how the services are going to be rolled out and no idea about how it is going to be paid for at any level, obviously there is a great deal of uncertainty for carriers and utilities, which really deserve consideration.

The government’s original $4.7 billion broadband plan never got off the ground. Now this latest $43 billion proposal, if it does go ahead, will take up to a decade to roll out. That is 10 years for it to get to the populace. In fact, by the time it is rolled out it will probably be redundant. The coalition champions universal access to fast, affordable and reliable broadband. But the country deserves a plan that will benefit all Australians at an affordable cost. I put the emphasis on ‘all Australians’, because there are going to be a heap who will miss out.

Analysts believe that if this plan is delivered, accessing it will cost anywhere between $100 and $900 a month. This is obviously dearer than existing high-speed broadband and casts doubt over its take-up rate for this massive investment. In fact, some economists believe that the NBN cost will exceed the benefits by up to $20 billion. Of course, the government does not want to do a cost-benefit analysis. We have heard this from many speakers. It is easier to be ignorant of the reality of the costs. I might point out, as other speakers have, that if it is $100 to $900 a month, how are pensioners going to stay online? At the moment you can get some very nice packages for $29.95 and so on from a whole range of people who advertise. But $100 a month? I would like to see that.

Just to give you an idea of the cost of this plan, in 2005 the West Australian Premier, as opposition leader, proposed building a 3,700 kilometre canal to bring water from the Kimberley through the Pilbara and the mid-west to the southern part of Australia to ensure Perth’s water security. It was lam-pooned. It was expected to cost $2 billion and was going to take 10 years to build. To put it into context, it was going to cost only
$2 billion to solve Western Australia’s water woes. Here we have $43 billion to be spent on an unviable broadband network that will bypass thousands of my constituents when we could have built that canal from the Kimberley 21 times over. In other words, for the same amount of money we could have built 77,700 kilometres of canal. Forty-three billion dollars rolls off the lips pretty easily. When Colin Barnett was talking about $2 billion to bring water from the Ord River to Perth, people said what a shocking amount of money that was, yet here we have $43 billion being passed off as though it is just pocket money.

I take this opportunity to discuss the broadband situation as it relates to Canning. Canning is a diverse electorate with outer metropolitan suburbs as well as rural and regional areas making up what is called the Peel region. Because of this geography, metro-equivalent broadband access is one of the most prominent issues for my constituents. Those who have internet access are often forced to rely on expensive wireless and satellite options—and even this is nearly impossible for those living along the ranges. Thank goodness the previous government gave the broadband guarantee because at least people can afford satellite in some of these areas where cable could not be rolled out—the land does not allow certain types of wireless. There has been a public outcry in Canning at the government being city-centric with its NBN mark 2 not being extended to towns with fewer than a thousand residents. This is a real issue. There are many towns in my electorate with fewer than a thousand residents and we have already been told that they will not receive the rollout. For example, Serpentine, Jarrandale, Mundijong, Dwellingup and North Dandalup will miss out on the rollout of high-speed broadband. That is 3,000 Canning residents alone who will get a raw deal. The then Minister for Communications, Information Technology and the Arts, Daryl Williams, along with Geoff Booth from Telstra, was able to get dedicated broadband into Dwellingup. So the people of Dwellingup have been well served, unlike people in some of the other towns. Unfortunately, these towns will miss out on the high-speed initiative. They will have the basic broadband but not this high-speed initiative that the government is talking about.

Families in the towns I have just mentioned who use the internet to keep in touch with loved ones and local businesspeople who use the internet to contact their customers and suppliers and to find new markets for their products simply cannot access a reliable service. Under this $43 billion plan, they will still not be able to. For example, there is a poultry breeder in my electorate who provides many hens to the market and he tries to stay in touch with market innovations in the United States. He tells me he has a terrible time trying to get decent broadband, and he is probably only three-quarters of an hour, particularly with this new highway that is being built, from the Perth CBD. These residents were promised true metro-equivalent internet services, but under NBN mark 2, while city dwellers will get a much faster 100-megabit connection, many of my constituents will continue to rely on this inferior service where they get only half a megabit, if that. As Glenn Milne wrote in the Australian on 27 April this year:

Labor’s election plan treated 98 per cent of Australia equally and two per cent unequally. The revised version, while delivering faster cyber speeds to a reduced 90 per cent of the population, increases to 10 per cent the number of Australians who effectively will be treated as second class citizens.

Those second-class-technology citizens represent 113 Western Australian towns. I recently led a petition calling on the Prime Minister to explain why Canning towns are
in his ‘too-hard’ basket and calling for an explanation of how he plans to ensure they have access to metro-equivalent services, as they were promised before the last election. My petition reads:

Mr Rudd promised a fibre to the node network for 98 per cent of Australia. Excluding Dwellingup, Mundijong, North Dandalup, Serpentine and Jarrandale from the high speed roll out is not good enough. I support delivering better broadband to my area.

Not surprisingly, hundreds of frustrated local residents have joined the fight and signed my petition because the NBN misses the mark. It is a classic example of this government’s focus group, the Hawker Britton focus group—election centred policy on the run. Rural and regional centres are not important to the Prime Minister. The Labor Party hate the bush, and that is why they are leaving them out. My office continues to be inundated with petitions and comments from locals who feel shafted. For example, Mrs Pettett from Serpentine wrote this to me:

We are amazed that the basics of broadband are still not reaching various parts of this beautiful country … What adds salt to the wounds is we have relatives living in Great Britain in the Welsh mountains who have had high speed broadband for a number of years and they just thought we were in the dark ages when we talked of the speeds and costs involved here in Serpentine.

Yvonne from Serpentine says:

Would the Rudd government like to drop the taxes for the people put out by their lack of lateral thinking? At times it feels like people living in areas like here are being punished … I pay dearly for living in my little patch of heaven but why can I not enjoy facilities that other residents have? The monies collected by the government from me are hard earned and should I be late paying anything they soon let me know. Can I have some back because the government has let me down?

The coalition had a real plan to deliver these services, and Canning residents would have been amongst the first to reap the rewards. We recognised that broadband should be targeted to those areas where there was a lack of access to and options for broadband. The coalition’s broadband plan would have reached 99 per cent of households and, unlike Labor’s broadband mess, would have cost only $1 billion to roll out Australia-wide. It would have been complete already. It would have been in now. It would have included the rollout of 15,000 kilometres of new open-access fibre optic backhaul in rural and regional centres.

Under OPEL, the previous initiative, Forrestdale, Dawesville, Mandurah South, Forrestfield and South Yunderup were to have services upgraded from basic ADSL to extremely fast ADSL2+. The Peel region would have benefited from fibre-to-the-node technology, so much so that it would have been sinking in fibre optic cables and new wireless sites which were to be established in Armadale, Mandurah, Pinjarra and Waroona. All this in electorates across the country for less than $1 billion of taxpayer’s money, and that $1 billion was from government savings not borrowings.

The point has to be made clearly—our plan was funded from government surpluses not from the borrowings that this government is continually procuring. Now the government want to spend $43 billion, which they will have to borrow, and sink this country even further into debt. This $43 billion is part of the one-third of a trillion dollars that this government intends to borrow. So we have gone from surplus to having a debt of one-third of a trillion dollars.

Michael Costa and Scott Homes of the Daily Telegraph hit the nail on the head when they said:

The Government has decided to gold plate an economically unviable strategy. This thinking equates to building an eight-lane freeway to every house in Australia, when what is needed is funding to upgrade local roads.
Industry experts have verified that satellite and mobile wireless solutions are underutilised and underestimated as a cost-effective solution for rural and remote access.

The Government could invest a lot less than $43 billion to subsidise these approaches. The coalition does not support the unnecessary duplication of telecommunications infrastructure, but it does support its immediate rollout in areas of under service. I encourage the Rudd Labor government to get on with this program—instead of, as we have seen today, putting together a working group that is going to spend $25 million looking at how to roll this out. This will go on forever—as I said, taking 10 years to connect people around Australia. Tasmania might be lucky because it is first cab off the rank; but people in my electorate feel aggrieved because they are going to miss out, some for 10 years and some forever.

Mr RAGUSE (Forde) (12.40 pm)—I rise today to speak in support of the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009. I note the remarks of the member for Canning. I certainly acknowledge his interest in his community and his electorate. But I think that, to a large degree, many members and a lot of residents are misinformed about what essentially we are as a government attempting to do. It is interesting to talk about major projects—this project is by far one of the largest projects under consideration, and to an extent it is probably one of the largest infrastructure projects this country has ever embarked on. We talk quite often about the Snowy River scheme and the immensity of that project. This far surpasses that not only, probably, in the work involved but also, certainly, in the impact it will have. Of course the important thing—the difference—is that this is something we need to do immediately. The member for Canning certainly made that point.

But in terms of the understanding of what we are trying to do, and certainly given the information provided in some of those letters the previous speaker read out, it is clear that people are not quite aware of what we are trying to do.

Labor governments have a long history of and interest in rolling out infrastructure, certainly telecommunications infrastructure. I am going to talk about that a bit later in this debate. It is part of what we did 16 or 17 years ago with the fibre optics that were rolled out, certainly from Melbourne to Cairns; and the introduction and creation of Optus and all of that commercialisation that occurred. It was about looking at the major telecommunications needs of the country.

I will now speak about this bill. The main purpose of the bill is to amend part 27A of the Telecommunications Act 1997 to allow the Commonwealth a higher level of access to telecommunications network information. The federal government requires this additional information for the planning and rollout of the National Broadband Network. The existing telecommunications infrastructure is large and complex, including ducting, conduit, poles and other infrastructure components. In rolling out the National Broadband Network the government will often require information on these infrastructure components from utilities and telecommunications carriers. This information will allow the fast and cost-effective deployment of the network.

The legislation proposed is about having a safety net. While most information will inevitably be provided in a cooperative manner, this legislation acts to ensure that the information needed is not withheld from the Commonwealth. The information that can be requested must be appropriate. The bill therefore limits requests to information that could be used for or in connection with the
creation or development of a broadband telecommunications network or the supply of carriage service over this type of network. The amendments to part 27A are to require utilities and carriers to provide information as specified by the minister. Carriers and utilities will have five business days to provide comments. These requests will be enforceable, and failure to comply would contravene existing civil penalty provisions.

The national broadband network implementation study is due to report early in 2010. For this reason the disclosure of and use of protected information for the implementation study has a sunset period of 30 June 2010, or a later date if necessary as specified by the minister. Information for use by the National Broadband Network Company will have a sunset period of 10 years. This reflects the long-term nature of the roll-out of the massive broadband infrastructure investment. The member for Canning spoke directly about the 10 years the project will take. The reality is that this is a major rollout and a major piece of infrastructure; and certainly the planning, and the need to have all the information in place and the access to information, is very important.

There is an opposition senator who likes to provide misinformation in my electorate. This particular opposition senator has put out information attacking the government on its broadband proposals. Not only is the information misinformed but it is scaremongering. We hear all the time in this chamber about the worries involved in rolling out such a massive piece of infrastructure. However, everyone is calling for it and we hear the opposition talk about it regularly, yet they are scaremongering. It is opposition for opposition’s sake, which I guess is an important part of the Westminster system, but sometimes it gets very frustrating to hear some of the arguments that are put forward. I welcome the political debate, but we also talk about the three tiers of government working together. Certainly the opposition in Parliament House should consider the important nature of this plan to roll out major infrastructure.

Broadband internet is an issue that matters to a lot of people in my electorate of Forde. My office has fielded well over 100 calls to date on this one subject. The issue regularly arises in public meetings and even appeared as an issue in the recent community cabinet that we held in Beenleigh back in July. Despite what our children may suggest, broadband internet is about a lot more than just games. Not only is it about entertainment but clearly the economic advantages of having good data transmission are very important. Broadband internet is already a critical business tool, and the increasing load on the service means that it will become more and more critical in the day-to-day operation of most businesses. It means reliable transmission of large volumes of data, audioconferencing and videoconferencing. As many of my residents will attest, transmitting large files over slow, unreliable services wastes a lot of valuable time and resources. Many people in Forde run small businesses out of their homes in areas from information technology through to transport. It is not a bad way to live, with the lifestyles that the area has to offer, but it can quickly become unnecessarily problematic with low-speed and unreliable broadband internet services.

I am privileged to represent this diverse area, which includes old suburbs, new suburbs, small towns and semirural and fully rural environments. Interestingly enough, if you want to have a good ADSL broadband internet connection locally at the moment, the trick is to live in an older suburb or a small town that is more than 20 years old. Unfortunately, new areas had the minimal amount of infrastructure put in at the planning stage. So the commitment to providing
infrastructure at the development stage is very important. We hear the opposition talk about their plans and their processes in the past, but the problem is that they were and are uncoordinated. There have been hotspots and there have been great rollouts of certain infrastructure in some areas but, because planning has not been consistent in broadband rollout, there are certain issues.

On the other hand, if you want to get good access to the internet right now in the electorate of Forde, you have difficulties choosing a spot. There are areas that are very close to large population areas that have little or no access, and then there are areas out in some of the rural areas of the electorate that get very good coverage. It is an interesting mismatch, and that is why the plan of ours as a government to roll out one single large network is very important. We know that ADSL broadband currently has a limited range and can only be used within small distances from telephone exchanges. Many people in Forde live outside these boundaries in rural as well as semirural environments. The problem is common in areas like Buccan, which, while rural, is still very close to a town centre. In areas of North Maclean, which is on the Mount Lindesay Highway, a major transport corridor, there are still problems. Rural and semirural areas present a particular challenge for the National Broadband Network as it currently exists: where will the line be drawn between areas to be serviced by fibre to the premises and areas to rely wireless and satellite solutions? It is too early for definitive answers, but this is a topic of interest locally.

While the former government had a view and an understanding of the importance of a good telecommunications network, there was a mismatch in the various different options provided. I liken it to people with the old HQ Holden: you can turbocharge it, put on twin exhausts with headers, convert it to gas and put on large tyres, but at some stage it becomes economically unviable. You just cannot keep retrofitting and retrofitting, so you will probably need to throw out the old HQ and buy a modern, more efficient and faster family station wagon. That is the difference in view between the previous government and us. They were very clever in a lot of ways in the solution that was provided at the time, and the copper wire network provided a lot of services that it was never intended to. The Keating government way back in the early nineties made the Creative Nation statement. It said that, if you wanted large volumes of information rolling down the telecommunications network, you had to have fibre and you had to have broadband. That was understood then. The copper wire network provided many different options but it is tired now. The previous government considered maintaining that network and adding a little bit of wireless here and a little bit of satellite there. However, the core and the infrastructure just were not up to the task. So it is about the old Holden and deciding you need to borrow money, invest in the future and upgrade to that new family station wagon. That is probably a good analogy.

As I said, there are issues in Forde in some of the newest estates. I mentioned before how minimal planning has been disastrous for some of the newer areas like Cedar Grove, Ormeau, Eagle Heights and Waterford, which have very poor broadband services. These are new suburbs that have been developed in full knowledge of our needs in terms of access to telecommunications. About 15 years ago, some of the very early developments in South-East Queensland promoted and presented fibre options for those particular estates. I spoke a minute ago about the time of the Keating government and the Creative Nation; there was also the creation of Optus, the broadband rollout and the fibre network from Melbourne to Cairns, which was all about building a spine that
could adapt to modern usage. In the electorate of Forde as it currently stands we have no broadband services in some areas at all because of their distance from local telecommunications hubs, but the fibre optic broadband network that runs from Melbourne to Cairns runs right through the electorate, right down that spine. Because of the lack of planning in access to and control over that piece of infrastructure, a lot of changes could not be implemented.

The unfortunate thing, of course, is that when these services inevitably fail in these areas the blame is not placed on the developers, the planners or the telecommunication companies. In fact, as you would know from your electorate office, Mr Deputy Speaker Sidebottom, when there are problems the telecommunications company staff tell people to ring their federal member. The interesting thing is that we were not the cause of this problem but we are dealing with it. Our answers are: ‘Support what we as a government are doing. We will find a way. We will have the solutions, but it’s not going to happen overnight.’

As a government, we must not be drawn into paying big dollars to fix these problems that should not have arisen in the first place. For this reason, today I am talking about this government’s move to ensure that greenfield estates across Australia are built with fibre to the premises, having the infrastructure in place from that first development stage. This is not only about building the fibre-to-the-node or fibre-to-the-home network but about consistently planning at all stages. So all levels of government are involved: the federal government is rolling out the major piece of infrastructure, the state governments through their planning laws are ensuring that certain planning schemes require certain outcomes for development, and then the local council authorities are ensuring with developers that that level of infrastructure is provided at the outset.

As a federal government, we have committed to rolling out broadband. The reality is that we will probably have to go much further than we would otherwise have liked in providing these services in areas that were previously developed, and developed at a time when developers and local authorities knew the demands and the requirements. But I think everyone was lulled into some level of complacency, because there have been plans to use existing networks and there have been plans to provide access in other ways but there was never a real test of what we could actually provide.

People who live in these areas where the current network is at capacity will find that their services are just nonexistent. The frustrating part for most people is not that these services will come, because they eventually will, but the priorities and the rollout. Some of these people will be without services for a long time. I should say that a lot of the telecommunications companies are providing some interim solutions, but it is so important that we as a government gain access to existing infrastructure and have knowledge and understanding of what exists so that we are able to plan and put in place a network that actually works.

Our plan is to connect 90 per cent of homes, schools and workplaces with fibre-to-the-premises broadband of up to 100 megabits per second. The remainder of the premises, we are proposing, will receive wireless or satellite at speeds of at least 12 megabits a second. The essential thing in this is that we will provide total coverage and it will be through a very coordinated system, as opposed to the ad hoc approach we have currently. There are a lot of promises. When I talk to my constituents—and I am sure you have done the same with your own, Mr Dep-
uty Speaker—I hear that they have had certain conversations with their telecommunications providers where the companies make promises that ultimately cannot be kept. Unfortunately, there is just nowhere to go with that.

In the second reading speech, the Minister for Infrastructure, Transport, Regional Development and Local Government rightly noted:

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

That certainly goes without saying, and I am sure that members on both sides of the House understand that, but we seem to be at variance in how we roll out this service. I have talked many times in this chamber about the seat of Forde and its infrastructure, whether it is roads, rail or even our access to good freight networks. The reality is that the rollout of a good national broadband network is an absolutely essential part of our communications. We generally talk about transport and communications as a bundle. We cannot have the best ports, the best roads or the best airport facilities unless we have access to good telecommunications through the broadband network.

It is clear from the discussions that we have heard in this House today that there are differences, as I say, but I think we on this side of the House understand our role in rolling out major infrastructure. Way back in the early nineties there was what was then known as Creative Nation, which at that time was about providing an entertainment network. That was part of the rollout of what we understood at the time to be ‘new media’—this thing called the internet which was making its way to houses around Australia. The reality is that, while the internet was originally proposed to be an entertainment service, many providers of content have developed in this country. We need a network that can sustain the load, that can be accessible and that has the speed required not only for these entertainment services but for industry. Industry has progressed through the use of online services, e-commerce. All of that terminology and all of that use of modern technology so dearly depends on having what we on this side of the House understand to be a very effective rollout.

In conclusion, broadband internet services are important to the residents and certainly the businesses of Forde, in my case, because it is such a diverse area. As I said before, there are not only rural areas but some high-density areas. There is so much inconsistency that people who have established businesses in certain areas, expecting to be able to ring up their provider and get adequate services, find that none exist. For companies that make those commitments, invest in an area and find that they are somewhat hamstrung in their ability to access certain pieces of infrastructure, it is really frustrating. It would be like moving onto a main road, to have your business and your signage on the main road, and not having a driveway out of your property. It is essentially the same thing.

We understand it at that level, but when it comes to telecommunications we have developed over the last 18 to 19 years from those early days of Labor’s commitment to communications and a telecommunications network, and the ability at that time to put together an option to commercialise through companies like Optus. All that is ahead of us, but somewhere along the line we have lost 11½ to 12 years of future planning and investment.

While we have always understood the need—and the previous government certainly were aware of the need—the solution provided to them by certain companies at the...
time seemed to be in order and seemed to be able to provide coverage. But the copper wire network particularly was never going to pass the test of time. The broadband, the fibre optics and the sort of approach that we are taking as a government is absolutely essential. For those reasons, I certainly implore those in opposition to support these amendments, which go towards making us better informed as a government, making us better able to make the decisions that will ultimately roll out that major network which, for all the reasons I have given in my speech today, is so important. I commend this amendment bill to the House.

Mr TUCKEY (O’Connor) (1.00 pm)—This Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009 is interesting legislation for the precedents it creates, the purpose of its very large sums of government money, the priority of government spending and other matters relating to the normal practice of business. It is interesting to consult the history of this matter. The Rudd opposition, as it then was, went to the last election saying that for $4 billion it would provide a fibre-to-the-node network throughout Australia. No doubt a lot of people were interested in that concept, and to those people in the industry $4 billion would not be much—and that might have influenced their vote. The government then went to tender on this principle—I think it was $4 billion or it might have been $8 billion; it does not matter—and said to the operators of electronic communication systems in Australia, ‘We will give you this money if you will build it.’ They called for tenderers and of course the biggest provider, Telstra, looked at it, realised that it could not get within a bull’s roar for that sort of money or with that sort of subsidy considering the areas of market failure that would be involved and eventually lodged a non-conforming tender for which they were strongly criticised. Their competitors also lodged tenders.

It appears they were all non-conforming tenders because one day there was a press conference and the government said, ‘We have scrubbed all that. It is going to cost $44 billion, not $4 or $8 billion subsidised. Nobody has come anywhere near it.’ They did not say a kind word about Telstra who had come to the commercial judgment that their shareholders could not carry the burden of what the government promised for the money that was available. As a result of all that, the government announced on 7 April 2009, as the minister advises us, that it would establish a company—a commercial enterprise—NBN Co. Ltd. I have never seen a government enterprise that was limited. As money is required they just keep pouring it in. But it is limited! They announced that they would invest up to $43 billion in partnership with the private investors to build a new superfast fibre optic based national broadband network. So the government is going in to business. It expects to attract some partners at a point of about 49 per cent. There are some very well-known comments made by big business about investing in something and always having 51 per cent, but the government proposes to retain 51 per cent.

The next thing we find is this House debating—and I do not think the coalition is necessarily opposed—over entitling a business owned by the government to have access to its competitors’ commercial-in-confidence information. It is amazing that BHP has not rung up and said, ‘Can we have that on Rio? Can we go in and search their books?’ I find it astounding that in this current climate a government is saying, ‘We are going to run a business but we are going to have the opportunity to virtually commandeer other people’s commercial-in-confidence information.’
When we go to the explanatory memorandum we find:
The Bill provides that the obligation on carriers and utilities to provide specified information to an authorised information officer would apply for a period of 10 years. Although it is anticipated that the roll-out—
of the proposed business outcome—
will occur over an eight year period, this provision permits flexibility.
It sure does—even if you have got the company up and running, you can still go and access your competitors’ information. There are also a couple of clauses referred to in the explanatory memorandum designating to whom this information will be disclosed. It is headed ‘Disclosure to and use by entrusted public officials.’ So there is apparently someone in the public service to whom this information will be given so that, one would think, it will not be leaked to anyone else. But then it says:
Under the amendments made to Division 3 by the Bill, protected network information may be disclosed to, and used by, an ‘entrusted public official’ for the purposes of the Implementation Study—
which, by the way, the minister provides. He tells us, ‘This is really all that is happening so far and there is good reason for that. There has been no funding authorised for this $43 billion experiment. There is no appropriation.’ But it goes on to say:
… for the National Broadband Network, or for a purpose that is specified in the regulations.
I do not think the parliament has seen the regulations yet, so goodness knows what that means. But then there is another section referring to ‘Disclosure to, and use by, entrusted company officers.’ And we get similar advice. In other words, notwithstanding some promises of privacy, this information will be floating around all over the place and that is the purpose of the legislation. So far as I am concerned, I think it is an amazing abuse of the power of government. Yet, of course, it is the only way that this particular company can go into business.

The other thing that annoys me about this whole process is that, in the interests of competition, in the interests of letting the commercial or private sector manage a mature telecommunications industry, the coalition sold Telstra and I think mistakenly made a very large allocation of shares to the Future Fund. I am highly critical of the behaviour of Mr Murray, the entrusted chairman of the Future Fund, and his pursuit of the board of Telstra to force them to comply with the government’s wishes. I am not sure that did much for the share value. Having forced the share value down somewhat, I notice that the Future Fund has recently sold a large tranche of those shares. Of course their responsibility is to future superannuants from the Public Service. That is what the Future Fund is there for. I do not think any of this did any good for the value of that fund. That is an issue that might be raised on another day.

I have looked very closely at this proposal and I have had communication with people within and outside my electorate. A lot of hoo-ha was directed towards Tasmania, an area about which you, Mr Deputy Speaker Sidebottom, would be aware. A big publicity campaign was produced, and what have we discovered? We have discovered that somewhere around 15 or 16 per cent of Tasmanians want this new service. On its announcement, the AAPT chairman made a rule of thumb assessment that if every household in Australia signed up for this, and the business was run as a business, it would cost $200 a month to participate, at 100 per cent sign-up. So far the level of interest in Tasmania, an area where in many respects the service would be needed, is at 16 per cent. So not even a quarter of people think they will sign up.
So what is the revenue potential of this business? For most Australian households, the only advantage is being able to download movies a bit quicker. Yes, for the medical profession and others it is a case of the faster the better, and for certain business enterprises that is also the case. But I am quite sure that Telstra, Optus and the other suppliers in this region were quite cognisant of that and were developing programs to connect those particular interest groups to high-speed networks. They would have done that, and they would have made commercial decisions on whether traffic would pay for the capital expenditure involved. This proposal is clearly not going to be capable. The member for Canning complained, as I would, that many sectors of our electorates will be bypassed anyway, and in some instances getting a service to a very small community with fibre optic cable is just not practical. What is more, as time goes by, the wireless services are probably going to meet a lot of the demand throughout Australia anyway. It is technology that is expanding at a tremendously fast rate.

When a government commits to an ongoing program which it estimates at $43 billion, I think it is the responsibility of both sides of this House to ask whether that should be the highest priority for government investment in infrastructure. Of course this House has debated and will be called on to debate again the carbon emissions system. We are told by the Prime Minister and others that, if Australia does not address this problem, the end of the world will be nigh—the Barrier Reef will turn white, farming properties will close down, the Murray River will dry up. Why, then, is the government not seriously investing this sort of money in that sort of problem? We seem to have with the National Broadband Network more of a convenience than a necessity and, what is more, the private sector has been moving at a reasonable rate—though I would not say a satisfactory rate; I frequently have to correspond with Telstra and others about improved services, the coverage of black spots et cetera. That is a fact of life—it is not perfect. Maybe people feel that perfection will arise from this proposal. But is it worth $43 billion—and that could possibly be half price, if one is going to attract a 49 per cent partner—and should it have the highest priority?

Today’s Australian Financial Review carries the sad report of a renewable energy company going into receivership, not through bad management but through their inability to raise funds to build a project in which the federal government was going to put in $75 million and I think the Victorian government $50 million. The reality is that they could not raise the balance to go on with this project. More importantly, as the article proceeds we get to a very serious issue. I quote:

The Australian Geothermal Energy Association this week released modelling that concluded the early construction of transmission lines to geothermal plants in northern South Australia, at a cost of $171 million—a bit different from $43 billion—would deliver benefits to electricity consumers on the eastern seaboard worth about $2.8 billion by 2030.

They went on to say:

Terry Kallis, managing director of listed geothermal company Petratherm, said the report demonstrated the need for regulatory changes to encourage the fast-tracked construction of transmission lines.

“This report shows early investment in transmission will allow low-cost geothermal energy to push electricity prices down along with the cost of renewable energy certificates [under the RET],”—the renewable energy target. Surely that is a priority. It is not uncommon for governments to invest in transmission lines.
And it goes much further than that. The world is embracing high-voltage DC transmission. The Chinese are presently building one of 2,000 kilometres at 6.2 gigawatts. I happen to know that that is double the installed electrical generating capacity of Western Australia—and you, Mr Deputy Speaker Sidebottom, might like to compare that with the full capacity of Tasmanian hydro. The line that now connects Tasmania and the mainland is a high-voltage DC line. It is used because energy losses in that technology are minimal, and that is the only reason that you can get electricity from one side of Bass Strait to the other. The Europeans are looking at putting a solar plant in the Sahara desert and transmitting the energy by high-voltage DC lines under the Mediterranean to Europe. There is other discussion—and, I might add, some controversy—that they are also proposing to fund the building of a big hydro project on the Congo river, for the same purpose. That is going to be a pretty fair trick. So that is available.

The other day, the Prime Minister gave his deputy an extra $1.7 billion to plug a hole in her BER—Building the Education Revolution. Had that money been invested in a power line of this nature, between the Pilbara and the Western Australian AC network, it could have saved hundreds of thousands of tonnes of emissions caused by pumping gas down the existing pipeline for the purpose of electricity generation in Perth—as compared to generating it where the gas comes ashore in the Pilbara and sending it down on electrical wires to that network. How does $1.7 billion compare with $43 billion? Is it a better investment? Were those lines then extended from the WA network to the eastern states network—and this type of technology already connects South Australia with Victoria, and Queensland with New South Wales—there would be massive opportunity to improve the efficiency of electrical transmission.

Of course, if you can get more electricity from one end of a set of wires to the other, you generate less at the feed-in end and you reduce emissions from the type of generating technology we use today. Three billion dollars or $4 billion—or say $5 billion or $10 billion, if you like—would create that network and it would open up huge opportunities for very reliable new technology in renewable energy that can compete with coal. In other words, you do not have to put financial burdens upon the coal generators. If you can connect it to the community through this technology you can save large amounts of electricity that are lost in present-day transmission. There is the real opportunity for government to invest money and, in my mind, it rates much more highly in priority than running around and starting a company to virtually compete with an established and mature commercial sector that is so far looking to be very reluctant to invest the other $40 billion, or whatever it is, and expect to make a profit. I think they know they cannot, and that is why, when they eventually made submissions, they failed.

Debate (on motion by Mr Byrne) adjourned.

Leave granted for second reading debate to resume at a later hour this day.

MILITARY JUSTICE (INTERIM MEASURES) BILL (No. 2) 2009

First Reading

Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day for the next sitting.
MILITARY JUSTICE (INTERIM MEASURES) BILL (No. 1) 2009
First Reading

Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day for the next sitting.

FOREIGN STATES IMMUNITIES AMENDMENT 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 Byrne (Holt—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade) (1.23 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Mr Zappia (Makin) (1.23 pm)—I welcome the opportunity to speak on the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009. The one advancement that has done more to bring the people of the world closer, to lift people out of poverty, to enable scientific advancements to surge ahead and to modernise the world would have to be the information technology revolution of the latter half of the 20th century. It is a revolution which continues today; however, it is also a revolution that is fundamentally dependent on a high-speed national broadband network. It is in this context that the failure of the coalition members when in government to roll out a high-speed national broadband network highlights just how out of touch they are and how much they are still stuck in the past, because they are now saying that all we need to do is invest in another study. They still do not understand the importance and the urgency of having a national broadband network. The consistent message—and there is a consistent message—that I hear from all speakers from the coalition on this matter is that the provision of a national broadband network left under their government is a national disgrace. At least on that I do agree with them, and it is time that we did something about it.

This bill is fundamentally the same as the bill introduced into the Senate on 25 June 2009. That bill, the Telecommunications Legislation Amendment (National Broadband Network Measures No. 1) Bill 2009, amends part 27A of the Telecommunications Act 1997, which was enacted in 2008. The bill does three things: it removes the sunset clause which made part 27A inoperative after 26 May 2009; it expands the class of firms from which information can be compulsorily sought to include utilities; and it changes the purpose to which that information can be put. Without labouring this point, I notice
that the member for O'Connor made reference to and raised concerns about who could access this information. I just point out to the member for O'Connor that the carrier or utility must give information to an authorised information officer only and that protected network information must not be disclosed or used except as permitted by this part of the bill. In other words, the information will be released carefully and in a measured way. These measures are necessary to establish a new fibre-to-the-home national broadband network. They are necessary because a voluntary request to carriers to provide the required information did not result in all the information that was required being made available.

Following the unsatisfactory nature of proposals submitted to the government for the rollout of a national broadband service, the government announced on 7 April 2009 that it would establish a company to build, own and operate a fibre-to-the-home network. Ninety per cent of homes, schools and workplaces will be connected to the network with the fibre optic cable. The remaining 10 per cent will be connected by satellite and wireless services. The use of existing facilities is an important option in the provision of a new network, and those options will, I expect, be canvassed by the new company. The federal government will have a majority shareholding in the new national broadband networking company. Although, the intent is for the federal interest to be sold down within five years after the network is built and operational. The failure of the Howard government during a period of unprecedented prosperity to roll out a national high-speed broadband service is a shameful legacy of that government. Australia today lags behind most comparable countries with respect to the provision of a modern broadband system that meets the needs of a 21st century society.

This is not simply a matter of national pride—or, more accurately, national embarrassment—but a matter which directly impacts on the nation’s productivity. The use of computer technology has become essential to our way of life, and the infrastructure required for the service is as important as other infrastructure such as roads, rail, ports and aviation infrastructure. But, as for the provision of other infrastructure, the Howard government failed to make the necessary investments. Not surprisingly, the poor state of Australian infrastructure and in particular the failure of the Howard government to roll out a national broadband network became key issues in the 2007 election campaign. Having gone through several processes, the government is keen to get on with the rollout of a national broadband network. The last thing electors in my electorate want to see is the rollout frustrated or delayed by opposition members in this place or in the Senate. I note and welcome the decision by the government to expedite negotiations with the Tasmanian government so that that system can be rolled out in that state. Mr Deputy Speaker Sidebottom, I know that you are from Tasmania and I am well aware of the lobbying that you have been carrying out on behalf of your constituents in Tasmania.

I also welcome the statement by the minister that broadband black spot areas will be targeted and given priority in the rollout of the service. In my electorate of Makin there are a number of black spot areas, and residents within those areas are disadvantaged and frustrated by the poor service available. Suburbs such as Walkley Heights, Greenwith and parts of Hope Valley, Golden Grove and Pooraka all have black spot areas. I understand that around 10 per cent of residential, commercial and industrial properties across metropolitan Adelaide are unable to use ADSL—the most common form of broad-
band access—and that there are more than 350 black spot locations across Adelaide.

I therefore welcome the 14 August announcement made jointly by Senator the Hon. Steven Conroy and the Hon. Michael O’Brien MP, Minister for Science and Information Economy in the South Australian government that Adam Internet, a South Australian based company, had won the contract to construct a state-of-the-art wireless broadband network to address black spot locations across the Adelaide metropolitan area. I also note that that contract, which will deliver the high-speed wireless broadband service in advance of the national network, will create an extra 110 jobs during the network construction and customer connection phase and 75 permanent jobs will be required in the longer term. The 15-month rollout is expected to see the first service area come online next month.

I also welcome the announcement by Senator Conroy that the government is fast-tracking a $250 million investment in broadband services to black spot regions of Australia. The initial priority locations to receive investment are Emerald and Longreach in Queensland; Geraldton, in Western Australia; Darwin, in the Northern Territory; Broken Hill, in New South Wales; south-west Gippsland, in Victoria; and Victor Harbour in South Australia. I particularly note that those areas are predominantly regional and rural Australian locations, and I also note the number of coalition speakers who have come into this place and claimed that this government is ignoring the needs of regional and rural people. When you look at the priorities in terms of where this broadband network will be rolled out first, it is clear that this government is supporting rural and regional people; in fact, it is doing so when coalition members when they were in government ignored them—the regional areas of Australia they claimed to represent but failed to deliver for.

For every sector of our community, access to an effective broadband service is essential. It is no longer just an option or a luxury. The Rudd government went to the 2007 election with a promise to build a national broadband network. International studies at the time showed Australia had internet speeds 35 times slower than most other Western countries, ranking Australia 26th behind other advanced economies. The number of homes with internet access has increased significantly in recent years, from 35 per cent of homes in 2001 to 63 per cent of homes in 2006—highlighting again how much of a necessity having the internet has become. Of course many other Australians who do not have internet access at home are able to access the internet at school, work, university or through their local library or community centre.

An effective broadband network is particularly essential for small business and self-employed professionals—many of whom work from home. If we had a better broadband service throughout Australia, I expect more people could and would work from home. In fact, it is becoming a growing trend. As of November 2008, it was estimated by the Australian Bureau of Statistics that 765,000 Australians work from home. That is nearly eight per cent of the total workforce. Furthermore, the number of Australians working primarily from home has increased by 10 per cent since the year 2000—highlighting the growing trend of people working from home, primarily made possible by computer technology.

I would like to give a specific example of the kinds of limitations placed on someone working from home who does not have access to high-speed internet. Last year I met with a constituent who lives in Hope Valley,
one of the suburbs I named earlier as having broadband black spots. This person ran her own business from home, working as a tutor for primary school children. Her clients were various schools and families around the area whose children required one-on-one support. In registering as a tutor for the federal government's An Even Start program, this person was significantly disadvantaged by the speed of her internet connection. The length of time it took for her to access and download the application and support materials for the program had a negative impact on her business operations. This was a 21st century education support program that engaged with schools and tutors using 21st century methods—yet this person was potentially losing business just because of the lost hours from the time it took to download the materials. This is exactly the kind of work-from-home business that stands to benefit from the government's National Broadband Network.

But it is not just small businesses working from home that will benefit from faster internet speeds. Students will also benefit. The Rudd government has acknowledged that and that is why it committed $1.2 billion for the Digital Education Revolution. I am pleased to say that some $2 million of that went into the electorate of Makin, where almost 2,000 computers were delivered to the high schools in my electorate. I have spoken with most of the principals in those high schools, and I can say without any shadow of a doubt that they all welcomed the funding which enabled them to provide more computers in their school for their students.

Larger companies and organisations will also benefit from faster internet speeds. Companies with clients or subsidiaries interstate and overseas will benefit. Universities that have research and education partnerships with institutions and students around the world will also benefit. The need from this particular sector led to a special broadband project known as SABRENet being established in Adelaide. SABRENet, which stands for the South Australian Broadband Research and Education Network, is a fibre optic broadband network linking major research and education sites in metropolitan Adelaide. Its membership is comprised of Adelaide’s three major universities—Flinders University, Adelaide University and the University of South Australia—in partnership with the state government and research organisations such as the CSIRO and the Defence Science and Technology Organisation.

The work of these organisations was severely constrained because of the poor broadband services available prior to the SABRENet project. I must acknowledge that that project was supported with federal government funds at the time, but it was initiated by these organisations and the state government of South Australia because they identified a real need that was constraining the ability of all these organisations to get on with the work that they were doing. There are many ways that these institutions now benefit from being able to interact in real time and transfer huge amounts of data at high speed. Collaboration on research is now made much easier, ultimately leading to better and faster outcomes.

The other project I wish to raise is Cine-net, a high-speed broadband network created specifically for screen media industries. The project was created by a partnership through Internode, an Adelaide based internet service provider, and Rising Sun Pictures, a special effects company based in Adelaide. Cinenet allows film and media companies to work in real time with their clients and partners around the world. It allows a filmmaker and an editor to be looking at the same piece of footage as if they were sitting in the same room looking at the same screen together. This technology has allowed local Adelaide
companies to play significant roles on international films such as *The Lord of the Rings*, *X-Men* and the Harry Potter series. It has also created opportunities for people in Adelaide through the use of the internet.

There is a third example I want to bring to the attention of the House—and, if I recall correctly, I brought it to the House’s attention on another occasion. Within the city of Salisbury and particularly the western parts of the Makin electorate, there are about 7,000 small and medium business operators. Those businesses have had their operations severely constrained because of a lack of a high-speed broadband service to the region. Those businesses, in conjunction with the city of Salisbury and a private company called Amcom and with the support of the state government, invested a million dollars so that they could have access to a high-speed broadband network service. It was a terrific example of the community working together. More importantly, it was an example of the need for a high-speed broadband service to be available to those businesses so that they could remain competitive with their counterparts interstate and overseas. As a result of that cooperation, the million dollars was invested and the service was made available—no thanks to the previous government, who had been approached, and no thanks to Telstra, who had also been approached. I heard the member for O’Connor say earlier that Telstra could have provided the services that were required. Telstra was approached at the time, and I know that for a fact because I was involved in the negotiations. Telstra did not come to the party to provide the service that was needed nor did the federal government. The local community got its act together by working with the support of the state government and the private company Amcom and was able to deliver that service. It just highlights how behind the times this country is in terms of delivering a high-speed national broadband network.

A high-speed national broadband network is absolutely essential to Australia’s future, and Australian society stands to benefit from it in so many ways. A national broadband network will: improve the way our children learn; make it easier for our universities to partner in research with other organisations around the world; change the way our small businesses do business; and allow Australia’s businesses, large and small, opportunities to export to anywhere in the world. And a child studying or a small business owner working from home will no longer be disadvantaged because they happen to live in a suburb without high-speed broadband.

If I could briefly refer to the amendment moved by the opposition members, particularly the fact that they are simply saying we should be only investing in another study. That is just another cause for delay and, quite frankly, this technology is moving so fast that every month of delay causes businesses and communities around the country to be further and further disadvantaged. Every month of delay that we do not roll out a system affects the productivity of this country. Every month of delay makes this country far less competitive with our neighbours around the world. It is not in the national interest to delay this any further than is absolutely necessary. It is regrettable that we have not been able to implement a broadband system even faster. We would have liked to and the government has taken every step it possibly can to implement the system as quickly as possible. But the proposal that we have before us, I believe, is the right proposal. It is a sensible proposal and I am pleased to see that at least part of it will be given priority in terms of addressing some of the black spot areas throughout the country. After years of inaction by the previous Howard government, the Rudd government wants to ensure that all
Australians have access to such a high-speed broadband network. It is a vital piece of nation-building infrastructure required for Australia to meet the challenges of the 21st century. I commend the bill to the House.

Mr SECKER (Barker) (1.42 pm)—I am amazed that the member for Makin can claim that the Howard government failed to roll out a national broadband network when it was the Howard government that signed the OPEL contract to deliver fast broadband to 99 per cent of Australians by June of this year. It would have already been in place if we were in government. We would already have a fast broadband network. Instead, the Rudd government cancelled the OPEL contract, which was going to deliver incredibly fast services all around Australia, to 99 per cent of Australians. Instead, the Rudd and Conroy pipedream will spend $43 billion without a business plan and without a cost-benefit analysis. Talk about amateurs! They went to the last election with a plan that they said would cover 98 per cent of Australians for $4.7 billion, and we have ended up with a $43 billion plan to cover only 90 per cent of Australians. Guess which 10 per cent of Australians will miss out? It will be those people in rural areas in electorates like mine of Barker. The member for Makin also just spruiked a so-called solution for a black spot in his metropolitan seat. Can I inform the member for Makin: fixing black spots in metropolitan areas is relatively simple.

Let me inform the member for Makin that the OPEL contract would have delivered 38 high-speed WiMAX base stations in my electorate, with a further seven exchanges upgraded to ADSL II-plus, and they would have already been in place, serving 21,904 underserved positions. Those positions are still in place. They are still underserved by this government—and it has been in government now for nearly two years. Let me also inform the member for Makin and those on the opposite side that I can use the example of Murray Bridge, where I actually live. Murray Bridge is a reasonably large city of about 18,000 people. It is only about 70 kilometres out of Adelaide. It is the second or third largest city outside of Adelaide in South Australia. In my subdivision, which is called Pathways, because I was the second person to move into that subdivision some 2½ years ago I got the last ADSL II-plus spot left available in that subdivision. Since then we have probably had about 100 houses built in that subdivision, and they are going up at a rate of about one a week. And guess what. Even two years later, after the election of the Rudd government, there is still no ADSL II-plus in a subdivision that has been going for about three years—and, of course, two years served by this government. So things have not improved one iota under this government. All we are left with is a plan to spend $43 billion, a plan which will not work and is not feasible. Nobody is going to be paying $200 a month for that extra service when they can get quite capable WiMAX service in many places around Australia.

The Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009 amends the Telecommunications Act 1997 to provide for network information to be provided by telecommunications carriers and other utilities to the Commonwealth for the planned rollout of the National Broadband Network. Just over two years ago I was pleased to support the Howard government’s Australia Connected broadband initiative. It would have been in place now serving my constituents and constituents all around Australia. The centrepiece was the immediate rollout of a new competitive state-of-the-art broadband network that would have extended high-speed services to 99 per cent of the population and provided speeds of 12 megabits per second by 2009. I have no
doubt that technological advances would have increased that speed quite quickly, because that is the way of the broadband networks around the world. It would have enabled high-speed broadband carriage across the entire electorate of Barker, an electorate that is bigger than Tasmania. It is 64,000 square kilometres and all of it would have been covered—and it would have been covered now.

But, as a result of this government, there is no extra coverage that we can actually boast of. That two years would have been up by now and my constituents, who have long dealt with unreliable dial-up or impossibly expensive and often fairly slow satellite broadband, would have been able to effectively communicate in business, medical, education and family matters. The Howard government would have spent just $958 million, less than $1 billion, on this new network, and funding would have been complemented by $907 million from the network builder OPEL, a joint venture between Optus and Elders. It would have been in place for about $2 billion. But here we have this government boasting about a $43 billion plan that will not work because it is not cost effective. Everyone in my electorate of Barker would have benefited from the Australia Connected initiative. Those working in our hospitals and schools, families who use the internet to keep in touch with loved ones and our businesspeople who use it to contact their customers and suppliers and to find new markets for their products would have, could have and should have but have not, thanks to the Rudd government. Instead, the Rudd Labor government has welched on its core election promise to provide fast broadband to 98 per cent of all Australians. We knew it would not work and I suspect they knew it would not work. The Rudd Labor government is cementing in place a two-speed economy—fast for cities and slow for the bush. The Howard government, in contrast, signed off on $958 million for the OPEL contract to provide fast broadband to regional Australia. We also put another $2.4 billion into the Communications Fund to future-proof those services and provide further upgrades. In metropolitan areas where there is strong competition, existing commercial providers were willing to build the fast broadband network. Instead, under Labor, the money put aside for regional Australia has been taken away and replaced with $250 million to extend fibre-optic cable to a small number of regional centres. The end result is that regional and
rural small business, households and students—who are already hit by this government under the youth allowance changes—will not gain the broadband access they were promised at the last election and will continue to struggle for years with unreliable and slow internet.

Rural and regional Australians have clearly been excluded from Labor’s communications revolution. They have been dunned by the Rudd government. Two-thirds of the way through this government’s term, Labor has done nothing to improve broadband services in rural and regional Australia. If anything, it has made the situation worse, cancelling OPEL and dissolving the $2.4 billion Communications Fund, which was an in-perpetuity fund to provide improved services to regional and rural Australia. Rural and regional Australians no longer have this, thanks to the Rudd government.

Earlier this week I spoke in this place about the lack of response from the Minister for Broadband, Communications and the Digital Economy on digital television services to areas of my electorate. I said that the failure of the Labor government to fund the upgrade of retransmission towers from analog to digital transmission was just another example of a city-centric federal government. Many rural and regional Australians will miss out on television altogether—in areas less than 100 kilometres from Adelaide. That is a communications failure if ever there was one.

I also recall the situation with analog telephones when we first came into government in 1996. Many of the rural areas in my electorate were left without any sort of mobile phone service because the previous Keating Labor government made no attempt to help those people in rural areas, who often used analog phones because they had a greater service capability than digital phones. We had to come in and fix the problem that Labor had left us, which we did by introducing CDMA telephone services.

The National Broadband Network is yet another example showing that Labor governments do not care about regional Australia, and that goes for state and federal governments. Rural and regional Australia, and certainly my electorate, not only provides us with some of the best food in the world and, of course, the best wine in the world but also supports thousands of food manufacturing and processing jobs as well as generating billions of dollars of export revenue. When rural and regional Australia needed our help as the drought went on, it got a slap in the face through cancellation of exceptional circumstances funding in parts of my electorate.

When the Labor Party needs to make cuts it is the usual victims who get hit—the self-funded retirees, people with private health care, businesses, exporters and, of course, those who live outside the capital cities. They copped a $1 billion hit in last year’s budget—and that was in good times—and they copped it again in this year’s budget.

Mr Ripoll—Madam Deputy Speaker, I rise on a point of order to do with relevance. As much as I hate to cut the member off while he is promoting his electorate, it has nothing to do with the bill before us.

The DEPUTY SPEAKER (Ms AE Burke)—I ask the member for Barker to return to the bill.

Mr Secker—In fact I was coming directly back to it. I was going to say next that many of the same rural and regional Australians now miss out on the broadband revolution, and that is where the connection was.

I note with some interest that this bill imposes an obligation on carriers and utilities to provide specified information to authorised information officers for a period of 10 years. As if the projected rollout over an eight-year
period were not delay enough, we now have a provision for a further two years delay. After 10 years there will be many parts of my electorate not covered with the broadband revolution. In terms of revolutions, that has got to be about the slowest on record! Napoleon Bonaparte once said, ‘A revolution is an idea which has found its bayonets.’ Labor has certainly found its bayonets and they are firmly fixed on rural and regional Australians whose dream of fast and reliable broadband has just been garrotted.

Mr RIPOLL (Oxley) (1.58 pm)—It is good to see that the member for Barker had so much to say in the debate on the Telecommunications Legislation Amendment (National Broadband Network Measures—Network Information) Bill 2009 that, with four minutes left on the clock for him and only two minutes left before question time, he decides he has had enough. The core of this issue is the fact that there is only one party in this country that has had the guts and the decency to actually take on this very difficult issue of a National Broadband Network in this country.

It is pretty rich coming from the opposition, because after almost 12 years in government, when they had real opportunity, when the rivers of revenue gold used to flow into Canberra at the peak of the economy and when there was actually funding that could have paid the full $44 billion that we are putting forward with this, what did the Howard government do? They did absolutely nothing at all. All they talk about now is that they had signed off. They did absolutely nothing at all. All they talk about now is that they had signed off. They had signed off on nothing and delivered nothing, and after almost 12 years in government today all they can find the energy to do is whinge, whine and carp and go on about a government that has actually committed the funding and is committed to the delivery of a National Broadband Network both in the city and in the bush.

While he wasted enough time in promoting his own electorate, the member for Barker forgot to remind them that he was the guy who did not actually do anything for them when he was in power. When he had the opportunity to go in and deliver some telecommunications—

A government member—Why didn’t you say this in your speech?

Mr RIPOLL—Exactly—why didn’t you say this in your speech? You still had time left. You have had your opportunity.

The SPEAKER—Order! The member will direct his remarks through the chair.

Mr RIPOLL—I will take the opportunity to continue my remarks after question time. The cities and the towns of this country will for the first time actually get a decent National Broadband Network, which is wonderful for this economy.

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

QUESTIONS WITHOUT NOTICE

Building the Education Revolution Program

Mr TURNBULL (2.00 pm)—My question is to the Deputy Prime Minister, Minister for Employment and Workplace Relations, Minister for Education and Minister for Social Inclusion. I refer the minister to the brave stand of the Abbotsford Public School parents and citizens in their insistence that four perfectly usable classrooms be saved from demolition and that instead new classrooms to meet growing demand be built there with the $2.5 million grant through the Primary Schools for the 21st Century program. Will the minister give the same commitment that the member for Lowe
has given to review their case and stop this reckless, wasteful spending?

Ms GILLARD—I thank the Leader of the Opposition for his question. I say to the Leader of the Opposition and, of course, to the member for Lowe, who I know works with his local schools and, apart from working with his local schools—

Mr Hockey—Where is he?

Ms GILLARD—He is so busy working with his local schools he has obviously been detained from question time! The important thing, of course, is noting that the member for Lowe works with his local schools and he also comes into this parliament and votes for his local schools to benefit from programs like Building the Education Revolution.

I thank the Leader of the Opposition for his concern about this school, the Abbotsford school, in the member for Lowe’s electorate, but I presume that his concern does not extend to all schools. If it extended to all schools then of course he would have voted for the biggest school modernisation program in the nation’s history and he would have voted to support jobs today during the global recession. But, of course, the Leader of the Opposition not only voted against the Abbotsford school getting any funding but voted against 9,500 schools around this country getting any. He voted against more than 24,000 projects. He did not want to support one building, one refurbishment or one job around the country.

What I can say to the Leader of the Opposition is that, as he is aware from parliament yesterday and from waking up and reading his newspapers—because that is the way that the opposition gets all of its information; it reads the newspapers—the issue of the Abbotsford school was raised in parliament yesterday. What I said yesterday is what I am saying today, which is that we are very happy to work with the school community to resolve this problem. What the Leader of the Opposition may not know is that there is already a process in train involving the New South Wales Building the Education Revolution coordinator to work on the issue raised by the local school.

As I said to the Leader of the Opposition yesterday, this is a program involving 9,500 schools and more than 24,000 projects. We have a mechanism for people to raise concerns and when I talked to the parliament yesterday I advised the parliament that through that mechanism 49 complaints had been raised in total. We are willing to work with local schools. We are willing to work with the Abbotsford school, and a process is in train doing that today.

Employment

Ms ANNETTE ELLIS (2.04 pm)—My question is to the Prime Minister. Will the Prime Minister update the House on today’s unemployment figures and the need for sustained global efforts to ensure governments are supporting jobs during the worst global recession in 75 years?

Mr RUDD—I thank the member for Canberra for her question. I inform the House today of the labour force data which has just been released for the month of August, which shows that the unemployment rate was unchanged at 5.8 per cent. This was better than market expectations, where the range was between 5.9 and 6.2. However, if we look further at the data, we also see that there remain real causes for concern for the future.

Employment itself fell by some 27,100, and this was because we saw a fall in full-time employment of 30,800, while part-time employment rose by 3,800. This reflects a theme over recent months. Furthermore, the participation rate decreased by 0.3 per cent to 65.1 per cent. The participation rate has now begun to fall from the peak of 65.5 that we had in March of this year. A further cause
for concern is that the proportion of employed persons who want or are available to work more hours is now 7.8 per cent. This is the highest on record, the records going back some 31 years. What those three elements from the labour force data indicate is that Australia is not out of the woods yet when it comes to unemployment. If you visited various regions of Australia as I have done recently—and I see the member for Leichhardt there, from Far North Queensland—many regions in Australia are doing it particularly tough when it comes to the impact of the global economic recession on those regional economies.

When you look at Australia’s unemployment data, we are doing better than most of the rest of the world, and I draw the House’s attention to the fact that most recently we have had unemployment rates in the United States of 9.7 per cent, in the United Kingdom of 7.8 per cent, in Japan of 5.7 per cent, in Canada of 8.7 per cent, in France of 9.5 per cent, in Germany of 8.3 per cent and in Italy of 7.3 per cent—the G7 average being some 8.2 per cent, the OECD average being some 8.3 per cent and Australia remaining at 5.8 per cent. This means that our unemployment rate, when compared with the major advanced economies, is currently the second lowest after Japan at 5.7 per cent.

But these are no grounds for complacency whatsoever. The fact, however, that Australia is doing better than most of the other economies is not a product of accident. It is the product of two factors: early, strong and decisive action on the part of the Australian government through our national stimulus strategy through the nation building for recovery plan and the magnificent performance of Australian business, small business and workers across the Australian economy up against the most difficult global economic circumstances they have faced in three-quarters of a century.

The nation building for recovery plan is about two things: supporting jobs, small business and apprenticeships today, while investing in the infrastructure we need for tomorrow. That is why we are currently investing in libraries, science centres, language centres, universities, TAFES and university and other research institutions. That is why we are investing in the National Broadband Network. That is why we are investing in rail, road and ports right across the country. In fact, I am advised by the Coordinator-General that currently we have 36,544 projects approved across Australia under the nation building for recovery plan; 16,897 of these projects have commenced and 670 have already been completed. This has been a massive effort in partnership with the private sector to support the economy.

If the government had instead adopted the policy of the Liberal and National parties which is not to have engaged in economic stimulus in the Australian economy, Treasury have advised us that right now Australia would be in the depths of recession. Furthermore, they have advised us that our unemployment rate would have reached 10 per cent. That is the bottom line here. I say to those opposite that the nation building for recovery plan, again based on Treasury’s advice, is that it is supporting employment of some 210,000 extra positions in the Australian economy than would otherwise be the case.

Where does all this come together? It comes together in the fact that Australia is now the fastest growing of the major advanced economies. Secondly, we have the second lowest unemployment; thirdly, the lowest debt; and, fourthly, the lowest deficit. Fifthly, we are the only country so far not to have gone into recession. That is the government’s strategy. It is worth reflecting, however, on what the opposition strategy is
particularly when it comes to national and global responses.

We know what their record is on the economy. We know that this is a party that when in government was the highest taxing government in Australia’s history. We know that when they were in government they failed to produce any savings whatsoever in their last budget in contrast to the $54 billion worth of savings which have been registered in this government’s first two budgets. We also know they were government of waste and extravagance as we have seen through the regional rorts program, and they are led by a Leader of the Opposition who is rainmaker himself—that $10 million allocation that has yet to be fully explained to the Australian people. We also know they were a government which gave us 10 interest rate rises in a row despite having promised the Australian people they would keep interest rates at record lows. But most spectacularly, they were a government which squandered the opportunities delivered to them by the global resources boom and failed to invest in skills and infrastructure to set Australia up for the future despite receiving 20 warnings from the Reserve Bank to lift their game.

When we go to the future, what is their plan to deal with this global economic recession now? It seems to be in about three points: the first is sit on your hands and do nothing; the second is to hope the economy will tank so they can take political advantage out of unemployment going up; and the third is to run a fear campaign on debt and deficit despite the fact that we are running the lowest debt and deficit of the major advanced economies and despite the fact that, based on whatever their last statement was, they seem to support 90 to 95 per cent of the borrowings which this government has already indicated.

It is all a political strategy. It is not an economic strategy, which is why they stand alone without any support across the rest of the world or across Australia from any credible institution about their script for the economy now. But there is more. Yesterday we heard from the brains trust of the Liberal Party backbench—the member for Fadden. Yesterday afternoon we heard from the brains trust of the Liberal Party frontbench—the member for North Sydney—who has divined the real cause of the global economic malaise. During question time yesterday when various members were engaged in the debate, the member for North Sydney was twittering. He said on his twitter:

listening to swan on the G20 and i am wondering how many finance ministers he met are left wing

Then he went on to say in response to a question from Sky News:

I think there is a centre-left movement across the world that is trying to run the line that government should be the centre of everything in our lives.

He is talking about the G20 here, so move over the fake moon landing, move over the grassy knoll and move over the UFO sightings at Area 51 because we have a new global conspiracy: it is called the G20.

The member for North Sydney forgets the fact that the G20 was established a decade ago by that other leading leftist in this place—partly, at least—the member for Higgins, at a finance ministers’ meeting, and I have referred to that fact here. This G20 meeting of finance ministers was elevated to summit level by that other leading global leftist George W Bush and now the G20 is populated by those other major global leftists, Sarkozy the Socialist, Berlusconi the Bolshevik, obviously, and Merkel—she must be a Menshevik, I suppose. What planet are you on, Joe? He then went one further though, and in answer to the question from
David Speers, ‘So Barack Obama, Gordon Brown should not be following the strategies they are following?’ the member for North Sydney said:
I think Americans are changing their opinion at a rapid rate of Barack Obama.
Then he went on—

Mr Pyne—Mr Speaker, I raise a point of order. The Prime Minister has now been speaking for 10 minutes. I ask you how that fits with your admonition that ministers should try and keep their answers short and relevant to the question, and how you expect the opposition to respond when they have to put up with a 10-minute answer from the Prime Minister?

The SPEAKER—Order! As I have indicated, there is nothing in the standing orders about length of answers. I am not sure of the admonition that the member for Sturt was referring to. I might be guilty of the thought-crime. But the Prime Minister is, in fact, being relevant to the question, and the Prime Minister has the call.

Mr Hockey interjecting—

Mr Rudd—I note the invitation from the member for North Sydney to keep going. In the G20 list I read before, of all those global leftists, I forgot to mention that leading global leftist, King Abdullah of Saudi Arabia. But I am sure he is part of Joe’s new conspiracy theory.

Then David Speers asked the member for North Sydney: ‘So you think he’—President Obama—‘went too far?’ ‘Well, maybe I can’t claim to be an expert on the US economy, but what I do know is that the American people are starting to question Barack Obama’s management of the US economy,’ What is it about the Liberals and President Obama? There they were, under John Howard, saying that his election would be a victory for al-Qaeda. Now we see, on the economy, that they are saying it is a victory for global socialism. What is it about the obsession on the part of the Liberal Party when it comes to US President Obama and the Democrats? What we have with the Liberal Party today is a party which is out of touch, out of control and, can I say, out on their own.

Primary Schools for the 21st Century Program

Mr TRUSS (2.16 pm)—Mr Speaker—
Mr Sidebottom interjecting—

Government members interjecting—

The SPEAKER—Order! Those on my right! I am not very thankful to the member for Braddon for starting that breakout, and he is warned.

Mr TRUSS—My question is to the Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. I refer the minister to reports in the press today that the grant of $250,000 to the one-student school at Evesham, under the Primary Schools for the 21st Century program, will follow that child to another school should Evesham State School be closed. Isn’t it the case, as the minister told the House yesterday, that grants were made to every school not on application but as a universal, formula based policy, in which case, when our fortunate one student goes to another school, will that school receive a second grant? Will the money be returned to the taxpayer as a saving, or will it simply be pocketed by the Queensland government?

Ms Gillard—I thank the member for Wide Bay for his question. I note his interest in the Evesham State School, but I also presume he has got an interest in the 72 schools in his electorate that are having 263 projects supported through Building the Education Revolution, at a total investment of $119 million. I also think he might be interested in
the fact that, in his electorate, the Noosa Christian College Principal, Ross Reid, said the following on 27 May 2009, about Building the Education Revolution—

Mr Truss—Mr Speaker, I rise on a point of order on relevance. The question was about the Evesham State School, not about a whole series of other schools that the minister is currently inflicting on us.

The SPEAKER—The Leader of the Nationals will resume his seat. The Deputy Prime Minister will wait. I will just illustrate the consistency with rulings in this place. The question related, indeed, to a school—a school that was funded under a named program, that being the Primary Schools for the 21st Century program, and, consistent with rulings over many parliaments, that allows—

Ms Julie Bishop interjecting—

The SPEAKER—The question was about one school.

Ms Julie Bishop—The question was about one school.

The SPEAKER—The Deputy Leader of the Opposition can interject all she likes upon me. This is a matter that I have suggested could be settled, if there is a problem for members of the House, by the Procedure Committee having a look at these matters.

To the member for North Sydney, who thinks that he can interject upon me: I think that the person from whom I learned the most about this matter was in fact the former Prime Minister, who reminded us, each time, when a question was worded in a way that allowed it to be opened up, that, if a program was mentioned, that was sufficient. Whether the House as a whole is satisfied by that is a different matter. But—and I go back many, many parliaments—a number of governments have not taken the opportunity that was given to them by Procedure Committee reports to change this. So, consistent with past rulings, no matter how much criticism it brings to me, the mention of other matters under the program suffices the terms of relevance as they have been known in this chamber.

Ms GILLARD—Thank you very much, Mr Speaker, and can I say that I think the sensitivity displayed just then by the opposition shows an important point to the parliament, which is: the member has approached the dispatch box to ask about one school. But of course what he does not want to be reminded of is that he voted against resources going to every school in this country: he voted against resources going to the 72 schools in his electorate, he voted against resources going to schools in my electorate, he voted against resources going to schools in National Party electorates, he voted against resources going to schools in the electorates of independents—every school in this country. He came into this parliament and he put up his hand and he said, ‘When it comes to spending money on schools, I say no.’ And, in line with that kind of philosophy, apparently the member for Wide Bay is now saying the summit of his political career will be to come into this place and to say, ‘$250,000 that could be spent on a school should not be spent on a school.’ That is the summit of his political career, apparently.

The government will work with the Queensland education authorities as this consultation process goes through. We will work with any suggestions about alternative uses of that money. If an alternative use is identified, I will then come into the parliament and I will ask the member for Wide Bay—if we have identified a school that needs that money—to walk up to the dispatch box and say, ‘I do not support that school getting that money.’

Of course, this shows the sleight of hand across the board by the opposition about Building the Education Revolution. We have the shadow Treasurer, known for his sloppiness and his inability to think logically, out
there saying, ‘Cut the program; take money out of schools.’ The member for Sturt, who is only known for part-time work, at least had the wit—

Mr Pyne—Mr Speaker, I rise on a point of order.

Ms GILLARD—I am just about to compliment you, actually.

Mr Pyne—She is not alone. Mr Speaker, the question asked was: where will the $250,000 end up? Will it end up back with the federal taxpayer, with the Queensland government or—

The SPEAKER—The member will resume his seat. The question is clear. I call the Deputy Prime Minister.

Ms GILLARD—Can I say to the shadow minister: I was just about compliment him, so I did not want to be interrupted, because it is a rare day. The shadow Treasurer is out there saying, ‘Let’s cut funding to schools, to Building the Education Revolution.’ The shadow minister, the member for Sturt, at least has the wit to guard his language and not use that terminology. When he has been asked, he has said that funding should be maintained to schools. The opposition had better sort out their position on this—two different forms of words, and they voted against it.

Liquefied Natural Gas Exports

Ms JACKSON (2.24 pm)—My question is to the Prime Minister. Will the Prime Minister update the House on developments in the past hour in Australia’s resources sector?

Mr RUDD—I thank the member for Hasluck for her question. Last week I had the opportunity to visit Barrow Island in WA to receive a briefing on the proposed Gorgon LNG plant for the joint-venture partners.

I see the WA members may be gearing themselves up for another walkout. Is that right? I would have thought all members of this House would appreciate news on a positive economic development for the country—perhaps not the WA members from the Liberal Party.

Gorgon is one of around 80 resource projects which have been committed or proposed around the country. These projects, if they come to pass, will create demand for up to 70,000 construction jobs. Gorgon alone would require some 6,000 people at the peak of the construction. This presents, of course, a major challenge for government and industry to ensure that projects have the skilled workers they need. For this reason, the government has established a National Resource Sector Employment Taskforce. I am pleased to advise that the establishment of this task force has received a very positive response from both industry and the Western Australian government.

Furthermore, what we must do is avoid the simple repeat of the mistakes of the previous decade, which saw the emergence of not just a whole range of infrastructure bottlenecks but skills bottlenecks as well. Therefore we need a better effort at coordinating what can be done to provide the skilled labour as well as the infrastructure necessary to support this great expansion of our national economy. Therefore what we intend to do is to work closely with industry and with state and territory governments to help increase the supply of skilled labour—boilermakers, construction workers, riggers, logistics, transport, hospitality staff, the whole box and dice—who actually make these huge projects work on the ground. Furthermore, in the case of the Gorgon project we will also employ a major project employment coordinator, simply because of the intensity of the skills ask out of that single project, which is massive.

For the benefit of the House, I have further positive news about the Gorgon project.
which I draw to the attention of honourable members. Chevron Australia has, a few minutes ago, announced in Perth that it has signed three binding LNG sales purchase agreements, for nearly three million tonnes per annum of LNG into Japan and South Korea. The first of these agreements is with Osaka Gas, for the supply of 1.375 million tonnes per annum. The second is with Tokyo Gas, for the supply of 1.1 million tonnes. The third is with GS Caltex in South Korea, for the supply of 0.5 million tonnes per annum for a period of up to 20 years. I am advised that these contracts could deliver in the order of $70 billion worth of exports for Australia over the next 25 years.

It has been a great month for the Australian LNG export industry, with our first long-term contract to supply India, worth $25 billion; our biggest ever single trade deal, a $50 billion contract with PetroChina; and, today, further details of deals of the same magnitude—in fact greater magnitude when combined—with Japan and Korea. These are massive projects that will generate economic growth, income, jobs and prosperity for the nation for decades to come. In light of this announcement, I congratulate Chevron Australia. These sales do not come to pass easily. I also congratulate our counterparts in the WA government for the work that they have done. I also place on record my appreciation for the efforts which have been made by the federal Minister for Resources and Energy, Martin Ferguson, and the federal Minister for Trade, Simon Crean.

The key thing from this project, though, apart from it being a real shot in the arm for the national economy, is for us again to learn the lessons of the past, to do better when it comes to the proper planning and provision of infrastructure and skills to deal with this potentially huge expansion in Australia’s resource industry. I have made two specific announcements in this respect today. There is more to be done, but the government is up for the task of working with industry, the WA state government and other state governments to make sure that we properly support these projects into the future.

**Building the Education Revolution Program**

**Mr PYNE** (2.29 pm)—My question is to the Deputy Prime Minister, Minister for Employment and Workplace Relations, Minister for Education and Minister for Social Inclusion. Will the minister confirm that at Berridale Public School a new toilet block, including replumbing, excavation, double brick, hot water and showers, was completed early in 2009, where the cost per square metre was $2,640? Can she further confirm that, in what is being described by the Department of Education and Training of New South Wales as ‘descoping’, Berridale Public School will receive a new library, described as essentially a demountable by the principal, Ian McCluggage, at approximately $5,660 per square metre? Can she explain the discrepancy?

**Ms GILLARD**—I thank the honourable member for his question.

**Opposition members interjecting**—

**The SPEAKER**—Order! The question has been asked.

**Ms GILLARD**—And I thank those opposite for their chorus of abuse about supporting Australian education. Can I say to the shadow minister opposite: of course, he voted against the Building the Education Revolution program, but he might like to recall that it is supporting jobs today during a global recession, the biggest economic downturn in 75 years, whilst supporting over 24,000 projects in 9,500 schools around the country. Of course, we expect the Liberal Party, who voted against this here and then run around electorates, desperate to associate themselves with the individual projects—
Mr Andrews—Mr Speaker, I raise a point of order. On the basis of your previous ruling, this was a precise question about a particular school with no reference whatsoever in the question to any broader program. The Deputy Prime Minister is therefore out of order, and you should bring her back to the question.

The SPEAKER—The Deputy Prime Minister is responding to the question.

Ms GILLARD—Of course we expect the Liberal Party to come in here and nitpick about this problem and to deny what other Australians know, which is that this program is supporting jobs. It is supporting the jobs of tradies. It is supporting the jobs of carpenters, plumbers and electricians around the nation during a global recession, whilst building the school infrastructure we need for tomorrow. Overwhelmingly, this program is delivering results that school communities want.

Mr Turnbull—Mr Speaker, I raise a point of order. The question is about value for money at Berridale school. That is the issue. That is the question. She should address herself to that.

The SPEAKER—Order! The Leader of the Opposition will not debate the question by a point of order.

Ms GILLARD—As this program supports local jobs, it is supporting modernisation of school facilities that schools want. We have always said that with a program of this size and scale we expect there to be individual problems, complaints and concerns. I have consistently said that if members have individual problems or complaints or concerns they would like addressed then, obviously, they can come and talk to me and they can go through the departmental promise processes.

What is interesting to me and I think may be of interest to other members of the House is that I have had members of the opposition come to me to get problems resolved, and we have resolved them. But what happens in question time, obviously—it happened yesterday and it is happening today—is that members of the opposition raise individual examples like this one and supply no follow-up or comprehensive information to us to enable us to resolve the problem. So I will say this to the member for Sturt, very directly, on the question that he has asked me—

Mr Pyne—Mr Speaker, I raise a point of order. The minister has been asked about an almost 100 per cent cost overrun. I would have thought she would actually think that was an important issue.

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

Ms GILLARD—I will finish the sentence that I started before being interrupted by the member for Sturt. I say to the member for Sturt, very directly: if he has a genuine concern about costs applied to this local school, if he will supply me with the information he is referring to, I will follow the matter up, I will report back to him and I will report back to the parliament. If the member for Sturt has no genuine concern and simply wants to make cheap political points about education in circumstances where as a shadow minister he has no policies or plans for education in the nation’s future then people will judge him on it.

Employment

Ms KING (2.35 pm)—My question is to the Treasurer. How do Australia’s employment numbers compare with jobs data in other advanced economies?

Mr SWAN—I thank the member for Ballarat for her question because, for those of us on this side of the House, support for employment goes to the very core of our belief system and it goes to the very core of the
government’s economic stimulus, which is supporting jobs and which is supporting small business. It keeps customers going through the door, and it is supporting employment through this global recession.

That is why it was so stunning, just before question time, to watch the shadow Treasurer in his press conference, because the shadow Treasurer indicated that the principal aim of the opposition’s economic policy was not to support employment in the middle of a global recession. Of course, you can see it through all the questions asked in the House here today, nitpicking away at the edges of a program that goes to the core of supporting employment in Australia and supporting small business. The employment and unemployment figures today are quite important but obviously irrelevant to those on that side of the House. The shadow Treasurer does not think it is the principal aim of economic policy to stop the destruction that occurs in families when people lose their jobs—and the demand that is reduced, which destroys small business. That is no longer an objective of those who sit opposite. It goes into a long line of clangers dropped by the shadow Treasurer in and out of the House in recent days.

In terms of the figures today, there is an unemployment rate of 5.8 per cent where employment fell by 27,000 people. But the fact is there are still 663,000 unemployed Australians. This government will move heaven and earth in a responsible way to support employment. For those on the other side of the House, this is just about playing politics. We have seen a rolled gold example of that today where, because the unemployment rate did not go up, the Leader of the Opposition did not go out. He did not go out to do the press conference. He only ever goes out when the unemployment figure goes up, because the only job he is concerned about is his. He is not concerned about the employment of the Australian people. Had he been concerned about the employment of the Australian people he would have voted for the economic stimulus measures in this House.

It pays to go through the list. In February unemployment went up 0.4 per cent and there was a Turnbull doorstop. In March, unemployment went up by 0.4 per cent and there was a Turnbull doorstop. In April unemployment went down and there was no Turnbull doorstop. In May unemployment went up and there was a Turnbull doorstop. In June unemployment went up and there was a Turnbull doorstop.

The SPEAKER—Order! The Treasurer will refer to members by their parliamentary titles.

Mr SWAN—July: there was no change in unemployment and no Leader of the Opposition doorstop. Government members interjecting—

Mr SWAN—That is right—no leadership. There was no leadership today because the shadow Treasurer was again sent out. But what did he do? He went out and gave a press conference saying that employment was not the principal objective of the opposition’s economic policy. That is all very clear. It is very clear that the only jobs they care about are theirs. They do not care about the jobs of the Australian people and they do not care about the businesses in Australia that depend upon having employed workers walking through the door.

We did see the other clanger, which the Prime Minister referred to before. It was a classic. On Sky, yesterday afternoon with David Speers he advanced his left-wing conspiracy theory about the behaviour of the G20. The reason the G20 is supporting coordinated global action is that they are all dominated by the centre-left. All of these countries sitting around the table are dominated by the centre-left. When the Prime
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Minister and I go to the G20 meeting in Pittsburgh in a couple of weeks time, we will look forward to the European caucus at the G20 with Merkel, Sarkozy and Berlusconi all sitting around singing the Internationale and all getting carried away with the occasion. This shadow Treasurer will go to any lengths to distort any fact to misrepresent anything in the economy because the only job he cares about is his.

Primary Schools for the 21st Century Program

Dr SOUTHCOTT  (2.41 pm)—My question is to the Deputy Prime Minister, Minister for Employment and Workplace Relations, Minister for Education and Minister for Social Inclusion. I refer the minister to the decision of the Unley council in Adelaide to sue Walford School in Hyde Park for their action in removing significant trees to make way for school buildings being built through the Primary Schools for the 21st Century program because the guidelines of the program allow the suspension of normal development requirements. Will the federal government consider indemnifying Walford School for any costs it may incur?

Ms GILLARD— I thank the member for Boothby for his question. Can I say to the member for Boothby: whilst I grew up in the Unley council area, I was actually never elected as a local councillor in Unley. On matters associated with the Unley planning scheme and local government acts in South Australia, he may want to make the change to the South Australian state parliament. I believe they will probably be looking for another opposition leader quite soon, so it could be a very good opportunity for him for his future working life.

In response to the member’s question, what is being done through the Building the Education Revolution is the delivery of economic stimulus urgently to support jobs to-day during a global recession whilst engaging in the biggest school modernisation—

Ms Julie Bishop—Mr Speaker, I rise on a point of order. A school is being sued as a consequence of the minister’s program.

The SPEAKER—Order! The Deputy Leader of the Opposition will go to her point of order.

Ms Julie Bishop—The minister has been asked if she would consider indemnifying that school for the legal costs incurred.

The SPEAKER—The Deputy Leader of the Opposition will resume her seat. The Deputy Prime Minister is responding to the question.

Ms GILLARD—Economic stimulus is being delivered urgently to support jobs now—something, of course, which is not an economic goal of the Liberal Party as stated by the shadow Treasurer—and also to provide the biggest school modernisation program in the nation’s history. It is true that, in order to deliver urgent economic stimulus to support tradespeople and their jobs today, we did ask state governments and local and Catholic education authorities to expedite the delivery of this program. I say to the shadow minister opposite: I really think we are getting to a fairly interesting stage in this debate if it is being suggested that it is a federal government responsibility to deal with a planning dispute about the removal of trees. I think the fact that the Liberal Party has come into this parliament to raise that point says everything about the absolute absurdity of its attitude to a global recession.

Mr Pyne—Mr Speaker, I raise a point of order on relevance. The question was about the minister’s suspension of development rules which allow this to happen. She seems not to know that.

The SPEAKER—Order! The member for Sturt will resume his seat.
Ms GILLARD—Thank you very much, Mr Speaker. The point of order—or the interjection disguised as a point of order—makes the very point that it is not federal development rules that have been suspended, and planning matters are matters for state governments. But I make this point: it amazes and concerns me that in the middle of a global recession, when a global economic downturn in 75 years, when a global economic storm is hitting this country and costing Australia jobs, the biggest thing on the mind of the federal opposition in question time in the national parliament is a matter involving a planning dispute about a number of trees in a suburb in Unley. It says everything about being out of touch, out of ideas and out of any contact with reality. If they try focusing on the big picture—jobs today—and try actually developing some education policies, the Liberal Party might find that someone, sometime, somewhere takes them seriously.

Employment

Mr CHEESEMAN (2.46 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. What is the impact of the latest unemployment numbers and what is the government doing to support Australian jobs?

Ms GILLARD—I thank the member for Corangamite for his question and for raising the important national issue of unemployment, of jobs and of Australians who have families to support having jobs. It is something, of course, that the Liberal Party clearly cares nothing about, given the question that we have just seen raised in question time today and given the statements of the shadow Treasurer that keeping people in work is not an economic objective as far as the Liberal Party is concerned. Today we received the ABS data for last month and a record of the unemployment rate, and unemployment held steady at 5.8 per cent.

The member for Corangamite would have ascertained that unemployment remained steady at 5.8 per cent. He may have ascertained that by going to the ABS website to have a look at the data, or he may have ascertained that unemployment must have held steady because he did not see the Leader of the Opposition appear at a press conference. When it comes to the ABS unemployment series, on the Thursdays on which we deal with that, the Leader of the Opposition is like a political undertaker: you only ever see him if there is bad news. The political undertaker turned up in February, because unemployment went up. He turned up in March, because unemployment went up. He did not turn up in April, when unemployment went down. He turned up in May, when unemployment went up. He turned up in June, when unemployment went up. But, of course, in July and August, when the unemployment rate was steady, the political undertaker was nowhere to be seen. It just goes to show that nothing excites the Liberal Party more than bad news. The only thing they are ever interested in is bad news. That attitude about bad news—waiting for an unemployment number that goes up, seeking to celebrate when they see a bit of bad economic news—transfers into their attitude to education policy, economic stimulus and programs to support Australian jobs.

The member for Corangamite has asked me about programs to support Australian jobs. Of course, he is familiar with the operation of the Building the Education Revolution program in his electorate and the support it is providing for jobs for local tradespeople. In his electorate, work is being done at an indoor stadium at the Torquay school and work is being done at the St Therese Catholic Primary School. That work is employing people from the following contractors: Wes
Marshall, plumbing—jobs; Aaron Mitchell, painting—jobs; Easy Shades—jobs; GJ Handyman Services—jobs; Geelong Concrete Grinding—jobs; and New Wave Electrics—jobs. Members opposite are interested in what building looks like. Well, here is a picture of people working on this job in the electorate of Corangamite—real people, real work, people working, people employed and people taking money home to their families.

That is what Building the Education Revolution is about—while engaging in the biggest school modernisation program in Australia’s history. This is a government that is focused on doing what we can to cushion Australians from the effects of a global recession whilst delivering the education system that we need for the future. This is an opposition that is focused on bad news—and the height of their policy development after almost two years in opposition is to be concerned about a local planning dispute and trees in Unley!

Mr Tuckey—Mr Speaker, could you ask the Deputy Prime Minister to table the photograph she has produced? I want to see the building.

The SPEAKER—I thank the member for Canning for his assistance but I am not sure I am that great a risk taker. Anyway, the member for O’Connor.

Mr Tuckey—Mr Speaker, would the minister like to explain why she will not table it? After all, it is just a picture.

The SPEAKER—There is no provision. You have made a point and it has not been taken up, and I think that is where the matter settles until we can move to understanding how we want to handle these sorts of matters in the future.

Building the Education Revolution Program

Mrs MIRABELLA (2.52 pm)—My question is to the Deputy Prime Minister, Minister for Employment and Workplace Relations, Minister for Education and Minister for Social Inclusion. I refer the minister to revelations that hundreds of out of school hours care centres will be closed across Australia as the buildings that house them are demolished, with either no or inadequate contingency plans put in place for working families, to make their way for school halls. Will the minister intervene to ensure working families are not hit with greater costs and inconvenience?

Ms GILLARD—I thank the member for Indi for her question. The member for Indi I take it is referring to a media report today about some concern that some out of school hours care may be disrupted during the construction phase of Building the Education Revolution. Can I say to the member for Indi that I travel to a lot of schools and I anticipate she probably travels to a number of childcare centres and early learning facilities and out of school hours care facilities, and what I think she would find when she does that is a lot of hard-working people. I certainly do that when I go to schools. When I talk to them about how they are going to
manage construction at their school to support jobs today and to modernise their school facilities, something that they are enthusiastic about, they normally work very carefully through plans to keep activity going and to move children and teaching through facilities so that they can keep activity going whilst they do new construction. Of course, everybody would know who has ever been to a school that is building a new facility, or a hospital that is building a new facility or a university that is building a new facility, that this does require—

Ms Julie Bishop—Mr Speaker, I raise a point of order. The question was whether the minister will intervene, not just observe. Will she intervene to prevent greater—

The SPEAKER—The Deputy Leader of the Opposition will resume her seat. On the point of order of relevance, the Deputy Prime Minister is responding to the question.

Ms Gillard—As facilities are constructed, obviously plans are made to do everything that can be done to keep teaching going, after hours school care going and the like. It is inevitable when new facilities are being constructed that there will be some disruption and dust and inconvenience while the construction is in place. It has ever been so, it will ever be so. It has been so from the dawn of time and it will be so till the end of time. But responsible agencies, schools and schools authorities, are working through contingency arrangements. If the shadow minister has more information than simply revealed by today’s press report and if she can identify to me an individual out of hours school care service where she thinks inappropriate arrangements have been made during the building, then please bring those very specific details to me and I will be happy to work with her and anybody else interested in doing what we can to assist. This is normal, standard practice.

On the question of normal, standard practice, as recently as yesterday my office assisted two members of the opposition who came—

Mrs Bronwyn Bishop—Mr Speaker, I raise a point of order. Under the standing orders this is question time, where we seek publicly given answers, not privately convened meetings to give secret information. It is about time this minister gave some decent answers—

The SPEAKER—The member for Mackellar will resume her seat. There is no point of order. The minister is responding to the question.

Ms Gillard—I conclude by saying to the shadow minister and member for Indi that if she has specific information she wants to raise either in question time or with me, publicly or privately, I am obviously happy to work with her on individual concerns. But of course school authorities and individual school principals and teachers are people of goodwill and are making the best possible arrangements they can while these facilities are constructed.

On the question of costs for working families, I await the day when we see fulsome congratulations from the shadow minister for the profound steps we took to better support working families with the costs of child care. I await that day.

Budget

Mr Craig Thomson (2.58 pm)—My question is to the Treasurer. Will the Treasurer outline for the House the government’s fiscal strategy and explain why a considered plan to bring the budget back to surplus when the economy recovers is so important?

Mr Swan—I thank the member for Dobell for his question. The government does have a comprehensive fiscal strategy which provides fiscal stimulus in the short term, as
I was saying before, to provide absolutely essential support to the economy during the global recession. There is also a plan to bring the budget back into surplus as the economy recovers. This plan has been endorsed by the International Monetary Fund. It says few other advanced economies have adopted such a clear commitment.

The question in this House is what the fiscal plan of those opposite is compared to that of the government. The member for North Sydney is this morning reported to have claimed that a reasonable emergency or maximum level of spending is 24 per cent of GDP. This would come as a shock to many in the House, not least of them the member for Higgins, because 10 of his 12 budgets exceeded that amount. Ten of his 12 budgets exceeded the target put by Sloppy Joe over there in the newspaper this morning.

The Treasurer will refer to members by their parliamentary titles, and in the past he has been asked—

Mr Swan interjecting—

Mr SWAN interjecting—Thank you for putting words into my mouth. I might have got there myself. The Treasurer will withdraw.

Mr SWAN—I certainly will, Mr Speaker.

Opposition members—Withdraw!

Mr SWAN—I do withdraw. The shadow Treasurer was very sloppy when he nominated expenditure as a percentage of GDP at 24 per cent. It was exceeded by the last Treasurer on 10 of 12 occasions. What would it mean? It would be the equivalent of ripping $50 billion, or four per cent of GDP, out of the economy. Is it any wonder they do not care about employment. If that were to be put in place in these circumstances, ripping four per cent of GDP out of the economy, it would drive growth down. It would send the economy back to recession if that foolish proposal was ever put into practice. They go on about budgets and they go on about spending, but the member for North Sydney and the Leader of the Opposition have not put forward one concrete savings measure. They—

Mr Tanner—Name them.

Mr SWAN—Name one.

Mr SWAN—Name the savings measures that have been put forward—put them on the table. This strategy was announced on the very day that they knocked over a savings measure in the Senate worth $9.5 billion over 10 years. They have the hide to come into this House and lecture us about fiscal policy and knock over essential savings as part of a medium-term fiscal strategy in the Senate. I think the member for North Sydney must have had a terrible morning this morning. He would have got up, he would have opened his paper and the first headline he would have seen is ‘Hockey vows to slash $14 billion’. Of course, we now know it was $50 billion, not $14 billion. A big headline this morning was ‘Hockey vows to slash $14 billion’.

Mr Hockey interjecting—

Mr SWAN—He goes, ‘Oh, terrific.’ The headline on page 4 is ‘Liberals vow to slash public spending’, until he nearly choked on his breakfast doughnut because there beside it on page 5, is ‘Senate votes down $1.9bn health cuts’. That is the rabble that those opposite have become. They announce a steely determination to put forward fiscal restraint and then knock off a saving in the Senate. They simply cannot be taken seriously.

Let us look at the saving they knocked off in the Senate. They say they have got priorities. If they have got priorities we know where they lie because they knocked off the saving whereby low-income workers and
middle-income workers subsidise the health insurance of very high income earners. We certainly know what their priorities are: to crash the economy and to tilt the playing field against people on modest incomes. That is very clear. They do not have a policy; they just have an interview in the *Australian* newspaper. They want to whinge about debt and then vote against savings, because they do not have an alternative policy. They have got an interview posing as a policy and that is simply it. That is how bankrupt they have become. In contrast, we on this side of the House do have a medium-term fiscal strategy. We are determined to support the Australian economy when it needs it, to withdraw stimulus in a timely way when private demand returns and to put in place our medium-term fiscal strategy. Those on the other side of the House are simply a rabble.

**Building the Education Revolution Program**

Mr BILLSON (3.04 pm)—My question is to the Minister for Education. I draw the minister to her assurance in this House on 17 June that Langwarrin Primary School would not be forced to accept a template building that replaces existing classrooms instead of its preference for a less expensive classroom refurbishment and a half-court basketball facility. Is the minister aware that despite the school’s preference it continues to be told to take or leave a building that it is not seeking and will result in builders’ portaloos becoming a permanent feature of the school. For the fourth time, Minister, and after providing copious details to you, will you act to assist Langwarrin Primary School and give effect to your assurances given in this House?

Ms GILLARD—I thank the shadow minister and member for Dunkley for his question. We have had the issue of Langwarrin Primary School raised in this House before—that is correct. My advice on Langwarrin Primary School is that the school agreed to apply for $3 million under the Primary Schools for the 21st Century program and that that was for a library and a learning neighbourhood centre that the school wanted, that my department has been provided with documentation which shows that the school agreed to this proposal and that the documentation was signed on or around 9 June 2009 by the Langwarrin Primary School principal and the Langwarrin Primary School council president. The proposal that was put with the documentation, as I am advised, has been supplied to my department, indicating that both the principal and the school council president agreed to the delivery of the project that is being delivered.

Mr Billson—Mr Speaker, I rise on a point of order. I am hoping to assist the process. I can bring a delegation here to ensure that the minister has accurate material.

The SPEAKER—Order! That is not a point of order. The Deputy Prime Minister is responding to the question.

Ms GILLARD—Thank you very much, Mr Speaker. That is the advice I have. I say to the member for Dunkley—as he may well know, being a Victorian—and shadow minister: I have conducted a number of principals forums in Victoria. I have met with literally dozens and dozens of principals there to talk about Building the Education Revolution. I have engaged in comparable processes around the country where principals are always welcome to raise individual concerns with me. If it would assist the member I am more than happy to meet with any representative from the school he would like me to meet with. I am happy to travel to the school to discuss the issue with him if he would prefer that.

I say to the member and to members of parliament generally: we are talking about a program, first and foremost, that is deliver-
ing more than 24,000 projects in 9,500 schools around the country. We have always said in the delivery of a program of that size and scale—delivered quickly for the very good purpose of supporting jobs today during the global recession and keeping tradespeople, architects and others employed who would not be employed during this global economic downturn but for this expenditure—like any human activity, there will be problems and complaints along the way. I know that the member has worked with this local school. We are obviously happy to work with this local school to address any complaints.

I also say to the member: when I meet with the local school, if that is what he wants me to do, or go to the local school with him, if that is what he wants me to do, it will be incumbent upon him at the same time to say to the local school that when he was asked in this parliament whether he supported them getting one dollar of this resource he voted no.

National Security

Mr GEORGANAS (3.09 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. What measures will the government employ to enhance aviation security, and have there been any recent setbacks?

Mr ALBANESE—I thank the member for Hindmarsh for the question and for his ongoing interest in aviation issues. Today in the Senate the opposition supported the disallowance of important aviation security regulations which restrict who can enter the cockpit of an aircraft. The Aviation Transport Security Amendment Regulations 2009 were brought in to close a dangerous loophole in our aviation security laws on the advice of the appropriate aviation security authorities. The regulations made it clear that the cockpit is reserved for persons with an operational, safety, security or training need.

Hardened cockpit doors and restricting cockpit access are the last lines of defence to stop terrorists taking control of a plane. Stringent rules must apply to who can open the hardened cockpit door and enter the cockpit. The regulations were enacted in March and have been in place and effective since then. These regulations closed a loophole in the Aviation Transport Security Regulations. The previous government knew that this loophole existed in late 2005. Indeed, the then Minister for Transport and Regional Services stated in a letter to the pilots union on 16 November of that year:

It is Government policy that only those people with a genuine safety, security or operational need have access to the flight deck.

The previous government knew there was a loophole but they took no action to fix it because the pilots union successfully lobbied the Howard government.

Now that these regulations have been disallowed by the opposition, along with the Greens and the Independents, the legislation regarding cockpit access will return to the state it was prior to the commencement of the regulations which were in place from 12 March of this year. There will be no effective legal restrictions on who can enter a cockpit. There will be no penalties for unauthorised access to the cockpit. Access to the cockpit will effectively be left to industry self-regulation. I am of the view that the government, not the pilots on the plane, should decide regulation on aviation security and safety. That is my view and that is the view of the airlines. It is completely unsatisfactory for such an important measure in such a vital security regime to rely on industry self-regulation. The rules on who can open hardened cockpit doors and enter the cockpit...
should be set by the parliament, not left to the discretion of pilots and their union.

The events in Mexico overnight and the prosecutions in Britain earlier this week remind us that terrorists are targeting planes. I went out of my way, including by making a phone call to the Leader of the Opposition this morning, to secure opposition support for this sensible measure. But I was told that the problem was that we were seeking to impose strict liability. You bet we were! When it comes to security we have to be strict in our liability. The regulations ensure that a pilot can let a person into the cockpit to protect the safety or security of the plane or its passengers. Where there is a medical or other emergency, a pilot’s judgment to let a person access the cockpit was not limited at all by this regulation.

Of course, when it comes to strict liability offences that apply to pilots this is not a one-off. Civil Aviation Regulations are many. No. 133 says that a pilot in command of an aircraft must not commence a flight if certain requirements are not met. That is very broad. Then No. 140: a pilot in command of an aircraft must not fly the aircraft over a prohibited area. And No. 149: a pilot in command of an aircraft in flight must now tow anything unless authorised to do so by CASA.

Do you think any of them are less important than who has access to the cockpit? CAR 138, 141, 157, 161, 163, 171—all strict liability provisions supported on a bipartisan basis by this parliament. I urge the opposition to come to its senses, support the re-introduction of this regulation and take the advice of the aviation security experts and of the department which made the same recommendations to the previous minister. But he failed to act. I table the examples of strict liability offences.

Building the Education Revolution Program

Mr PYNE (3.15 pm)—My question is to the Deputy Prime Minister, Minister for Employment and Workplace Relations, Minister for Education and Minister for Social Inclusion. I refer her to the offer she has made in the answer to the previous question to visit the Langwarrin Primary School and I remind her of the offer she made to visit the Wahroonga Public School in the member for Bradfield’s electorate many months ago. I would remind her that she has been followed up by the member for Bradfield with a formal invitation. As she has not visited the Wahroonga Public School, as she offered to do many months ago, is her promise to Langwarrin Primary School as hollow as her promise to the students of the Wahroonga Public School?

Ms GILLARD—I thank the shadow minister for his question. I do recall that from the member for Bradfield. I also recall that the member for Bradfield then, I believe, wrote to me as the next step and was then in contact with my office. We were looking at a relevant time for me to go, trying to work through with the member for Bradfield about me attending. I actually followed it up personally at one point because I was keen to spend some time with the member for Bradfield, particularly in circumstances where he had announced that this would be his last parliament. We worked together very closely when I first came to this parliament. I obviously can ascertain from my office where those discussions are up to. I was very enthusiastic to go and I remain very enthusiastic to go and spend some time with the member for Bradfield.

More broadly, I say to the shadow minister who asked me the question that it does seem to me passing strange that we are on a day when unemployment figures came out—
when the talk of the nation, I think, will be on economic circumstances facing this country during a global recession, about what today’s unemployment numbers mean, about what the future will be with unemployment—

Mr Dutton—On a point of order, Mr Speaker, and it is relevance: this is about the spin and whether or not this minister can be believed.

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

Ms GILLARD—Another performance from an opposition shadow minister bound to convince people that they are ready for government! I say to the shadow minister: I cannot see anybody ever wanting him in charge of Australia’s health system. I say to the shadow minister that it does strike me as passing strange on a day when we are dealing with unemployment numbers—

Mr Pyne interjecting—

The SPEAKER—The member for Dickson is warned!

Ms GILLARD—I would be very happy to attend a school—

Mr Pyne interjecting—

The SPEAKER—The member for Sturt is warned!

Ms GILLARD—I doubt the member for Bradfield is saying that he went and did the job to every invite he ever received from anyone when he was minister.

Mr Dutton interjecting—

Ms GILLARD—I am going to say about the member for Bradfield though that he is someone who spent a lot of his time going around the country. I think that stood him in good stead in one leadership ballot after the 2007 election. It might not have stood him in enough good stead in the next leadership ballot—but there we have it. I say to the opposition: the big issues in this nation today are issues about which the opposition has absolutely nothing to say. Whilst I have been on my feet—and the member for Bradfield and I can pursue this discussion—I have been advised by my office that we have scheduled time—

Opposition members interjecting—

Ms GILLARD—Of course the opposition caterwaul, but apparently we had advised his office, well before question time today, that I could be there on 25 September. We are waiting to hear back from his office. If the member for Bradfield wants to return that call, which was made before the shadow minister for education got involved in a matter we were dealing with perfectly competently our—
selves, then I will be very happy to go and hang out with him on 25 September.

Budget

Mr ZAPPIA (3.22 pm)—My question is to the Minister for Finance and Deregulation. Minister, what are the options for reining in government spending in order to ensure a return to surplus?

Mr TANNER—I thank the member for Makin for his question. The government faces a major challenge to return the budget to surplus after the global financial crisis has punched a $210 billion hole in government revenue and indeed caused a major slump in economic growth. In order to pursue that objective the government has put in place three rules to govern the approach to get the budget back into surplus by 2015-16 on current projections—that is, to allow tax receipts to recover to normal levels as growth resumes, to put in place a two per cent real cap on spending growth once growth has resumed and to require any new spending to be offset by equivalent savings.

I noticed this morning in the Australian an interesting article that was headed ‘Joe Hockey vows to slash $14bn’. In the text of the article it appeared that the member for North Sydney, the shadow Treasurer, was stating that, under a government in which he was Treasurer, government spending as a proportion of GDP would be 24 per cent. I am not quite sure exactly when that 24 per cent would arise under a Liberal government in which the member for North Sydney was Treasurer. As the Treasurer outlined before, were that to occur immediately—for example, in next year’s budget—that would mean a cut of almost $50 billion in government spending.

Apparently, though, during the course of the day the member for North Sydney has been crab walking away from this commitment. He has explained that in fact what he meant was that it would happen over a number of years, but he did not illuminate precisely how many years or when indeed under a Liberal government the spending rate would get to 24 per cent of GDP. If you look at the figures in the budget, you will see that, although it is currently expected to peak at about 28.6 per cent of GDP because of the global recession and the huge impact on the Australian economy, the budget already projects that that will drop to 26.4 per cent within a few years because of the natural recovery that will occur and because, of course, GDP is higher and, if spending does not grow as fast, the percentage of GDP is lower.

It is extraordinarily ironic that, when we are hearing this even more elevated, hairy-chested rhetoric and posturing from the member for North Sydney, at the very same time the opposition is blocking in the Senate one of the government’s biggest savings measures. It is blocking one of the biggest reductions in spending—namely, the reforms to the private health insurance rebate which will save the budget almost $2 billion over the next four years and almost $10 billion over 10 years. How on earth can we expect tough decisions from them in government when in opposition they cannot even support getting rid of private health insurance subsidies for millionaires?

While the member for North Sydney carries on with this kind of phoney hard man routine, we need to remind the opposition that a day of reckoning is looming. The time will come in the pre-election period when the Leader of the Opposition and the member for North Sydney will have to front up and respond to the pre-election fiscal outlook and the existing fiscal settings of the government and outline their spending plans, their savings plans and the net impact on the budget of those plans. If we are to take their current rhetoric seriously, what they will be doing is
fronting up and saying, ‘Here are our spending plans, here are our savings plans and those savings plans are much larger in dollar outcomes than the spending plans.’ In other words, the proposition for those backbenchers over there on the other side is that they will be going into an election campaign promising savage cuts in government services and government programs. That is in effect what the member for North Sydney is saying at the moment. Time will tell whether that is what happens.

There are a dozen or so members on the other side who have been in this place about as long as I have and some who have been in here longer, and they will remember that this approach was tried before from opposition. It was tried by a bloke who was also member for Wentworth, who was also an investment banker, who was also a former shadow Treasurer, who was also a proud neoliberal, who was also in only his second term in parliament and who also had impeccable nouveau riche credentials. His name, of course, was John Hewson. So where they are heading under the rhetoric of the member for North Sydney is a rerun of Fightback. Time will tell whether that is where they end up.

I am a bit more cynical because I think what will happen is that, as we get to that day of reckoning, all the debt and deficit rhetoric is going to be exposed for the vacuous nonsense that it is. They will not be stumping up with the hard savings that are needed in order to follow through on their rhetoric. We have heard the Leader of the Opposition say that everything will be reviewed and everything is up for grabs. Let’s see what actually happens when we come to the business end of the season, because I know and we know that it is all empty rhetoric. There is nothing behind these posturings by the Leader of the Opposition and the member for North Sydney. We know and the members on the back benches hope that when it comes to the election campaign they will not be out there proposing the kinds of savage cuts that they pretend they currently stand for.

**Building the Education Revolution Program**

**Mr BRIGGS** (3.28 pm)—My question is to the Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. I refer the Deputy Prime Minister to the Eastern Fleurieu School in my electorate. Is the Deputy Prime Minister aware that local builders in Strathalbyn were denied the opportunity to tender for the classrooms to be built at the Strathalbyn campus of the Eastern Fleurieu School and that instead the work has gone to Baulderstone, the Australian subsidiary of multinational construction giant Bilfinger Berger? Deputy Prime Minister, how is this supporting local jobs?

**Ms GILLARD**—I thank the member for his question. It may enable me—

"Government members interjecting—"

**Ms GILLARD**—and I think I am assisted by my colleagues in this regard—to explain something about the way the Australian economy works. Although a firm may ultimately have an overseas owner, when they work in this country they actually employ people in this country to do the work. Just try to stay with me on that economic concept that a company that may have an ultimate overseas owner, when it does work in this country, employs Australians to do jobs.

Do you know why construction is a great way of providing economic stimulus? It is because it is necessarily providing work here in this country in an industry hit by the global recession. I refer the member—and he may not be familiar with it—to the recent statistics and index released by the Australian Industry Group that showed that em-
mployment in construction had gone down 17 months in a row.

Ms Julie Bishop—Mr Speaker, I rise on a point of order. Local builders in Strathalbyn were denied the opportunity to tender.

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

Ms GILLARD—Apart from explaining that a company can have an ultimate foreign owner and actually employ Australians, one of the other things about the construction industry that people may not appreciate—or at the least the member asking me the question may not appreciate; I suspect everybody on this side of the House does, and I reckon the Independents are right onto this as well—is that in the construction industry it is common to engage a head contractor who then contracts down the chain to subcontractors—

Government members—Oh, really?

Ms GILLARD—Really. Yes, imagine that—a head contractor who contracts down the chain to subcontractors who then perform the work. Having met with a number of people who are actually engaged in constructing Building the Education Revolution projects, I know that is precisely what is happening.

Mr Hartsuyker—Mr Speaker, I rise on a point of order. The question was about local builders who were denied the opportunity to do this work.

The SPEAKER—The member for Caw- per will resume his seat.

Ms Julie Bishop interjecting—

The SPEAKER—Why doesn’t the Deputy Leader of the Opposition just sit there quietly.

Mr Martin Ferguson interjecting—

The SPEAKER—The Minister for Tour-

Mr Abbott interjecting—

Ms ROXON—I thank the member for Lyons for his question because I know that the electorate that he represents has very

Private Health Insurance

Mr ADAMS (3.35 pm)—My question is to the Minister for Health and Ageing. What are the government’s plans to reform the private health insurance rebate to make it fairer and more sustainable?

Ms ROXON—I thank the member for Lyons for his question because I know that the electorate that he represents has very
many people on low and middle incomes who do not fancy subsidising the private health insurance of millionaires, of CEOs and of those of us who are here in parliament when we are well able to pay for our own private health insurance. The Rudd government announced changes at the budget because we believe that it is possible for us to make the private health insurance rebate (1) more fair and (2) more sustainable.

It might be of interest for those opposite to know that spending on the current rebate is growing so quickly that it is expected to double as a proportion of health expenditure by 2046. This is clearly unsustainable—even more so in light of the global financial crisis. We believe that it is a fairer use of taxpayer resources to make sure that secretaries, nurses, Hansard reporters and attendants in the chamber do not have to pay for the private health insurance of members in this place who are well able to pay for it themselves.

This is not our money we are talking about. This is taxpayers' money and we need to ensure that every health dollar is targeted to those who need its support most. But this morning, as the Treasurer and the Minister for Finance and Deregulation and others have commented, I noticed that the shadow Treasurer vowed to cut $14 billion in spending not even 24 hours after his own party blew a hole in the budget of $1.9 billion. It really shows that, once you put the blowtorch to the Liberal Party, they cannot stand for anything, they cannot be fiscally responsible and they do not have the ticker to make any tough decisions. We can see a clear pattern emerging from the Liberal Party. When they are given a choice about who they are going to back, it is the very highly paid specialists, the health insurers or the distillers. They will stand with everybody possible who earns a high income rather than stand with the community and sensible health policy. We intend to reintroduce this bill into the parliament. We believe that it is fairer, we believe that it is financially sustainable, and we expect a more responsible approach from the opposition when we do reintroduce it.

Honourable members interjecting—

The SPEAKER—Was it the member for Moreton you wanted warned, Member for Braddon? The member for Moreton and the member for O’Connor were not assisting, but I will not send them out for a cup of tea together.

Building the Education Revolution Program

Mr CHESTER (3.39 pm)—My question is to the Deputy Prime Minister, Minister for Employment and Workplace Relations, Minister for Education and Minister for Social Inclusion. I refer the minister to the Newmerella Primary School in East Gippsland which has been granted $850,000 under the Primary Schools for the 21st Century program. Is the minister aware that the project manager and a representative from the education department contacted the primary school principal and told him that the template buildings are more expensive than the government thought and projects will all be retendered, forcing a further delay of at least two months? Minister, has there been another cost blow-out in the so-called Building the Education Revolution?

Ms GILLARD—I thank the member for Gippsland for his question and his drawing my attention to one school in his electorate. His electorate is home to 104 schools. Those 104 schools are benefiting from 190 projects under the Building the Education Revolution program with an investment of more than $117 million, so I certainly look forward to the member continuing to ask me questions. He has asked me about one school today and I will very much welcome questions about
the other 103 schools and the 190 projects in his electorate.

_Honourable members interjecting—_

**The SPEAKER**—Order! The members for Solomon, Flynn and Dawson. The member for Dawson was probably encouraging it. That is why he got mentioned. You will sit there quietly.

**Mr Chester**—Mr Speaker, on a point of order on relevance: the question referred specifically to the Newmerella Primary School. If the minister does want to debate the number of jobs in Gippsland, there were no—

**The SPEAKER**—The member for Gippsland will resume his seat. He has made his point of order.

**Ms GILLARD**—I say to the member for Gippsland that I think he will find, with 190 projects in his electorate and an investment of $117 million, that will be supporting local jobs, and if I know the form of the member for Gippsland can I just predict that he will be there associating himself with the openings of each of those projects. We will see him in a hard hat before the end of the year. I will put money on it. I will also put money on the fact that by the end of the year I and a number of my colleagues will have got letters from the member for Gippsland asking for more investment in his electorate. I am sure that will be happening, too.

On the question of costs and Building the Education Revolution, as the member for Gippsland would know because I am sure he is familiar with the $117 million investment and 190 projects in 104 schools in his electorate, contracting and tendering for the state schools is being managed by the state government and for Catholic and independent schools by the relevant school authorities. We obviously work with them to get value for money. The member has referred to cost blow-outs. I believe he is confused with the Investing in Our Schools Program where there was an underestimate through costing at 80 per cent and a consequent need to go back to budget and get extra money.

If the member for Gippsland has an issue that he is concerned about, if he wants to work through that, obviously we want to ensure that the best possible value for money is obtained in local schools in his area and around the country. Can I say to the member for Gippsland more broadly that when he is dealing with these issues—he may have spoken to the principal he cites or he may have spoken to the local tenderer—I hope that he is making clear in each and every one of those conversations that when he was asked in this parliament to vote for this investment in schools and in supporting local jobs he voted against it.

**Mr Chester**—I ask leave to table the email from the principal.

Leave not granted.

**Timor Sea Oil Spill**

**Ms PARKE** (3.43 pm)—My question is to the Minister for Resources and Energy and Minister for Tourism. Will the minister update the House on the status of the Montara oil spill?

**Mr MARTIN FERGUSON**—I thank the member for Fremantle for her question on the status of the Montara oil and gas leak. In doing so, I would also join with her in welcoming the Prime Minister’s announcements today with respect to further long-term LNG contracts by Chevron. These contracts are potentially worth $70 billion over 25 years to Osaka Gas and Tokyo Gas, in Japan, in addition to GS Caltex, in South Korea, and hopefully will further assist in a final decision by the Gorgon joint venture. In doing so, I remind the House not only of the economic importance of the LNG industry to Australia but also of the environmental importance to the industry internationally. One should not
forget that for every tonne of CO2 emitted in Australia during production, LNG saves four tonnes of CO2 when it is consumed in Japan and nine tonnes when it is consumed in China.

For those reasons—both environmental and economic—we as a nation have a huge responsibility to make sure that the petroleum industry in Australia operates on the best conditions regarding health and safety practices and environmental considerations. I can advise the House that AMSA has indicated there has been a general reduction in the number and size of slick patches observed. The report indicates that fewer patches are being sighted from vessels, with only a very small amount of dispersant having been required yesterday. It is also interesting to note—contrary to suggestions from the Greens—that the oil slick and sheen are approximately 170 kilometres, or 90 nautical miles, from the mainland. More importantly, in terms of our capacity to actually shut in the leaking well, the Montara well operator, PTTEP, today advised that the West Triton rig—which has been brought from Indonesia to shut in the leaking well and then stop the flow of oil and gas—is scheduled to arrive at the Montara field at midnight this evening. From an environmental point of view, wildlife experts and environmental personnel are conducting surveys and wildlife monitoring of Ashmore Reef and the East and West Middle Islands. The latest report available to me indicates no oil-affected wildlife and no evidence of contamination in the area, which is pleasing to all in the House.

As I have previously advised the House, this is a major incident but we should not forget that this is the first well blow-out in offshore oil and gas in Australia since 1984, and around 1,500 wells have been drilled safely over the past 25 years. However, we also accept that there is no room for complacency. The oil and gas industry—as confirmed by the Prime Minister today—is one of the engine rooms of growth in Australia and the key to critical investment and job creation as we come out of this global financial crisis.

This is also about energy security for Australia in the 21st century as we move toward a lower emissions economy. But we should also never forget that the nature of the industry is hazardous to the people and the environment when things go wrong. It is for that reason that all members of the House have taken the status of the Montara oil and gas leak seriously. We understand that the Australian community rightly expects no less from all of us. I therefore extend my appreciation to the opposition, and especially to the member for Groom, for assisting me in facilitating an amendment to the Offshore Petroleum and Greenhouse Gas Storage Act 2006, which will provide the minister with a broad ranging major incident investigation power. That amendment passed the House yesterday, and we now look forward to support from the Senate so as to enable the minister to have the appropriate regulatory capacity to conduct an investigation once we have completed shutting in the well and stopping the flow of oil and gas.

Clearly, there is a need for a regulatory review power and consideration of a properly resourced investigative capacity from the Australian government. However, we also understand that this is an unfortunate incident. I remind the House that right now our top priorities are: firstly, to respond to the oil spill and minimise harm to the environment; and, secondly—and importantly—to shut in the leaking well and stop the flow of oil and gas safely and as soon as possible. I extend my appreciation to the House for its assistance in amending the bill to ensure that we have all regulatory capacity to do the right thing by the Australian community.
Mr Rudd—Mr Speaker, I ask that further questions be placed on the Notice Paper.

MEMBER FOR DENISON

Mr Rudd (Griffith—Prime Minister) (3.49 pm)—On indulgence: I was recently informed by my good friend and colleague the Hon. Duncan Kerr that he has decided not to recontest his seat of Denison in Tasmania at the next federal election. Duncan has done an outstanding job during the 22 years that he has been the federal member for Denison. As Parliamentary Secretary for Pacific Island Affairs he has played an outstanding role in strengthening Australia’s presence in the region. Australia is currently chair of the Pacific Islands Forum. Last month we hosted the 40th Pacific Islands Forum in Cairns and the relationship with our neighbouring countries has never been better. I would like to place on record the contribution by the parliamentary secretary, the member for Denison, in improving Australia’s relations with our most critically close neighbours, the Pacific island countries of the South Pacific.

In bringing his considerable talents to bear to this task, I am mindful of the fact that the member for Denison has had extensive experience in the past, including in Papua New Guinea. As he has travelled across the Pacific island countries he has been able to draw upon that natural empathy with many of the development challenges faced by countries in the region and to engage them in considering what Australia can do to partner with them in the great challenges of development for the future.

When I have spoken to Pacific island heads of government, they have been singular in their praise for this parliamentary secretary’s sensitivity, understanding and embracing of the development challenges they face. Establishing democracy in Fiji will continue to be an important challenge for us all, which is why this forum is important for facilitating regional cooperation and unity in the Pacific.

I am also mindful of the history of our intervention when it comes to other challenges to democracy in the South Pacific, namely in the Solomon Islands. My recollection—and I look to the honourable member for Denison in case I mislead the House—is that, prior to the previous government undertaking a necessary military intervention in the Solomon Islands, he had engaged personally, as an opposition member of a parliamentary delegation to the Solomon Islands, to come back to the government of the day with a recommendation that, with the early dispatch of a modest force of 50 police officers, subsequent interventions on a much larger scale could be avoided. I simply note—and I seek to do this in a bipartisan spirit—that, regrettably, that was not done at the time. Several years later, as a consequence, we found ourselves engaged in what became RAMSI. I indicate, of course, our support for the RAMSI operation, but I draw again the attention of the House to the foresight contained in that original correspondence from the Parliamentary Secretary for Pacific Island Affairs, then simply the member for Denison, to the then Minister for Foreign Affairs on this subject.

Duncan was a formidable shadow minister during the 11 years that we were in opposition, holding such portfolios as immigration, environment, justice and the arts. I also applaud Duncan for the important reforms he introduced to the Australian legal system while Minister for Justice and later Attorney-General during the Keating government.

Duncan informs me that he will step down from his role as parliamentary secretary as of the end of October. On behalf of the government and on behalf of the federal parliamentary Labor Party, I would like to for-
mally thank him in this place for his tireless work for the government and the Australian Labor Party throughout his career.

Honourable members—Hear, hear!

Mr TURNBULL (Wentworth—Leader of the Opposition) (3.53 pm)—Mr Speaker, on indulgence: on behalf of the opposition, I wish the member for Denison a happy retirement as he returns to the bar and his previous avocation in the legal profession of Tasmania. We do not dissent from the praise that the Prime Minister has given him, but naturally we look forward to the next member for Denison being on our side!

PERSONAL EXPLANATIONS

Mr TURNBULL (Wentworth—Leader of the Opposition) (3.54 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr TURNBULL—Yes, most grievously, by the Treasurer—a repeat offender, I might add.

The SPEAKER—Please proceed.

Mr TURNBULL—The Treasurer said, in the course of question time today, that I had not set out any alternative to the spending program contained in the government’s stimulus package. In fact I have done that on many occasions. In particular, I refer to the speech I gave in a second reading debate on 12 February this year. In the course of that speech I observed:

… we regard it as highly unlikely that state governments will be able effectively to spend $14 billion over 2½ years on a program which is largely, but not entirely, made up of … school assembly halls …

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (3.55 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:


Debate (on motion by Mr Pyne) adjourned.

MATTERS OF PUBLIC IMPORTANCE

Building the Education Revolution Program

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

The Government’s failure to rein in waste and mismanagement in the ‘Building the Education Revolution’ program.

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 PYNE (Sturt) (3.56 pm)—We have in front of us a Minister for Education who has presided over waste and mismanagement on a grand scale. For months, the opposition; principals like Henry Grossek at Berwick Lodge Primary School and Ian McCluggage at Berridale Public School, whom we mentioned today in question time; chairs of Parents and Citizens Associations like Robert
Vella, who was on the television last night and in the papers this morning, whose issues have been raised by us and by himself through the press; the media, most notably the *Australian* but also the other tabloid press; and building and construction experts like Reed Construction Data—all these people—have been raising concerns about the so-called Building the Education Revolution program, otherwise known as the Julia Gillard memorial school hall program or the school stimulus debacle. However you like to describe this program, it has been a debacle, a fiasco, a shemozzle, and we have a minister who absolutely insists that she will not be held to account for her failure to perform as a Minister for Education.

We have raised issues that cover many subjects, including profiteering. Many months ago, we raised issues about Cleve Area School, in the electorate of my colleague the member for Grey, where classrooms were disappearing. In March they were promised eight classrooms for $2 million. In April they were promised six classrooms. In May they were promised four classrooms. In fact, in May they were offered a collection of transportables which included decking. In three months, they had halved the buy of $2 million, halved what it would actually mean on the ground for them at Cleve Area School. We have other examples, like Cattai Public School, where they built a COLA, a covered outdoor learning area, last year for $90,000 under the Investing in Our Schools Program. They have just been told that they will be able to build another covered outdoor learning area, of probably the same size, for $200,000—a 120 per cent increase in 12 months. So we have uncovered profiteering.

We have uncovered state skimming. The South Australian government has reduced its infrastructure spend in state schools by 12 per cent, when every other year, as you would expect, it has increased its spending on infrastructure in schools. South Australia is not alone. The Victorian government, the Queensland government and the New South Wales government, at least, are using money from the federal school stimulus debacle to prop up their own infrastructure programs, removing promises that they had made—most particularly promises made in Victoria before the Victorian state election which disappeared off the table when the federal government came along with all their cash.

We have uncovered inflated payments to project managers. In Queensland, some project managers are being paid $565,000 for six months work, a king’s ransom. We have uncovered waste, like the $3.8 million being spent on display signs, 2.8 by 1.8 metres, to praise the dear leader and Madam Dear Leader for their greatness. These display signs are so large that I hear that when they are transported to country schools they are being used for barbecue grills because they cannot find any other use for them, and the poles are being used for point markers in AFL football because they simply refuse to waste their time erecting them in schools of 10 or fewer students, where hardly anybody is going to see them and they do not see it as a good use of taxpayers’ money—and why not? We have seen $3.5 million wasted on plaques so that the Deputy Prime Minister can have her plaque on every single Julia Gillard memorial school hall across Australia as part of Building the Education Revolution.

The DEPUTY SPEAKER (Ms AE Burke)—The member will refer to members by their appropriate title.

Mr PYNE—I will, Madam Deputy Speaker. This money could have been spent on so many other, better priorities. There are at least 140 science and language laboratories throughout Australia which have missed out on funding as money has been ripped
away from secondary schools—in country electorates particularly. The member for Kalgoorlie has examples in his own electorate of language laboratories which have had money ripped away from them. Even Nambour State School, in the Prime Minister’s own electorate, had promises made before the last election that science and language laboratories would be built there, only to see them disappear because the government and the minister would rather spend money on self-promotion. That is self-promotion that the Australian Electoral Commission has identified as electoral advertisements and for which it has required an authorisation because it is so blatantly, transparently and cynically designed to help this government win the next federal election. Everything this government does is for a political strategy, not for an economic strategy.

We have uncovered mismanagement where schools that are closing have been given money under the National School Pride program, like Smithfield primary school; where one-child schools have been given $250,000 for new libraries, as at the Evesham State School in Queensland; and where projects that are not wanted are being foisted on schools. Unless those schools courageously stand up to the government, they are insisting that schools accept four new classrooms to replace four existing classrooms, rather than using the wit and imagination that should come with being in government to provide the kinds of projects that schools want—like withdrawing asbestos from school ovals, building covered outdoor learning areas that schools actually need or refurbishing schools that already have existing classrooms but need air conditioning, for example. But the government do not do any of those things; they simply insist that it is their way or the highway.

We have seen examples like the one today in Strathalbyn, where local builders were not even given the opportunity—they were denied the opportunity—to tender for work locally, in their own communities, because instead of supporting local contractors, subcontractors or builders the government would rather support major multinational construction giants, whether it is Bauldstone, Abigroup or Hansen Yuncken. Maybe it is because they can unionise their workforces or insist on that as part of their contracts, whereas they cannot keep the control over the small businessman, the local builder, that they can keep over the big players in the construction industry.

We have seen differing treatment for public and private schools, where private schools are given the opportunity to make the decisions locally about what they need and therefore spend taxpayers’ money wisely, whereas public schools are forced to take it or leave it by the department of education and training. In fact, Ian McCluggage, the principal of Berridale Public School, has written:

Our colleagues in the private education sector are able to utilise every cent of their BER allocation while we are being given more and more spurious reasons why the funding available for our projects is being siphoned off. “Descoping” was the term I was given last week …

The growing list of concerns is echoed by a growing list of people who want someone to take control of the education portfolio and run with it full time. They want someone to take control of this hopeless situation, to accept responsibility and to stop playing the blame game. These are people like the Auditor-General, who is inquiring into this program; the South Australian Primary Principals Association; the Australian Education Union; the Australian secondary and primary principals associations; the Australian Council of State School Organisations; the Victorian Principals Association; the New South Wales Teachers Federation; the Federation of Parents and Citizens Associations of New
South Wales; and the New South Wales secondary and primary principals councils. These are not organisations, groups or associations that have always typically been associated with the coalition side of politics, yet the government refuses to listen to even the Australian Education Union, who did so much to help this government get elected in 2007.

In question time today, and all week, the minister has demonstrated that she is simply not across the detail. The minister did not even realise today that it was the changes to Building the Education Revolution that required local councils and state governments to suspend their development rules to allow the buildings to go on in schools as quickly as possible. She tried to pretend that that was a decision that state governments had made or that local councils had made—that it had nothing to do with her. In fact, state governments and local councils would not have made that decision unless the guidelines for Building the Education Revolution required it. The ACT held out against it, only to find that the federal government insisted that if they were to get one dollar they were required to suspend their rules for development in order to allow these buildings to go up as quickly as they could. The minister is simply not across the detail. She insists that these problems are all somebody else’s problems, playing the blame game, seeking to push the blame to others—to other ministers, to state ministers. But, unfortunately, when you are spending $16.2 billion of taxpayers’ money, the taxpayers expect the minister who is responsible, the federal Minister for Education, to actually take responsibility and to be accountable. This is apparently the biggest spending program in Building the Education Revolution, in the stimulus package, yet the minister says: ‘It’s not my problem; it’s all somebody else’s problem. I’ll push it off to the states. I’ll play the blame game.’

This is a minister who, rather than answering questions and rather than seriously dealing with the issues, denigrates her opposition, attacks her critics, accuses them of all sorts of gross calumnies and stands at the dispatch box and says, ‘Provide me with the detail and I am more than happy to talk to you.’ She has been told the principal’s name, the name of the school and the amount of money, yet she asks for more detail. She said that she was happy to visit schools. She has made those hollow promises before. We know they are not real. It is all about spin. It is all about a political strategy to win the next federal election rather than an economic strategy. Today, she was given the opportunity to answer questions about giving parents and citizens councils what they want, keeping track of the money like at Evesham, the cost blow-outs like at Berridale, the development rules being suspended like at Walford School, after school hours care centres being closed like at Alveston, commitments to fix problems not been followed up like at Langwarrin, retendering for cost blow-outs like at Newmerella school and display signs being a higher priority than value for money; yet this minister simply avoided answering any of these questions.

It would be bad if this was the only problem in the minister’s portfolio. But, unfortunately, this minister cannot get anything right in education. She is a sloppy minister who keeps spilling the drinks. There is the $1.7 billion blow-out in the primary schools stimulus debacle, the $1.2 billion blow-out in the Computers in Schools program, parents now being charged for laptops in the Computers in Schools program and the youth allowance debacle of the last few months which has led to a minor backflip of a couple of weeks ago. There are a lot more backflips to happen before the opposition will be satisfied that this government is even close to
looking after the needs of rural and regional students.

One trade training centre was promised for every secondary school. They are now being found in one in every 10 secondary schools. There was the international students debacle where she failed to act early enough in spite of knowing about the danger signs and where, rather than resettling international students in new tertiary education, she is simply paying them out and sending them back home and, as a consequence, blowing out the insurance scheme that was put in place by the previous government. There are the Building the Education Revolution roadside signs where 10 days ago she said, ‘I am confident there is no breach of the Electoral Act,’ dismissing yet again any criticism or opposition, only to find that the Australian Electoral Commission humiliatingly required the government to put an authorisation on the sign and to ensure they were not within six metres of a polling booth because they were electoral advertisements.

The Building the Education Revolution itself is under investigation by the Auditor-General. It is under investigation by the Auditor-General for good reason. It is because it has been botched by this minister. It is time for the Prime Minister to put education at the centre-piece of his government, as he promised before the election. It used to be the No. 1 priority on the Prime Minister’s website. It has now slipped off the website altogether. Education was supposed to be the hallmark of this government. The minister is trying to handle workplace relations—not well. We understand that. Employment—not well. We understand that, as we do social inclusion. But the most important portfolio she has, from my point of view as the shadow minister for education, is education and she needs to start getting it right. There have been too many serial offences, failures by her and pushing of problems off to other people. The Prime Minister has to step in and, at the next reshuffle, appoint a full-time education minister who does not spill the drinks.

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (4.11 pm)—Here we end a week watching the continued political humiliation of the Liberal Party. They spent all weekend talking up an unprecedented attack on me as minister. This was going to be the week where they really delivered and here we have seen, limping around four days later, the biggest shot in their armoury having been whether or not I have got back to the member for Bradfield about a diary matter—and, as it transpires, we did get back to the member for Bradfield and I have just supplied to him our email from June where we are awaiting a reply. Something that started with so much fizz has gone so flat. Why is that? If you are actually going to come into this parliament and traverse the important public policy issues of our time and certainly education, the development of human capital, its intersection with the nation’s economic future, its intersection with the nation’s future equity—if you are going to traverse issues like that—you need to do some work.

Unfortunately for the opposition, the shadow minister for education likes to strut in parliament but he does not like to work. That is why here we are after almost two years of the Rudd Labor government, almost two years of the Liberal Party in opposition, with not one policy idea and not one substantial contribution to the education debate. After I chided him about his website only having one speech on it outside parliament for this year, he has clamoured around and managed to add a second, but not one substantial idea is the Liberal Party bringing to the most crucial debate facing this nation.
Let us just very quickly go through those crucial debates and the lack of ideas. With early childhood learning, we moved into government and inherited Australia at the back of the OECD class. We are moving in a range of areas to make a profound difference in early learning. What are the opposition policies on that? On school education and transparency, we have got a position articulated by the New South Wales Leader of the Opposition—he is opposed to it. Where does the Liberal Party truly stand on that? On the issue of more resources for disadvantaged schools, our national partnership that will make a difference for those kids that need it the most and for whom education is the crucial difference between a life spent at society’s margins or in its mainstream, what is the Liberal Party’s attitude to those profound equity issues as they confront our nation? What is the Liberal Party’s attitude to the future of teaching? We are a government that has already delivered a program that is bringing the best teachers to the most disadvantaged schools that need them the most and paying the more to do so. This is a government that is already delivering a new cohort through Teach for Australia, the best and brightest graduates preparing to teach in the most disadvantaged schools in this country. What does the Liberal Party say on those profound issues about the future of teaching and getting the best in front of the classrooms where they are needed the most?

What do they say about the future of literacy and numeracy development, knowing that, if you do not get that foundation stone of learning, education may be locked away from you for the rest of your life? What do they say about those future programs? What should be done to make sure that, in international testing, we do not see disadvantaged kids left behind? Silence—absolute silence. What do they say to our programs to change vocational education and training? What do they say to the most profound set of reforms in universities since the Dawkins reforms of the 1980s? On all of these things we hear an amazing silence.

I notice that Matthew Franklin, from the *Australian*, is in the gallery. I have had an occasional thing to say about the *Australian*. The good thing about the *Australian* is that they love a good debate—and I frequently give them one. I refer the shadow minister to the editorial of the *Australian*, which is not necessarily known for giving me the best assessments. It recorded that there have been more reforms delivered in education by me, as minister, and this government in two years than in the 12 years of the Liberal alternative. That is the conclusion of a broadsheet newspaper that proudly defines itself as Centre Right. Never, I suspect, has a more damning criticism been made of a conservative party in opposition than that a Centre Right broadsheet could come to that conclusion so quickly.

Let us go to the Building the Education Revolution program, because I want to have this debate. At the program’s very heart is a debate about jobs and the future of our schools—jobs today and modernising schools for the future. The quality of learning facilities matters, but it is not the only thing that matters in quality of education. Great teaching matters, resources for disadvantaged kids matter, literacy and numeracy matter and getting the best graduates in there matters—it all matters. But doing it in good learning spaces and libraries matters. Learning to read and write, having good libraries, having good classrooms and having areas where the whole school can assemble make a difference to learning outcomes.

Of course, this program is at the same time making a difference to jobs. On all of this—whether it is the education revolution reforms for disadvantaged kids, transpar-
ency, quality teaching, early childhood, VET, universities or Building the Education Revolution—what do we hear from the opposition? We hear no profound truths about the policy direction of this nation. The opposition can criticise, it can complain and it can carry on, but it cannot be constructive. And, by not being constructive, time after time it comes into this parliament and distorts the facts. So let us go through some of the facts that the opposition does not want acknowledged. Fact No. 1: the opposition has pointed to the reallocations within the government stimulus package and claimed that this is something to do with a blow-out in costs in Building the Education Revolution, particularly Primary Schools for the 21st Century. They have tried to create the imagery that somehow builders are inflating prices and the government has had to tip in more money. That is simply not true. More money is going into this program because it is going gangbusters, because more schools want to be in this program.

The shadow minister was profoundly embarrassed earlier this week. He had made much of this reallocation in the public media. He was out there publicly saying, ‘What sort of minister would factor in a take-up rate of 90 per cent for a program like this?’ only to find that, when they were in government, with Investing in Our Schools they factored in a take-up rate of 80 per cent and did not reallocate within an announced program and had to go back to the budget for more money. There was a cost blow-out by them in government, and the shadow minister was profoundly embarrassed when he found out about it. We have put more money into this program within the $42 billion cap for our economic stimulus plan because it is going gangbusters, because schools want to be in it.

Then in the lead-up to this week—and I note that this has not even made a starting appearance in question time, because it is so absurd—they were out there saying that the funding for the science and language centres has been politically rorted. The statistics in terms of the seats and all of that were running in the newspapers. They never even asked about it in the parliament. Why not? Because we had an independent assessment panel deal with this matter. We acted on the recommendations of that panel—and 53 per cent of the money for the science and language centres went to Labor electorates, whereas we hold 55 per cent of the seats. So there they are, trying to create this imagery of rorting, and of course all of that falls away when they are confronted with the facts. They were smart enough to realise that and not even ask about it this week. They smear us outside and do not even bring it into the parliament.

Then they have tried to create the imagery that there is no flexibility in this program. I have been to schools where people have purpose-designed the facility they want, and they are delighted with it. So I would challenge the opposition to get out there and talk to some principals and teachers—they are delighted with their purpose-designed facilities. Then they come into this parliament and make individual claims about individual schools. They ignore the vast bulk of the program, which is rolling out well with delighted school communities, and look for the one thing where they can make a criticism. I say this to the parliament: prior to the start of this parliamentary week I did a reconciliation of the individual examples that had been raised with me to that date and, when they were looked at, two-thirds of them had no foundation in fact. They come in here and make allegations with no facts behind them. It is business as usual for the opposition—never let the facts get in the way of a good story.

The shadow minister does not like these truths—I understand that—but I have got a
few more. This is a program that is supporting jobs. The shadow minister went on Radio National with Fran Kelly at the start of the week talking up the attack on me: it was going to be fast and furious, it was going to be interesting, they had all this new material—and they are down to whether or not I got back to the member for Bradfield about visiting one of his schools. There he was in his interview on Monday. He has missed the global financial crisis, missed it entirely, and consequently does not understand that there is a need to support jobs. Out there in the real economy, according to the shadow minister for education, he says that it stood out as obvious that if you are going to spend $14 billion there would be an immediate impact on inflation because there would not be enough workers, there would not be enough resources. So the shadow ministry has got this imagery that out there in the real economy: no global recession, every construction worker is wholly employed and we were going to put $14 billion on top of that.

Let us to see what the rest of the world is saying: global recession, employment in construction has gone down every month for 17 months and the construction industry and economists around the country are telling us that it is only the government’s economic stimulus that is keeping the industry turning over—including the Building the Education Revolution program. Local workers know it, local workers are saying it, builders are saying it: it is vital to support local jobs.

Then those opposite come into this parliament and they make all sorts of claims about the cost of the recognition requirements in relation to Building the Education Revolution.

Dr Kelly—Talk about hypocrisy.

Ms GILLARD—I thank the parliamentary secretary at the table. Talk about hypocrisy. Do we remember the days of the flagpoles? It was compulsory to have a Howard government supplied flagpole and every flagpole had to have a plaque—every flagpole had to have a plaque under the Liberal program, at a cost of seven per cent of the program. The estimate that we have generated is that seven per cent of the program went towards the cost of plaques. Imagine that: a plaque on every flagpole. In contrast, under our program we are seeing 0.02 per cent of the expenditure on recognition requirements. So let us not have any more of this hypocrisy.

Of course we understand in rolling out a program this big this quickly that there will be times when people want to raise issues of concern. That is why we have set up a complaints mechanism for doing that. As of yesterday we had had 49 complaints from the 9,500 schools around the country. Given how this is being rolled out quickly and the scale of it, 49 complaints, with 9,500 schools and more than 24,000 projects, can hardly be characterised as the opposition would characterise it, as a list of major difficulties.

I conclude by saying this. There is one person sitting on the opposition benches who has at least announced that, because he voted against Building the Education Revolution, he will not associate himself with the projects in the electorate. That is the shadow Treasurer. What I think we should be seeing in this debate, and I hope that the next speaker on behalf of the Liberal Party or the National Party says this, is that they are going to follow Joe Hockey’s example. All they have ever done is voted against this program. All they have ever done is talked it down. Let us see whether they are hypocritical enough to keep associating themselves with this program in their electorates. In the meantime, we will get on with the job of supporting Australians in work today whilst
Mr HARTSUYKER (Cowper) (4.26 pm)—The Building the Education Revolution program is a program out of control. It is a program that is being mismanaged, it is a program that is costing the taxpayer tens of millions of dollars of waste and it is a program in which many schools are not getting what they wanted. It is a program that is causing such concern that the Auditor-General has initiated a full program audit—a full performance audit. I do not think ever in the nation’s history has an audit been initiated just a few months into the commencement of program.

Let me give you a little Nostradamus. Let me speculate on what the future holds in relation to this program and what the Auditor-General might find. No doubt he will find that state governments will be fleecing this incompetent minister and this incompetent government, skimming off the project management fees, skimming off the taxpayers’ dollars to go who knows where. No doubt also Nostradamus would predict that the Auditor-General might find that the cost per square metre of buildings under this program is vastly more expensive than comparable commercial projects purchased out in the marketplace. We have seen today an example in Berridale Public School where, at $2,640 per square metre, the school is able to construct a double-brick shower and toilet block. Yet under Building the Education Revolution they are going to be paying $5,660 per square metre for a prefab structure. That is more than double the cost for a prefabricated structure as opposed to a double-brick building. He may also find that many schools are being forced to pay tens of thousands of dollars for plans and designs which they could probably get cheaper elsewhere. But let us not let value for money become a problem, because value for money is something that this government has not concerned itself with.

What else might the Auditor-General find? I think the Auditor-General could find that there is some degree of corruption in the tender process, where we have local contractors forbidden from putting in a bid. How is that complying with a good tender outcome if local contractors are forbidden from bidding and you get outside tenderers coming in? Does it make sense to have contractors coming in from afar to build a project where local builders may have been able to do the job more efficiently and may have been able to do the job more cheaply if only they had been permitted to bid? This is a program that is out of control.

We have had the minister refer to a $1.7 billion cost overrun as nothing but a bump in the road, a $1.7 billion bump in the road. I suppose the minister would also say that the Titanic hit a speed bump. But I am sure that the Australian taxpayer is concerned by cost overruns in the order of $1.7 billion, particularly when they would be paying for that cost overrun out of debt. The key is that the cost overruns and the inefficiencies in this program and the gross mismanagement of this program are being paid for by the Australian taxpayer through debt. They will not only be paying for this mismanagement by this government, they will be paying the interest on top. The taxpayers of this country should be able to demand value for money, and the criterion of value for money was strangely missing when this program had its genesis. It was only at the 11th hour when they realised that costs were overrunning that they included the criterion of value for money.

Consideration interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 4.30 pm, I propose the question:

That the House do now adjourn.
Ms LEY (Farrer) (4.30 pm)—I would like to report to the House today on the dire circumstances facing the dairy industry in my electorate of Farrer. Spring has, unfortunately, crashed in the New South Wales Murray region, and that is not going to help us in what is already a dire situation with low or no water allocations. What this means for dairy farmers confronting the next few months is that they will have to buy more feed rather than growing it and storing it. Water entitlements, as I said, are zero or very small indeed, and the New South Wales government has implemented an embargo on sales. So farmers who had a small amount of carryover water which they could have chosen to cash in to keep the bank manager happy are actually prevented from doing that. Their options are narrowing every day.

The two dairy companies that we supply, Murray Goulburn and Fonterra, are working well with producers, and I commend them for that. It is incumbent on Murray Goulburn and Fonterra to offer finance on reasonable terms to support their suppliers and to help them through this. It is in the interests of the industry and, obviously, the region and the farmers themselves. And I know, as I said, that that is happening.

Milk prices, of course, vary, and milk is a product like any other that operates in an increasingly globalised market. I just want to draw the House’s attention to the numbers that we are facing right here and now. The average price per litre of milk in the area that I am talking about—the Murray Irrigation Limited area of New South Wales and some regions close to that—is about 20c. It depends on the proportion of fat and protein in the milk that is being produced. So it could be as low as 18c and, I think, as high as 28c, but the average is about 20c a litre. That is well below the cost of production.

It is not only below the cost of production—it is below the cost of feed. It takes about a kilo of feed to produce a litre of milk. The cost of feed at the moment is about $280 a tonne for grain and $250 a tonne for hay, and we are, of course, using last year’s prices, so that is high and it is going to remain high. If we do the sums, that works out at 27c per litre of milk. So it costs 27c to buy the feed to produce a litre of milk that is then sold for 20c. Clearly, dairy farmers cannot continue to do this. Additional help and support is needed.

In a normal year, of course, you can produce your own feed; that makes a huge difference. Our dairy farmers are highly sophisticated. They use the latest technology. They grow cereals and have, as I would call them, new-age seed mixes that we never would have dreamt of 15 years ago when I was a dairy farmer. Less water is used than ever before. They have the latest infrastructure. And they cannot switch their farming operations from dairy to something else—it is just not possible, because of the highly capital-intensive nature of what they are doing.

So far, since the price crashed, five of these farmers have gone out of dairying, so we are now down to 79. There were 106 in 1996. I do not have to explain what will happen if that trend continues, and I know that across Australia the figures are not much better. If you choose to go out of dairying, you have to sell your herd. Nothing could be more heartbreaking than selling a herd of artificially inseminated, AI-bred cows in milk to the nearest abattoir. Because so many people have got their cows on the market, the opportunity for them to be sold to other producers is not there, so many of those cows are simply going to the abattoir. I can only feel for those who have to load their cows onto a truck, see them go down the track and know what that means: years of genetics and care and consideration being completely
wasted. And once you sell the cows you are not going to get them back. If you want to go back into the industry, it is going to be impossible because by the time you do the price will probably have gone from what it is at the moment—maybe $1,000 a cow, if you are lucky—to two or 2½ times that amount.

One bright spot is that heifers are selling well to the export market, to China, Mexico and Russia. In learning how we can get through this slump, dairy farmers are taking those options. The Australian dollar, of course, has gone up from about 80c to 86c, and that is not helping matters. I welcome the Australian Senate establishing an inquiry to look into the critical issue of milk prices. And I will ask the Senate reference committee to visit my electorate.

Economy

Mr TURNOUR (Leichhardt) (4.35 pm)—We are in the midst of the worst global recession in 75 years following on from the global financial crisis last year. Despite that, Australia has been weathering the storm better than other economies. While the US, Japan and European Union countries have been going into recession, Australia has been weathering that storm better than others. We need to recognise that the early and decisive action taken by the Rudd government in response to the global financial crisis has been important in helping the Australian economy to make passage through the difficult waters that we have entered into as a result of the global recession.

Figures out today put unemployment at 5.8 per cent. That is no change from the previous months, and that is positive news. There was an expectation that figure was going to increase. Earlier in the week we saw ANZ job ads up for the first time since April 2008—again, positive news. As the Prime Minister has said, we are not out of the woods yet. The Rudd government acted early and decisively, introducing bank guarantees and providing early stimulus. Again, earlier in the year, when we saw our major trading partners going further into growth-decline and into recession, we acted through our Nation Building and Jobs Plan, investing $42 billion in a very important nation-building stimulus program.

A critical part of that has been Building the Education Revolution. The Prime Minister and the Treasurer have done a great job in the overall management of the economy, but we also need to recognise the good work that the Deputy Prime Minister has done, particularly in the education reforms and investments that she developed as part of our Nation Building and Jobs Plan. All this week we have seen a scurrilous attack on what is an education revolution investment through our stimulus measures. It has been a scurrilous attack by the opposition, whose response to the global financial crisis and the global recession was to sit on their hands and do nothing.

While the Rudd government changed course, recognising that to steer this country through these difficult waters we needed to guarantee the banks and stimulate the economy, the opposition, with very poor judgment at every step of the way, opposed the actions of the government. Whether the bank guarantee or the stimulus measures, they have been opposing everything this government has sought to do. This week they have sought to run a scare campaign and a smear campaign on one of the central elements of our Nation Building and Jobs Plan: our investments in schools and education facilities in this country.

Through our Nation Building and Jobs Plan we are supporting jobs in the Australian economy. Today unemployment stayed the same: 5.8 per cent. Treasury estimates that our stimulus measures will support up to
210,000 jobs. There are people in this country, sadly, who have lost their jobs as a result of the global financial crisis and the global recession that has come out of it. Through no fault of their own, families in this country have been impacted. The government decided to step in and take action to support the Australian economy, as well as to support the jobs of working families and of mums and dads out there in the construction industry and in the tourism industry in my electorate and in electorates all across this country. The opposition have been opposing that support for jobs all the way. This week they have been particularly scurrilous in their attacks on the Deputy Prime Minister and our efforts to support school infrastructure investment in this country.

I am very proud of the investments in my electorate. More than $150 million has now been invested in educational infrastructure in Leichhardt. To build and improve our local TAFE college, more than $10 million was invested. We have also invested in our primary and high schools. Through this program we are delivering for Australian schools beyond any expectations of two years ago. Schools have welcomed what we are doing. I have received very good feedback from school principals, teachers, P&Cs and P&Fs. We are providing jobs in our local community. Local builders are doing the work at Hambledon State School. Local builders in my electorate are benefiting regularly from the work that we are doing in stimulating and supporting our economy. (Time expired)

Royal Flying Doctor Service

Mr COULTON (Parkes) (4.40 pm)—I rise to talk about a matter of the utmost significance in western New South Wales. The story of the Royal Flying Doctor Service is the story of outback Australia. The flying doctor was born out of the desire of Reverend John Flynn to overcome the incredible adversity and isolation that plagued regional Australia in 1928. Pioneers such as Reverend Flynn believed that the provision of comprehensive health care would be the single most important factor in the development of regional Australia, an important lesson that governments of today would do very well to remember.

The late Sir Robert Menzies was very much correct when he said that the flying doctor represented the ‘greatest single contribution to the effective settlement of the far distant back country that we have witnessed in our time’. The service remains a living reminder to regional Australians of their ability to triumph over adversity and their commitment to push regional Australia forward.

The result of Reverend Flynn’s dream was the establishment of the first comprehensive aeromedical organization in the world. Today the Royal Flying Doctor Service remains a medical safety net upon which every Australian not living in one of our major cities is completely reliant in times of emergency, and in New South Wales a section of this service is about to be sold to the highest bidder.

In 2007 the Commonwealth introduced a funding model that provided 40 per cent of the capital cost of all Royal Flying Doctor Service aircraft and 100 per cent of operational funding for primary health services that, combined with state based interhospital transfers, supported an integrated Royal Flying Doctor Service delivery model. At the urging of Prime Minister John Howard, this model was adopted by the states of Western Australia, Queensland and South Australia. As a consequence, a strong and fully integrated service delivery model was implemented for the effective and efficient delivery of health services in the rural, regional and remote areas of those states.
The model was not adopted in New South Wales or Victoria. As a result, not only have the regional people in those states been denied a strong and fully integrated RFDS, but they are the states in which the provision of air ambulance services is coming up for tender. We believe that it would be far more sensible for New South Wales to accept the model that was offered to it in 2007. It is estimated that through adopting a statewide integrated RFDS aeromedical service, with common aircraft and medical outfit at their Mascot, Broken Hill, Dubbo and Bankstown bases, New South Wales Health would stand to save $49.2 million over the next 10 years.

The federal government must enter discussions with the New South Wales government to establish long-term funding of the Royal Flying Doctor Service as the air ambulance service provider in NSW. The door must be opened to NSW to negotiate an entry point into the federal scheme that has been adopted by other states. It is vital to remember that the Royal Flying Doctor Service is not beholden to profits and shareholders, only to the Australian public. It will fly anywhere, anytime to transport patients regardless of the cost. The air ambulance contract gives the RFDS a greater capability to deliver these services and the income generated through this contract, combined with the generosity of the people of inland Australia, is reinvested back into aircraft and other important services.

I have grave fears this will not be the situation we see if the contract awarded to a privately listed company whose primary concern is the bottom line. The Royal Flying Doctor Service have in no uncertain terms warned me that, if their air ambulance contract was lost, it would jeopardise their ability to meet costs, forcing them to rely on government handouts and the generosity of the general public to keep them in operation.

We are all very well aware that, after 14 years of a Labor government, the state’s health services, particularly in regional New South Wales, are in a perilous, almost terminal, condition. The Royal Flying Doctor Service is one organisation working to reverse this decline. Since its inception in Dubbo in 1999 the Royal Flying Doctor Service has developed an extremely effective and beneficial relationship with Sydney University’s School of Rural Health. For many students at the university’s Dubbo campus the opportunity to join the Royal Flying Doctor Service retrieval flights and receive guidance from the organisation’s senior doctors is the highlight of their studies. The benefits are mutual. When students see what options are available to them in regional New South Wales they are far more inclined to consider a future there. (Time expired)

Sri Lanka

Mr MURPHY (Lowe) (4.45 pm)—Today I speak again about the horrific humanitarian disaster in the north of Sri Lanka. The hundreds of thousands of innocent Tamils displaced by the military offensive are living in camps in appalling conditions. Moreover, foreign media channels have reported horrifying evidence of the worst violations of human rights, including starvation, rape, killings and torture. International agencies are calling for full access to these camps in order to provide life-saving treatment and medical supplies and to allow free and independent media access.

To date, the Sri Lankan government has arrogantly refused free media and humanitarian access to these camps. Why is the Sri Lankan government hiding from the truth? Surely providing unimpeded media and humanitarian access to these camps would provide a perfect opportunity for the Sri Lankan government to demonstrate that it is doing all it can to alleviate the suffering of the Tamil
people. Clearly, the Sri Lankan government does not want the truth revealed.

Further, I am horrified to learn that a Sri Lankan journalist, Mr JS Tissainayagam, was detained for five months without charge in 2008 and has since been convicted and sentenced by the Colombo High Court to 20 years of rigorous imprisonment. Mr. Tissainayagam was convicted on three counts under Sri Lanka’s prevention of terrorism acts law for publishing an online magazine, which the prosecution claimed provoked racism and incited violence. The court found that the publication defamed the Sri Lankan government. Further, it was alleged that Mr Tissainayagam received money from the Liberation Tigers of Tamil Eelaam to fund the website. The fact, as established by Reporters Without Borders, is that the website had actually been funded by a German aid project. The articles written by Mr Tissainayagam were published three years earlier, in 2006, and contained a critical report on the Sri Lankan army’s conduct against the LTTE and civilians. Mr Tissainayagam accused the army of withholding food and other supplies from Tamil areas as a tool of war.

What an appalling assault on free speech by the Sri Lankan government. Australia, as a country that asserts the rights to freedom of speech and freedom of expression, including views on all matters of public policy, the behaviour of the Sri Lankan government is in direct conflict with our values as well as those of other democratic nations and, as such, must be loudly and publicly condemned. On World Press Freedom Day, on 3 May 2009, the President of the United States of America, Barack Obama, expressed his serious concern about countries that do not allow free press and even highlighted the example of Mr Tissainayagam as a case in point. President Obama said:

Mr Abeykoon said the Government took the decision some months ago based on ‘adverse remarks made to the media’, but he declined to give further details.

Mr Elder had spoken of the unimaginable hell suffered by children caught up in the last stages of the war in Sri Lanka. Surely the suffering experienced in Sri Lanka needs an honest voice. Surely an independent assessment of the situation is necessary to provide adequate support to the men, women and children trapped in this unimaginable hell. Australia has offered a generous $25.4 million in aid in a bid to restore peace and security. However, much more must be done. It is obvious that there exists no freedom of the press in Sri Lanka. The actions of the government of Sri Lanka must be condemned and must be condemned loudly. I again ap-
peal to all governments of the world who have respect for human rights, the rule of law and free speech to join together and call on the government of Sri Lanka to right the wrongs forthwith.

Building the Education Revolution Program

Mr BRIGGS (Mayo) (4.50 pm)—Quite often in this place, a member from the other side refers to my previous employment with the former Prime Minister. It happened again today, and this time it was the member for Blair, and followed his speech on telecommunications. I cannot tell you what the member for Blair did in a previous life—I think he is one of the 80 per cent who are former union delegates—however, it did twig my memory of something that occurred for a short period in this place on Thursday afternoons. In 2005, when the now Deputy Prime Minister was the Leader of Opposition Business in this place, she would use the Thursday afternoon adjournment debate as an opportunity for a rant about members of the then government. Hansard records that the first time she did so, on 10 March 2005, she said she was pleased to report on a new innovation from the then opposition. She said that they would conduct a weekly wrap in the Thursday afternoon adjournment—it turned into a fortnightly wrap shortly after—and that it would be inclusive of an awards ceremony. It was all very clever stuff. It was based on politics, it was very personal and it was very nasty, which will not surprise anyone in this place. It was not about substance; it was about politics. Thus, given the performance of the Deputy Prime Minister on issues relating to her portfolio over the last two weeks, I thought it would be worth while discussing them. The first issue, of course, is the complete and utter disaster—the waste and mismanagement—of the Building the Education Revolution program. This week we have asked the Deputy Prime Minister just about every question possible, and all we have had in response have been arrogantly dismissive answers, a refusal to concede that she has failed to implement this policy properly and a refusal to take any responsibility herself.

The first of these disasters is the spending on the primary schools program and all the waste and mismanagement which has been shown to be associated with this program. This has been shown to have been so badly planned and managed that parents and friends committees are now actually trying to refuse the free money. This should not surprise anyone given that the Deputy Prime Minister guessed that only 90 per cent of schools would actually accept the free money in the first place, even though they are not required to apply as she answered in this place yesterday. It is quite extraordinary.

My electorate has two of these examples where schools that could be upgraded have seen waste and mismanagement unlike what we have ever seen before. Waste and mismanagement are damaging our future, creating debt that will live with our children and our grandchildren for years to come. Today we saw the Deputy Prime Minister describe these questions as ‘nitpicking’. A $1.7 billion blow-out is nitpicking! You cannot ask this Deputy Prime Minister anything without it being arrogantly dismissed.

There has been another policy disaster that has received less attention this week—the award modernisation process. Last week it received a fair bit of attention in the press. When this policy was announced, the Deputy Prime Minister said that no worker would be worse off and no business would face greater labour costs. This was a promise that could never be implemented. Joe de Bruyn says so, Professor Andrew Stewart, who advised the government on how to write their fair work laws, says so and Paul Howes from the AWU
says so. But rather than be honest the Deputy Prime Minister has tried to bluff her way through and bluff the Australian people. We saw last week an extraordinary performance on *The 7.30 Report* when the Deputy Prime Minister said black was white and white was black. When she was consistently pursued on the issue of no worker being worse off or no business facing higher labour costs, which is the promise that she made in February 2008, she could not answer. In fact she ignored all the evidence to the contrary and said that it was going well.

But finally this week it took the Minister for Finance and Deregulation to tell the truth, and he did that on Sky News’s *Agenda* on Tuesday morning when he said that the ‘no worker worse off’ promise was for comfort. In other words, ‘We could not deliver this, but we had to spin the line; we had to tell them that they would not be any worse off.’

All of this has led journalist Ross Fitzgerald to describe the Deputy Prime Minister as ‘all foam, no beer’.

The Deputy Prime Minister is clearly good at practising and preaching a line but, given her policy history—starting with Medicare Gold—it is time she showed the Australian people that she can deliver on substance. Hopefully these two weeks will result in the Deputy Prime Minister focusing on her job and putting substance above spin.

**Braddon Electorate: Primary Industries**

**Mr SIDEBOTTOM** (Braddon) (4.55 pm)—I would remind the member for Mayo of his former boss’s comments about ‘never ever’. I was really pleased on 2 September to have the Minister for Agriculture, Fisheries and Forestry visit my electorate to be involved in two cutting-edge pioneering enterprises. The first was to open a new complex for AgVita Analytical, which has had to expand because of the tremendous demand on its pioneering services. AgVita has been providing services to the agricultural sector in Australia, not just in Tasmania, for over 25 years and it is regarded locally and interstate as the leading laboratory in innovative plant and soil nutrient analysis. AgVita Analytical’s key strength is the ability to provide next to real-time testing. Whether samples have been received from the Northern Territory or locally, state-of-the-art precision equipment enables results to be produced the same day that the samples are received. This allows clients to make informed decisions on crop nutrient management. I know that the minister was highly impressed by this ability.

The AgVita offer is unique in the sense that the technical staff work closely with agronomists and farm advisers in interpreting results, offering customised reporting systems as well as training on crop nutrients and soil management. The complex is four times the size of the original laboratory and the company’s new headquarters feature leading-edge processing equipment and increased laboratory and testing areas. While the company has always worked with Tasmanian businesses, 70 per cent of its clients are now from other states, with significant growth areas being horticulture and broadacre farming. The new facility will cater for this expansion and provide for enhanced process efficiency and the continued development of new and innovative analytical products. I congratulate Buz Green and all of his team from AgVita Analytical on their pioneering work. I know the minister was highly impressed by their processes.

Mr Speaker, you know the north-west coast very well, having visited it several times now. The minister and I travelled further up the coast towards the west and went to McKays Road in Somerset, where Gunns Ltd have their Somerset Nursery. This is an absolutely pioneering type of nursery and is the key to a sustainable future for the Gunns plantation enterprise, which is 200,000 hec-
tares spread across Tasmania, Victoria, South Australia and New South Wales. Gunns employ 600 contractors in their plantation industry alone and have something like $28 million worth of equipment. The Somerset seed nursery was set up in 1997. It had an original capacity to develop six million seedlings per year and that has expanded now to 18 million seedlings per annum. In June last year the Somerset Nursery celebrated the growing of its 100 millionth seedling. That is five seedlings for every man, woman and child in Australia. Twenty-eight people work full-time in the Somerset Nursery, where they develop seedlings—particularly eucalypt and pine, but they are working on grapevines as well at the moment.

The whole enterprise is fully mechanised. There is a waist-high system of processing and that takes the strain off those 28 workers, who are used in a multipurpose way and take up a number of enterprises there. One of the things that they have been developing in trying to control the browsing of animals in plantations is what can only be regarded as a type of net protector for the seedlings. They are trying to cover up 25,000 seedlings per day in nets. They will be able to use that instead of poisons, chemicals or other means to protect their seedlings. All in all, it was a great day. I thank the minister for spending time in Braddon and those enterprises for hosting us.

The SPEAKER—Order! It being 5 pm, the debate is interrupted.

House adjourned at 5.00 pm

NOTICES

The following notices were given:

Mr Chester to move:
That the House:
(1) notes that National Landcare Week, 7 to 13 September, in 2009 commemorated 20 years of service across Australia;
(2) recognises that Landcare:
   (a) is primarily a community driven, grassroots organisation that involves local people achieving locally significant environmental aims; and
   (b) volunteers make an extraordinary contribution by understanding practical environmental work; and
(3) highlights the need for ongoing funding to employ Landcare facilitators and coordinators who play a pivotal role in:
   (a) managing the volunteer programs;
   (b) assisting community groups;
   (c) providing professional advice; and
   (d) mobilising volunteer effort.

Mrs Moylan to move:
That the House:
(1) notes that:
   (a) substantial changes to air flight paths were made by Airservices Australia in November 2008 in relation to Perth Airport;
   (b) Airservices Australia is a corporation which receives income from airlines and other corporate clients, and that it has control over the location of and changes to flight paths;
   (c) although the Perth Airport Noise Management Committee was advised that a Western Australian Air Route Review had commenced, the committee members were not advised of the commencement of the changes or the selection of the final flight paths;
   (d) Airservices Australia stated that the rationale for the changes to flight paths related to the Civil Aviation Safety Authority (CASA) Safety Review and were required due to the need to 'maintain safety, reduce complexity and cope with the rapid and predicted continued increase in air traffic.';
   (e) Perth Airport has already exceeded traffic levels not expected until 2015;
(f) prior to the changes, the CASA Safety Review and the noise impact statements were not made available to the committee;

(g) there is no evidence of an open, accountable and effective public consultation process by Airservices Australia prior to the changes occurring; and

(h) there has been:

(i) a high level of public disquiet about the changes that have been made and the lack of public consultation; and

(ii) no revision of the Noise Abatement Procedures since 2004; and

(2) calls on the Government to:

(a) examine whether there is a conflict of interest in Airservices Australia’s roles that may impact on the public;

(b) implement an inquiry into the legislative arrangements governing airports with particular reference to the establishment of an open and accountable public consultation process before changes are made to aircraft flight paths;

(c) establish a nationally consistent approach to the management of increased air traffic and changes to air flight paths with reference to noise abatement issues; and

(d) consider appointing an Airport Ombudsman to provide an independent agency to examine public grievances in the management of changes to airport operations and their effect on the public.
Thursday, 10 September 2009

The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9.30 am.

CONSTITUENCY STATEMENTS

McMillan Electorate: Micah Challenge

Mr BROADBENT (McMillan) (9.30 am)—Oh, what a happy day it was today when I woke up to the sun streaming down on Canberra after some rain knowing that there were thousands of refugee families and former detainees that today were free of debt. This is a happy day for Australia and I am very proud to be a member of this House when this government and this parliament have shown such enormous goodwill towards those families who have had their debt removed.

It was a happy day at the Daffodil Festival at Leongatha last week also when the whole town was festooned with the beauty of yellow. At the same time, I was lucky and blessed enough to be asked to attend Leongatha’s Make Poverty History action group, organised for the fourth time to stand up for justice projects as a part of the Micah Challenge. I think Micah Challenge are coming here next week. Mrs Johanna Haasjes was the organiser of the program. What a great day it was to walk into St Peter’s Church with the Reverend Janet Wallis, when the church had been completely turned over to the Micah Challenge people. We had some great speakers—Jesse Poulton, a World Vision youth ambassador, and Mimmie Jackson, South Gippsland’s youngest ever shire councillor. It was a pleasure to hear them both speak.

Having tramped the boards and for 20 years of my life sung my songs to make a quid, I was pleased to see there was also a South Coast Christian College worship band. On drums was Luke Toohill, on keyboards and vocals was Christian Van Eck, on guitar was Nick Piening, on bass guitar was Ilene Page and on vocals were Jodie Chisholm and Rebecca Vagg. Amelia Piening composed and sang her own song just after them. What a time it was to hear those young people sing and play in that church.

It is not often we go to a function where courage is displayed by people. Excellence was displayed in all the surrounding stalls that day. It was a pleasure to stand there as the local member with a whole lot of people who had a heart for those people who were not well-off. I said in my address that there is only one place where abject poverty should exist. For us in this generation and in the generations behind us and in front of us, the only place we should ever see abject poverty in Australia and across the world is in a museum. We should never see it in lives across this nation. We have a job to do and that is the challenge for all of us. Micah Challenge will be here next week. What a great day it is for this nation.

Economy

Ms McKEW (Bennelong—Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government) (9.33 am)—I share the sunny optimism of the member for McMillan. In fact, I rise today to speak about confidence and the confidence that I think you can feel right across the country—in cities, in regions and in my own community in the north-west of Sydney. This is measurable. Only yesterday the Westpac-Melbourne Institute survey showed that we were more optimistic about our economic future than we had been at any time since the institute started asking questions about this in the 1970s. Notwithstanding that we could well see a rise in unemployment figures today, the surveys and the statistics are
telling a story that I have heard first-hand from right across the country. Whether it is in a poor community like Hilton in Fremantle, where I was a couple of weeks ago, in the central west of New South Wales, in regional Victoria or in our cities, the story from local business-people, mayors and councillors is the same: we have held our nerve and it is paying off.

As I visited regional and local community infrastructure projects right across the country, there was gratitude and immense relief that the Commonwealth had acted decisively and ensured that the stimulus was broad, deep and appropriate. At a time when we know that economic growth is still weak, small- to medium-sized infrastructure projects identified and undertaken by local councils across the country have really been a lifesaver. They have supported local jobs and buoyed communities. I think communities can see that the government is on their side. This, in turn, has boosted confidence. What Australia has achieved in the last year has been truly remarkable.

We are close to the first anniversary of the collapse of the once-venerable Wall Street institution Lehman Brothers. That event and the flow-on effect of banking disasters, we all recall, sent shockwaves through the financial system across the world. Credit dried up and there was fear and pessimism right through the last quarter of last year. We need to remember this and marvel at just how successfully Australia has weathered this storm. In fact, one of my Bennelong constituents said to me after a recent return from Singapore, where he was catching up with the family of his Singaporean born wife, 'I have never enjoyed a visit so much.' I asked why that was. He said: ‘For years, my Singaporean father-in-law has lectured me about the superiority of the Singaporean economy. But now I had such pleasure in saying to him, ‘I live in a country that has avoided recession and I work for a company that is still hiring.'’ That is the Australian success story, and it did not just happen because of dumb luck. As the Governor of the Reserve Bank said recently, the size and the speed of the government’s response has been one of the important factors in supporting private demand. Another factor has been the collective effort of employers and employees to work differently. (Time expired)

Mitchell Electorate: Hills Community Medical Equipment Pool

Mr HAWKE (Mitchell) (9.36 am)—I rise this morning to draw the parliament’s attention to an important local community group in my electorate, the Hills Community Medical Equipment Pool, which operates out of Balcombe Heights Estate community buildings in Baulkham Hills. This not-for-profit service is one of the only units of its kind in Sydney and, I am advised, all of Australia. It is run by a core group of about 15 dedicated volunteers and provides a service of medical equipment such as wheelchairs, walking sticks, frames, crutches, commodes, bath boards, shower chairs, stools and raised toilet seats on a short-term loan basis for people who are in serious need of this equipment. These loans are commonly for six to 10 weeks, but there is flexibility for needy and terminal cases. Last Saturday I had the good fortune to preside at the general meeting of this very valuable community institution and I can personally attest that this is a remarkable service.

I acknowledge the following executive members: the president, John Goulding, who was one of the founders of this service in 1981; the vice-president, Leonie Dixon; the treasurer, Bruce Lawson; the secretary, Lyn Tomason; the assistant secretary, Dianne White; the controller, Rhonda Goulding; the maintenance officer, Alan Stone; the community liaison officer, Jill Morgan; the trustees Rhonda, Bruce and Lyn; and all of the committee members. The Hills Community Medical Equipment Pool was launched on 30 May 1981 and is entirely run
by volunteers. All of the equipment is donated by the community or through other donations to the service.

I want to make a couple of points about this here this morning. This kind of service—this kind of donating and loan of medical equipment to people who are in need of it for a very low fee—is one that cannot be provided by government. This is perhaps the only existing example of a community medical pool anywhere in Australia. Every time we hear a reference to this kind of service in this place, I like to think that this is an example of what Australia is about and what communities ought to be doing for themselves. There is no way that any government—state, federal or local—in this country could provide this service to people for the amount of money that these community groups charge, and the good work that they are doing for very sick and infirm people in my community is astonishing. What is more astonishing is that hospitals and healthcare facilities actually contact this service—this group of volunteers—to ask them if they have equipment for use in their hospitals and healthcare facilities, for loan and for patients who are leaving. It is absolutely and utterly amazing that the government, with all of its resources and power, asked this voluntary community service—run entirely by volunteers—if they had the equipment to loan to people that were leaving their facilities. It says that things are much better when we care for each other and ourselves than when we rely on government.

**Dobell Electorate: Central Coast**

Mr CRAIG THOMSON (Dobell) (9.40 am)—I rise to talk about the Central Coast and the need for the Central Coast to have a stronger identity and regional recognition. The Central Coast is one of the most beautiful parts of Australia to live in, but unfortunately a lot of our institutions—at government level, at charity level and at business level—are run out of either Sydney or the Hunter. While Sydney and the Hunter are lovely places, the Central Coast wants to develop its own identity. One of the biggest complaints of people on the Central Coast is that our region is never recognised. I think it is important that we look at all the institutions on the Central Coast and see how they can be changed to give a greater regional focus to this beautiful area of Australia. Over 300,000 people live on the Central Coast, yet many of the institutions that look after our region are based in Sydney.

One only has to look at the way in which the people of the Central Coast have embraced the Central Coast Mariners to see how much they absolutely want and desire a regional identity. Some of the things we need to look at changing are at various governmental levels. For a start, we have two councils that divide the Central Coast rather than bring it together. We continually have a pull between the Gosford City Council and the Wyong Shire Council. Rather than working together, because we have these two separate councils, we tend to pull each other apart. The region does not work as one. It works as two, because of the way in which these councils operate. There are also a number of New South Wales government departments that do not recognise the region. The one that most of my constituents complain about is the area health service. We have the Northern Sydney and Central Coast Area Health Service. This does not put the focus on their health issues that Central Coast residents want. It also does not match up with primary health care. We have a division of general practice that is Central Coast based and does a terrific job, but we have a mismatch of health resources.

We have the New South Wales Business Chamber of the Central Coast. They have organised themselves to represent business on the Central Coast, and that is a good thing. We have
some institutions, including Surf Life Saving, that have organised themselves to represent the Central Coast. Where this has happened, there has been greater representation as well as greater resources and greater focus for the people of the Central Coast. I am calling for all institutions—be they state, local or federal government, business, charitable or church—to look at organising their structures so that they recognise the 300,000 people who live on the Central Coast and give due recognition to that great region of Australia. *(Time expired)*

**DISTINGUISHED VISITORS**

The DEPUTY SPEAKER (Ms AE Burke)—Before I call the member for Gilmore, I want to recognise the participants of the Rotary Adventure in Citizenship program from all around Australia who are with us today. I commend the Rotary organisation for the great work they do, and I say to the young citizens that I hope you learn from our experience in the parliament but do not copy it!

Honourable members—Hear, hear!

**CONSTITUENCY STATEMENTS**

_Gilmore Electorate: Petrol Prices_

Mrs GASH (Gilmore) (9.43 am)—I concur with that, Madam Deputy Speaker. If the suggestion put by the Treasury Secretary, Ken Henry, to increase the price of petrol by 10c a litre is adopted, there will be a lot of unhappy motorists out there—none more so than in my electorate of Gilmore, where the car is necessarily and unavoidably king. Why? We have no real alternative public transport system to which people can turn and there are no trains past Bombaderry. Petrol taxes will soon be passed onto the consumer by way of increased fares for buses and trains. All freight costs will go up, driving up the cost of living. Who will be hit the hardest? It will be anybody of limited means, especially pensioners and the unemployed. The Senate Economics Committee concluded in their investigation of petrol prices in Australia:

> Petrol prices in rural, regional and remote areas are on average, higher than prices in metropolitan areas.

> Fuel for those people was described as:

> … very much a non-discretionary commodity.

At one point, the price of petrol in Ulladulla and Batemans Bay reached $1.70 a litre. People who lived in the outlying areas of the bay and basin area simply reduced their travel. This had a direct impact on retailers in the major CBDs, who had fewer and fewer people coming through their doors. I well recall the howls from Labor at the time, when they were in opposition, to do something about the price of petrol. They wanted us to cut the GST on petrol; they wanted us to cut the excise. I also remember that when we suggested that Bob Carr, the then Premier of the New South Wales Labor government, adopt the Queensland pricing model to cut his share of the excise, we were met with a stony silence. We actually froze the excise in 2001, saving about 8c a litre at the time.

Despite this history, as recent as it is, Treasury is advocating that we hike the cost by another 10c a litre. Dr Henry also advocated an increase in diesel fuel excise for heavy vehicle operators as a precursor for other land transport reforms. If the government had any sense at all they would have no hesitation in discounting such a suggestion outright. This has got tax written all over it and disregards the economic consequences that impacted on Gilmore at that time. Ken Henry’s petrol tax will do nothing except bring money into Treasury’s coffers. If it
could be shown that it would achieve something of benefit, I would take a serious look at it. But I cannot help but think about how the Rudd government want to impose another tax burden through their Carbon Pollution Reduction Scheme, which will also impact on motorists—and they do not need Ken Henry’s suggestions adding to that burden right now. But I do appreciate that, with the government’s massive and sometimes reckless spending, which drove up our deficit, someone will eventually have to pay for it. Let us hope that this revenue will not have to come from a Labor tax on the family home.

Lieutenant Commander Peter Johnson

Ms BIRD (Cunningham) (9.46 am)—I take the opportunity today to place on the record of this parliament the outstanding personal and career achievements of Lieutenant Commander Peter Johnson, late of the Australian Hydrographic Service. Sadly, Peter passed away in April 2007, but on 16 June this year his work and expertise in lidar hydrography was recognised during an awards ceremony held during an international hydrography seminar. Peter was the recipient of the inaugural 532 Award, given to those who have significantly contributed to the advancement of technology and use of lidar bathymetry and airborne coastal mapping and charting. The award was presented at the Joint Airborne Lidar Bathymetry Technical Centre for Expertise 10th Annual Airborne Coastal Mapping and Charting Workshop held in Portland, Oregon, with over 80 representatives from government, academia and industry in attendance.

Peter’s memory was also honoured during the evening by the creation of the Lieutenant Commander Peter Johnson Best Practices Award, exemplifying Peter’s dedication, professionalism, initiative and commitment to his field. Recipients of this award will have accomplished a complicated and demanding project or field operation within the previous two years and will be awarded at their annual awards night.

Throughout his career, Peter provided significant professional service to the Australian Hydrographic Service, which is based in my town of Wollongong, and is remembered with fondness and respect by its personnel today. In 2004, Peter was awarded a Maritime Commander Australia commendation which highlighted his resourcefulness, initiative and dedication, which has enhanced the Australian Hydrographic Service’s international reputation, and his contribution to the ongoing effectiveness of Royal Australian Navy Hydrographic Meteorological and Oceanographic Force Element Group. Peter served in the hydrography survey sections of the Royal Navy between 1970 and 1989, when he transferred to the Royal Australian Navy. He initially served in HMAS Moresby, after which he transferred to the Australian Hydrographic Office. Since 1994, he was responsible for the Australian Hydrographic Service capability requirements and acquisition and upgrade of hydrographic systems for the RAN. He was the Australian representative to the IHO S-44 Standards for Hydrographic Surveyors Working Group.

Peter is sadly missed by his many friends and work colleagues, who were very impressed by his professionalism and dedication. I hope that the recognition of this parliament of his outstanding achievements gives even more pride to his wife, Alaniera, and his five children and their children.
Breast Cancer

Dr JENSEN (Tangney) (9.48 am)—I rise to speak on behalf of the millions of Australians whose lives have been touched by breast cancer and the millions more who at some stage will either suffer from the disease or know someone who does. BreastScreen Australia has done a remarkable job since it was established in 1991. It screened more than 1.6 million women in 2005-06, undoubtedly saving many lives when problems were detected early. In 2006 2,618 women died of breast cancer in this country, and tens of thousands more every year suffer the physical and psychological trauma of aggressive therapy for the disease.

We should never forget that for every woman who is diagnosed with breast cancer and for every woman who feels distress at the possibility that she has developed the disease there are partners and children, fathers and mothers and brothers and sisters who are sharing their pain. With this in mind, I am astonished by suggestions this week that BreastScreen Australia services be restricted to women in higher risk age groups. Of those being tested today, 26 per cent are women outside the target group of 50 to 69 who feel concerned enough to seek screening for this terrible disease. Some are saying we should turn them away—or turn away at least those under 45 or over 75—that their concerns are not worthy of state funded screening and that a simple check for the disease is an extravagance, despite the fact that many women outside the key age group develop breast cancer each year and many die from it.

Proponents of this plan say it will save resources which can then be diverted to ensuring more women in the higher risk group are tested. Members on this side of the House are amongst the staunchest critics of wasteful expenditure, but we recognise that some things are beyond putting a price on. I for one do not want to live in a society which does not care. Public education may reduce the demand for screening by many women in other age groups, but even if it does not we must continue to extend the service to all women who are concerned enough to take that step of seeking a test. If they do have breast cancer, it needs to be picked up early and treated. The epitaph that they could have been saved but for a few dollars more is not one that I want to put my name to.

Lindsay Electorate: Australian Red Cross

Mr BRADBURY (Lindsay) (9.51 am)—I rise to speak about my disappointment with the decision taken by the Australian Red Cross to close its voluntary aid service in New South Wales. The Red Cross movement right around the world performs outstanding work helping those most in need and is supported by global networks of dedicated volunteers, individual and corporate sponsors and the goodwill of the general community. The Australian Red Cross is no exception. They are at the front line of natural disasters and national tragedies, offering a consoling word while helping people to piece their lives back together. They played a key role in mobilising the nation to dig deep for the victims of the Victorian bushfires earlier this year and they perform outreach services in some of the most remote parts of the country with vulnerable Indigenous communities.

As one of the patrons of the Penrith branch of the Red Cross and as a long-time supporter of the organisation’s activities in my community, I can attest to the incredible passion of the volunteers and the enormous contribution they have made over a long period of time. That is why I was disappointed to learn that the Red Cross plans to close the 95-year-old voluntary aid service in New South Wales. The VAS has sent qualified first aid volunteers to sporting and community events for almost a century, and I could not begin to imagine how many peo-
ple have benefited from the work of these volunteers. The VAS does not charge a fee, which makes it an accessible first aid service for many struggling community and sporting organisations—many of which are in the most disadvantaged communities and cannot afford to pay for the services of the New South Wales Ambulance or St John Ambulance.

Any donations the VAS receives for its work are sent to the Red Cross to be included in its larger fundraising pool, which supports the full breadth of services the Red Cross provides. On 13 June this year, the men and women of the VAS were called to a meeting by the Red Cross and told that they no longer fell within the organisation’s strategic priorities and they would be shut down, effective from 1 December. There was no consultation with any of the regiments before the decision was made, a process that has deeply hurt the volunteers who joined the VAS and donated their time on weekends and public holidays because they believed in the integrity of the Red Cross.

In my community, the 15 members of the Nepean VAS between them have more than 300 years worth of experience and the group’s regional liaison officer, Mrs Yvonne Cassidy, has given 31 years of service to not only the Nepean VAS but also the broader Red Cross organisation. The Nepean VAS has been self-sufficient for a number of years and fundraises extensively for the Red Cross, even being named last year the most outstanding VAS regiment in New South Wales. In my view, the Red Cross is turning its back on the experience and dedication of these dedicated volunteers. I would hope that they recognise the incredible service that these volunteers and the VAS perform for the community and that they reverse this short-sighted decision.

Cowan Electorate: Ballajura Primary School

Mr SIMPKINS (Cowan) (9.54 am)—Although I have spoken on many occasions in this place about the successes of people and organisations within the suburb of Ballajura, this is the first time I have spoken about Ballajura Primary School. Last Friday I attended the Ballajura Primary School athletics carnival and I was greatly impressed with what I saw. I immediately noticed that there were a lot of parents there—in fact, probably more parents than children. I think that is a sign of a school with good morale. At the athletics carnival I was also informed that in the last couple of years the average attendance at P&C meetings had risen from six to 30—another good sign that Ballajura Primary School is doing things right. In 2008 the P&C were able to raise $17,000 for an adventure playground. In my view, that sort of parental commitment to the school and the education of the children demonstrates a very strong school spirit.

Another way strong school spirit can be judged is by its student numbers. I understand that Ballajura Primary School expects to be the largest of the four primary schools in Ballajura in 2010, with more than 600 students from kindergarten to year 6. While the primary schools in Ballajura are all very good, Ballajura Primary’s Principal, David Wanstall, attributes the school’s popularity to the excellent academic and pastoral care programs.

I would like to speak specifically of one of the school’s programs, the learning difficulties project, which is being run in partnership with the School of Inclusive Learning. The project is designed to identify and implement successful teaching practices while also identifying why students are failing to achieve literacy and numeracy at appropriate levels. The project includes best practice assessment strategies and evidence based remediation practices. Principal David Wanstall and associate principals Jane Schorer and Jane Conley have led the pro-
gressive staff of Ballajura Primary School in comparing current teaching practice to evidence based world’s best practice. The staff have embraced structural reorganisation in pursuit of maximum student performance through new approaches in assessment, content, instructional strategies, instructional skills and classroom management.

When I first walked into Ballajura Primary School five years ago it was pretty much a normal school with the same challenges and approaches of all schools. It was a solid and effective educational facility. Things are very different now. Over the last three years the attitude has changed greatly. You can feel the confidence at the school among the students, parents and staff. The determination of the staff to continuously improve the school is one factor that has driven a number of changes. Ballajura Primary School is a strong and determined school. The leadership team has provided the initiative and led the way. The parents have picked up on this and are supporting the positive drive of the teaching staff. The conditions have now been met for the students to achieve their great potential, and I look forward to their and their school’s future success.

Shortland Electorate: Overseas Aid

Ms HALL (Shortland) (9.57 am)—I would like to acknowledge the presence in the chamber today of the year 11 students from throughout Australia who are here representing Rotary. I welcome them to the parliament and hope that they enjoy their time here. I rise to present a collection of letters and cards containing the thoughts of people from the Summerland Point Community Baptist Church. They have requested that I do this on their behalf for the world’s poor. The cards that I have received all state:

This year 27,000 children in the developing world will not live to see their fifth birthday. Australia can help by devoting more of its aid budget to child and maternal health. Please ask the Prime Minister to raise health aid to $1.2 billion by 2011. This will be around 20 per cent of the aid budget. It will see Australia giving its fair share to the aid funds needed by poor countries to build effective health systems.

I will read from a couple of the letters from the children. This one is from Shae Bruhn:

At present I am sitting at the table with a bunch of healthy children that have lived past their fifth birthday. To think that children are dying from preventable reasons is completely unacceptable. Please advocate for the poor of Australia and over the world by promoting an increase in financial aid.

And from James Bennett:

Listen carefully and you will hear the cries of young children. I am 13 years old and I am glad to make it past the age of five. I would like to see Australia give more money to help poor children of the world so they can go to school, have water and health care and more birthdays.

Some adults wrote to me as well. Ursula Hardy said:

I would ask that government increases the aid devoted to children and maternal health in developing countries. Our country and people are blessed with an abundance of resources, and aid to those less fortunate in our country and overseas is one way we can help and share our blessings. I would ask that you increase aid to $1.2 billion by 2011-12.

Ruth Murdoch says:

When I see on television children who have malnutrition I grieve, especially when I know that there have been times when food has been dumped in Australia when growers cannot get the price they want. How can we as a nation turn a blind eye to the situation?
I have beautiful drawings from people and I have other letters that express similar concerns. I am privileged to place on record the words of the community of Summerland Point Baptist Church and, at the same time, acknowledge the work that the Hon. Bob McMullan MP, Parliamentary Secretary for International Development Assistance, and the Rudd government have done in this area to date. (Time expired)

The DEPUTY SPEAKER (Ms AE Burke)—There being no objection, leave is granted for the documents to be tabled. In accordance with standing order 193 the time for constituency statements has concluded.

FOREIGN STATES IMMUNITIES AMENDMENT BILL 2009
Second Reading
Debate resumed from 19 August, on motion by Mr McClelland:
That this bill be now read a second time.

Ms LEY (Farrer) (10.01 am)—I am very pleased to speak on the Foreign States Immunities Amendment Bill 2009. This is a bill where I think there is absolutely no difference between the government’s and the opposition’s positions. When I explain what the bill is about, everyone will understand that. It is about giving foreign firefighters immunity when they come to Australia to fight fires. It never fails to inspire and amaze me, when there is a natural disaster, particularly a fire—and we reflect on the recent Black Saturday bushfires in Victoria and fires that affected my electorate in western New South Wales, in Kosciusko and in Canberra in 2003—how people come to help. I could be way out in the west of New South Wales in the middle of the week in a small town where there is not a tree to be seen and find that many of the farmers and businessmen have left their communities, their jobs and their families to go sometimes for weeks on end to elsewhere in Australia or elsewhere in the state to fight fires. It seems when disasters strike those men and women hear the call and everything else becomes of secondary importance.

It is encouraging to realise that that sense of community when it comes to fighting fires extends not just nationally but internationally. Australians have benefited greatly in recent years from the expertise and resources of US firefighters. Their contributions in times of dire emergency are hugely appreciated. In the 2002-03 bushfire season, the US sent an infrared scanning aircraft and photo interpreters, together with 36 firefighters and a 20-person crew, to aid Australia. During this time US firefighters shared their knowledge and experience with Australian firefighters. The 2006-07 bushfire season saw some of the worst fires in Australia in over 50 years. Fires burned through 2.4 million acres in the state of Victoria, and 114 American firefighters, two hot shot crews and 68 other resources from the US were dispatched to Australia for a month-long assignment.

Our firefighters too have been able to reciprocate assistance on numerous occasions. Australian firefighters’ aid to the US started in 2000. After the 2000 wildfire season, the US realised the value of having effective flexible, cooperative and formal relationships. Australia continued to provide assistance in suppressing wildfires in 2000, 2002, 2003 and 2006 all over the US, including Colorado, California, Washington, Oregon, Montana and Idaho. In 2007 the US Secretary of the Interior, while on a presidential delegation in Australia, personally thanked the Australian firefighters who assisted in suppressing wildfires in the US. The arrangement assists both countries not only in the tasks that each can perform for the other but
for the valuable experience they gain, which can be put to use in their home countries. A branch manager from Forests New South Wales said:

We deploy people not only as a way of sharing our forest fire fighting experience, but to develop skills and provide invaluable experience that our teams can bring back to their home country.

Dean Kearney, a firefighter from New South Wales, recalls his firefighting experience in Boise, Idaho, in the US:

It was really amazing to see the way these crews worked, with all 20 crew members walking in single file according to rank, both in camp and on the fire ground. It’s not the sort of thing you see on fires in Australia.

So I certainly commend that exchange of experience. It is not just seeing how another country carries out firefighting activities, which will clearly differ for a variety of reasons, but the moral support in knowing that someone has come from so far away to help you in your time of need. The amendment bill that we are debating today will help to further enhance this firefighting experience. It is very much in our interests to ensure that the arrangement continues. The amendment will allow for the establishment of concrete protocols to ensure that aid gets to Australia as efficiently and quickly as possible. In Kearney’s case, he was in Idaho within 48 hours of a request from the US. Of course, when fires break out there is no time to be going through red tape and bureaucratic hoops. We need people to be able to travel quickly and get onto the job as soon as possible.

The main concern that the US has about dispatching her firefighters is vulnerability they may have in Australia to liability claims. This legislation will facilitate the formalisation of that arrangement going forward. The Foreign States Immunities Amendment Bill 2009 will provide immunity in tort in respect of the acts or omissions of foreign personnel in the course of rendering assistance. Under our current system, if an American firefighter during the course of duties in Australia were to cause injury or damage to property or other people, he or she would not be protected from liability. In August 2002 a bill was passed in the US to provide tort liability coverage for any international firefighter brought to the US. The US has already taken the first steps to cover our firefighters. Australia itself has acknowledged since 2002 that there are liability concerns surrounding Australian firefighters providing assistance in the US, so now is the time for Australia to offer to US firefighters the same protection that the US has provided to our firefighters since 2002.

While of course it is not common here for firefighters to be sued for negligence for something not done, or not seen to be done, in the course of their duties such claims will arise from time to time. Probably, and sadly, they may arise more often as our society becomes more litigious. I note the US case of Capital and Counties PLC versus Hampshire County Council in 1996, where a firefighting officer was held liable after negligently ordering the sprinkler system in a building to be switched off when that building was burning. No government would want to send aid to Australia if there were a possibility of liability claims being made against their volunteers, so this legislation will cure this defect and encourage assistance to Australia in critical times. It is clearly not in our interests or in the interests of any country providing emergency assistance for any deterrent to access to foreign assistance, expertise and resources in times of emergency to exist. So this is sensible legislation which seeks to secure a very important arrangement and which has the coalition’s full support. I commend the bill to the House.
Mr DREYFUS (Isaacs) (10.08 am)—Members of this House saw and heard the devastating consequences of the Black Saturday bushfires, which afflicted my home state of Victoria earlier this year. The fires ravaged communities, devastated entire towns and resulted in the deaths of many people. We heard in many moving condolence speeches that were given in this House in February of this year the full horror of the fires and their effects on communities. The courageous efforts of local firefighting volunteers, Country Fire Authority firefighters and professional firefighters from other countries were critical in bringing those fires under control and in preventing the even worse damage that would have been suffered had those firefighters not been there to stand between the people of Victoria and the fires.

The professional firefighters from the United States made a particularly notable contribution, but that contribution runs the risk of being restricted in future due to potential liability under Australian tort law. The Foreign States Immunities Amendment Bill 2009, which is before the House, addresses this problem and will facilitate cooperation with other countries in firefighting. Countries such as the United States, New Zealand and Canada have contributed to the containment of major bushfires in Australia in recent years. Their assistance has included the provision of personnel and equipment and the development of effective firefighting strategies. Most recently, the United States Department of the Interior dispatched 100 firefighters to reinforce Australian efforts to contain the Victorian fires. Other nations have also made substantial contributions, as seen in the deployment of 116 firefighters by New Zealand and 52 firefighters from Canada. Such assistance was reinforced by the provision of the United States of technical specialists such as experienced pilots for fixed wing firebombing aircraft.

The United States firefighters who helped earlier this year and in previous years have been able to provide specialist assistance and training in prevention strategies and preparation for managing bushfires and they have, of course, been on the ground directly working with Australian firefighters in fighting fires. That second aspect is a crucial aspect of the assistance that is being provided by United States firefighters because we have seen that state and territory fire services can be overstretched when fires burn for a long time, running the risk of exhausting state and territory resources. Just to give an indication of the immense assistance that the United States firefighters have provided in recent years, we have had over 170 United States firefighters deployed to Australia over just the last seven years—in 2003 for the very large alpine fires, in 2006 for the fires in the Great Divide and in 2009 for the Black Saturday fires. There is also a point to be made about the very direct and immediate assistance that is provided by the United States firefighters which relates to the training that they receive and the similarity between Australian and United States conditions. What those two things mean is that United States firefighters are able to fit directly into crucial roles at short notice. It is worth mentioning that this is very much a reciprocal relationship. Over 260 Australian firefighters have been deployed to the United States on five occasions in recent years—71 Australian firefighters went to the United States in 2000, 40 in 2002, 47 in 2003, 69 in 2006 and 35 in 2008.

These professionals have provided crucial assistance to our local volunteers and our professional Country Fire Authority firefighters. In key locations such as Bendigo, Beechworth and Glenhope, foreign firefighters came to reinforce local brigades and crews after days of exhausting firefighting. The effect on morale must have been significant in knowing that peo-
ple in other countries were concerned and were ready to help those enduring Australia’s worst bushfires. The firefighters from other countries brought with them knowledge and personal experience from firefighting in their homelands. I have already noted the particular direct applicability of US firefighters’ experience of US conditions in enabling them to fit directly with firefighting efforts here.

The future contribution is potentially in doubt as a result of potential liability in tort proceedings under Australian law. Currently firefighters from other countries may be liable for a range of events—including death, personal injury and property damage—that result from acts or omissions by them in the course of providing assistance in firefighting efforts in Australia. That has given rise to concern by the United States government. In fact, because of the possibility of its firefighters becoming entangled in litigation here, United States law has prompted these amendments. In particular, there is concern that firefighters might be held liable or might be sued for acts arising from genuine attempts by them to assist those in need. Fear of litigation has some potential to undermine firefighting efforts, as it might distract foreign professional firefighters from the task at hand. One can readily imagine that concerns about being sued might be exacerbated if a US firefighter might be liable for actions undertaken not as a result of something that they have judged to be correct action but because they have adhered to the orders of local officials. That kind of fear places an unnecessary burden on these hard-working firefighters from overseas who generously lend us their assistance. Removing the cause of these concerns is likely to help foreign firefighters perform their duties even more efficiently.

The amendments to the Foreign States Immunities Act 1985 seek to provide legal immunity to foreign firefighters from proceedings in tort from actions arising from the provision of assistance. The proposed changes to the legislation will not provide immunity from civil liability arising from actions undertaken outside of firefighting duties, nor will the immunity apply to any liability under the criminal law. As a result, the protections conferred by these proposed amendments remain limited in scope so as to address the concerns of firefighters from other nations—but the particular focus is on the request from the United States—but will not create unreasonable exceptions nor affect the overall enforcement of Australian law. By addressing these concerns, enactment of these amendments will further strengthen firefighting cooperation with other countries.

In 2001, Australia signed an agreement with the United States to provide a basis for mutual assistance to fight major fires. The agreement has been overwhelmingly beneficial, allowing for American firefighters to assist in Australia and reciprocally allowing Australian firefighters to assist in the United States. I have detailed the recent, large-scale assistance that Australian firefighters have been able to provide in the United States, notably in California. As I think is well known, California has very similar bushfire conditions because of the large extent of its forests and the dryness of its summers. This means it is useful for US firefighters to come here, and it means our firefighters are particularly useful when they go to the United States.

Renewal of this agreement is currently being negotiated between Australia and the United States, as it is due to formally conclude in 2011. The terms of the new agreement will provide for more comprehensive assistance, allowing all states and territories in Australia to seek the assistance of the United States. It will provide Australian firefighters with the same kind of
legal immunity when assisting in the United States, but the United States government has indicated that it is unable to finalise acceptance of the agreement while its firefighters remain subject to potential litigation here. The amendments contained in this bill will address the concerns of the United States and allow the agreement to be finalised. The bill demonstrates very clearly that Australia values the contribution of these firefighters and creates a basis for greater bilateral cooperation in future—not merely with the United States but, because it provides a model, with a range of other countries who have also indicated willingness to assist Australia in its firefighting efforts. I mention in that regard France and Japan, which have very generously extended offers of assistance.

Mr SIMPKINS (Cowan) (10.20 am)—The reality is that Australia has always been subject to natural disasters. Whether they are floods, cyclones or bushfires, natural disasters are part of our history. Luckily, or by good planning and good grace, our volunteer firefighters are part of our history. They do a most excellent job. Of course, Australia is just like a lot of other countries. We have emergency service and bushfire volunteers to help deal with the natural disasters that affect this country, as they affect others as well. In recent years, as previous speakers have said also, there has been quite a flow of support between nations. We offer our support and they offer it back to us. I welcome this chance to make a contribution on the Foreign States Immunities Amendment Bill 2009, which is designed to provide civil immunity in our courts for firefighters from the USA. This bill, when passed, will help to allow the finalisation of the exchange agreement between Australia and the US, as is being negotiated by Victoria. The bill will provide immunity from proceedings for foreign states and their personnel where acts or omissions occur in the course of their providing emergency management assistance in Australia. The passing of this bill will amend the Foreign States Immunities Act 1985 to provide protection for the personnel who are in Australia assisting an Australian government in their preparation for, prevention of or management of emergencies or disasters.

It is a general principle of international law that representatives of foreign states are entitled to immunity from the litigious jurisdiction of the nation in which they are hosted. This originated from the obligation on host nations to provide immunity from prosecution for diplomatic representatives. In Australia, that obligation was enshrined in the law with the Foreign States Immunities Act 1985. Specifically, personnel from foreign states covered under the act included people from heads of state to government officials. With specific regard to firefighters, since the year 2000, following an international agreement between Australia, New Zealand and the United States, firefighters have been sent back and forth between all of those countries. In fact, in 2003 and 2007 American firefighters came to Australia and provided assistance with bushfire threats. A new agreement between Australia and the United States is now required. However, it cannot be finalised until this bill formalises the immunity requirements from tort proceedings for US firefighters resulting from their carrying out their duties. Following the tragic Black Saturday fires in Victoria, it is of particular and urgent concern that we are certain of having US firefighting support in reserve.

The Foreign States Immunities Amendment Bill 2009 specifically amends subsections 42(1) and 42(2) of the act, allowing the minister to provide opinion to the Governor-General regarding immunity or privilege under the act. It is the case that this bill does not provide immunity for a foreign state in proceedings concerning the death of or personal injury to a person or the loss or damage to property. Although this bill is about legal issues, it is also about
dealing with the threats of bushfires and other natural disasters in Australia. Often, we hear from overseas about mass loss of life in floods, earthquakes, mudslides or other disasters, yet we seem to have had so few losses from natural disasters in Australia. Before Black Saturday this year, perhaps that was true, but it has not been since—with nearly 200 lives being lost in that tragedy.

Prior to this year, our other large bushfire disasters have included Ash Wednesday in 1983, when 71 people were killed in bushfires in Victoria and South Australia. I remember at that time—on my way to a rowing regatta event, which used to be my sport when I was a lot younger—flying across the country and seeing the huge plumes of smoke, particularly across central to eastern Australia, that were emanating from the fires at that time. Also, in February 1967, in Tasmania, 62 people died in fires and 1,400 homes were lost. More recently, in 2003 here in Canberra, four lives were lost and 530 homes were destroyed. Having lived in Canberra when I was in the Army, it did not seem real that something like that could happen—a modern city, albeit with forests right up to the edge of it. It seemed almost surreal for those of us who have some knowledge of the suburbs that were affected so badly by that fire. While it is important to concentrate on the circumstances surrounding the tragedy of the deaths and loss of property that have occurred in these fires—and we do that in order to learn not only from the mistakes but also from the successes that have taken place—we must also consider that many more lives could have been lost and property destroyed if we had not had our bushfire brigades and if this country did not have the benefit of their courage and dedication.

I spend much of my time in Cowan promoting and encouraging volunteers. I am talking about the sorts of people who keep our clubs and community organisations going—school P&Cs, service clubs, RSLs and others. These volunteers are, without doubt, a vital part of our community. There is, of course, another group of volunteers who quite literally on occasion risk their lives in support of our communities. In particular I refer to the bushfire brigades and emergency service volunteers that we have throughout the country, including my electorate and others close to it. With Cowan being an outer metropolitan electorate, there is in fact a bushfire brigade in Wanneroo, and in nearby Joondalup, which is in the Moore electorate, there is the Wanneroo-Joondalup State Emergency Service unit. My friend Mal Washer, the federal member for Moore, is extremely proud to have those SES volunteers based in Moore, although pretty much half of them come from Cowan and half from Moore. We certainly thank them for their service.

When I met the SES unit last year, there were 56 members, so unfortunately I cannot take the time to name them today for their dedicated service and commitment to the community, but I would like to mention a few of the leadership group: Karen Condon; deputy unit managers Ian Kirk and Ron Duyvestein; Anne Haynes, the administration manager; team leaders Bill Hansen, Damien Gee, George Moylan, Ken Dewhirst and Steve Faulkner; and deputy team leaders Ian Kidd, Ned Gavan, Paula Gillespie, Peter Higgins and Scott McBroom.

Earlier this year when the parliament expressed our condolences regarding the Black Saturday bushfires, I took the opportunity to speak of the Wanneroo Volunteer Bush Fire Brigade and Wanneroo Volunteer Fire Support Brigade. I expressed my appreciation for their courage and the risks they take for the people of Western Australia and, more often, Wanneroo and surrounding districts. I will, however, say this again: it takes a very special person to be prepared to put themselves in the way of extreme danger. These are very special people.
I really do wonder what sort of country we would have if we did not have people who were prepared to put their lives on the line, particularly in a volunteer capacity. They give up their spare time for the community and, while I understand camaraderie and the esprit de corps is drawn upon as a sense of encouragement for them, the facts are that they could have chosen an easier path. They could do what most people do and adopt the attitude of just leaving it to someone else. This is a job that somebody must do and this nation is all the better because we have very fine Australians willing to stand up and be counted. I congratulate them and I honour them for what they do for all of us.

Having diverged from the detail of this bill, I can say that it has my full support and that I look forward to it being passed quickly so that we can be sure that, should they be required to assist with firefighting in Australia in the coming months, there will certainly be no obstacles to us being able to call upon our firefighting friends from the United States. I commend this bill to the House and I commend the government for bringing it forward.

Mr NEUMANN (Blair) (10.31 am) — I am happy to speak in support of the Foreign States Immunities Amendment Bill 2009. As a resident of South-East Queensland, having lived in Ipswich all my life, my family and I have witnessed firsthand what natural disasters will do to you in terms of the cost not just to family life but to domestic arrangements and in financial impoverishment. I can recall vividly the 1974 flood — I was a young boy — and the devastation it wreaked when my parents home was eight feet underneath the water and when about a third or more of Ipswich and about a third of Brisbane was under water when Cyclone Wanda came in from the north. I will always remember with fondness the firefighters and the wonderful work that they did to save the lives and the property of so many Ipswichians and people in the rural communities around Ipswich.

Last year, I was pleased to have the Attorney-General, Robert McClelland, come to my electorate and visit the Lockyer Valley and meet with the representatives of the various rural fire brigades. I pay tribute to the work they do, particularly in relation to the fires we have had in rural Ipswich, the Lockyer Valley and the Fassifern Valley in the last few years. I also pay tribute to the SES workers, particularly in Ipswich with the terrible storms we have had in the last six months and the devastation that has been inflicted upon the area. I praise also the Ripley Valley Rural Fire Brigade and Jim Runham for the work they do and thank the businesses and the state Labor government in Queensland for the support they give to rural fire brigades. The people in rural fire brigades volunteer their time, effort and money and they make tremendous sacrifices to assist people, particularly in rural areas. I am pleased to say that the rural fire brigades in the Fassifern Valley and the Lockyer Valley make an enormous contribution and are warmly appreciated and valued for the contribution they make and their community spirit in the rural communities in my electorate.

The Australian Labor Party has three tenets concerning our foreign policy. The first one concerns our engagement with Asia, including assistance and practical help, particularly in the Asia-Pacific area. We see that expressed in places like Timor, the Solomon Islands and other localities in South-East Asia and through our cooperation with our regional allies such as Malaysia, Indonesia and Singapore on issues concerning people-smuggling, the trafficking of drugs and other areas where the Australian Federal Police are doing tremendous work, working with local law enforcement agencies.
The second tenet of the Australian Labor Party concerns our engagement with the United Nations and our commitment to multinational action with respect to the relief of poverty and assistance to the poor in relation to their health and other circumstances through the World Health Organisation, UNESCO and other vital international organisations.

The third tenet of the Australian Labor Party’s commitment internationally is our alliance with the United States. The United States is a wonderful friend of Australia, not just in times of joy but in times of crisis. We saw that in World War I and World War II. We have seen it on other occasions. We value their assistance in East Timor. We also value their contribution regionally. Many of us as federal politicians have attended wonderful celebrations concerning Victory in the Pacific Day, the Battle of the Coral Sea and other occasions. But it is also about the ongoing practical assistance the United States has provided us and our reciprocal arrangements with the United States concerning firefighting. Parts of the United States are very similar to Australia.

Queensland is a state of vastness with respect to not just geography but also the climate that we have. I launched the Queensland Farmers Federation climate change report, funded by the federal government. Queensland suffers tremendous challenges with respect to climate change. We see that not just in floods but in fire as well. The legislation here is really Victorian based, but Victoria is negotiating, in a sense, on behalf of all states and territories of Australia. The conclusion of an agreement with the United States is vital to ensuring that the assistance that the United States has provided over so many years and on so many occasions since the early 2000s can continue. We have seen over the past seven years the United States deploy over 170 firefighters to Australia, particularly in places like Victoria. We have sent over 260 Australian firefighters to the United States on five occasions. This degree of friendliness and cooperation is emblematic of the wonderful relationship that Australia and Australians enjoy with the United States. We need their help and they need ours. It is a matter of friendship, comradeship and good neighbourly relations. We appreciate the specialist assistance they have given us in training and prevention strategies and in the preparation for managing bushfires. We also are very appreciative of the practical, financial assistance they have given us in this regard and of the way in which firefighters can learn from one another in the circumstances. It is very important that at short notice we can get access to their assistance—and they to ours.

As someone who practised as a lawyer for nearly a quarter of a century before being elected to this place, I want to say that the issue of tort is a challenge to all of us. When a person is sued they can expect that the plaintiff may claim damages for pain and suffering, loss of amenities, economic loss, Griffiths v Kerkemeyer damage, special damages—many kinds of damages which could be claimed against someone who has been ‘guilty of committing an act or omission of a negligent nature’. If that is the case, firefighters could expect that they could sustain large claims against themselves if they acted in a way which was negligent. So any way we can ensure immunity for American firefighters—our own firefighters have a similar immunity in the United States—is important in the circumstances of helping one another.

But this does not mean that, if a US firefighter comes to this country and commits a criminal act of manslaughter, robbery, assault, murder or break-and-enter, that person should be absolved of the laws which govern all of us. That is appropriate. If you go to another country and you decide to traffic drugs, you reap the consequences of the punishment of the legal sys-
tem imposed by that other country. We do not expect that when US firefighters come to this country they will engage in criminal acts, but if they do they should be charged.

This legislation before the House does not absolve anyone from criminal acts, but it is important legislation because the United States have made it very clear that, due to their domestic legal arrangements and requirements, they cannot finalise the agreement with us unless the immunity is in place for their firefighters, and we would expect nothing less for ours. This is a good bill. It is a bill which ensures that we can help them and they can help us. It is legislation that should have bipartisan support. We appreciate the fact that those opposite also support this legislation. It ensures that sovereign immunity, which is a very important principle of international law, is upheld. This legislation recognises that we are part of a global community. It recognises also that we need to protect our neighbours’ firefighters, as they need to protect ours.

I would hope that my own state of Queensland takes up the challenge in this regard. I hope that we will continue to see in this country our friends from America and that they will receive our sons and daughters over there with the same degree of neighbourliness and the same degree of charity that they have in the past. This is about being a good Samaritan, to use the New Testament principle. I commend the government for the legislation before the House and warmly speak in support of it.

Mr TUCKEY (O’Connor) (10.41 am)—The Foreign States Immunities Amendment Bill 2009 was described quite clearly by the minister in the second reading speech. He said:

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. Consequently, this legislation deals with that matter. The minister also advised us:

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

All of this is a very welcome initiative. Quite obviously, persons coming to our assistance, virtually as volunteers, should not have to worry about being taken on in areas that frequently might relate to the fact that they lit a fire—because we have a paranoia in Australia about the management of forests. Some green group could actually challenge one of these fellows if he were on a bulldozer and pushing down trees. That is how silly our law is, and that is why so many people died in Victoria. There is a need to give these people protection from the abuse of our court proceedings or from some other act, where they are entitled to protection. This is welcomed, and of course it is to be reciprocal, inasmuch as Australian firefighters attending fires in the Northern Hemisphere, in the United States, will have similar protection.

It is interesting, from my own personal knowledge of the history of this matter, that, to the best of my knowledge, this exchange commenced when Australia sent firefighters to the United States at the time of the destruction through wildfire of Yellowstone National Park and other areas. I have informed the House before that, as a consequence of those visits, and as the then Minister for Forestry and Conservation, I called a ministerial council. We arranged a briefing for the state ministers by some of the senior firefighters who went and assisted in the attempts to put out those fires in the United States.

MAIN COMMITTEE
The most interesting thing about it, from my recollection—and the horror it generated when I saw 170 people in Victoria murdered by bad public policy—was that a senior firefighter took us through what had happened in the United States. The green activists had taken over and the forests had been put into reserves and then treated by the authorities with benign neglect. Of course, the consequence of that was a massive build-up of forest waste and an overpopulation of the forests. When Abel Tasman landed in, I think, 1642 on the island of Tasmania he talked of a forest consisting of gigantic trees. He measured their diameter in fathoms—a fathom being six foot. He said that you could see for miles—or leagues, or whatever his choice of words was—between them and there was evidence around their bases of burning. That was the original forest in Australia—but, of course, we were talking about the original forest in the United States. The American Indians actually harvested trees and undertook similar burning practices, as did the Australian Aboriginals. And they were safe forests. They were a safe environment.

That senior firefighter pointed out to us how the neglect through public policy had created firetraps. He also told us that the heat intensity was such that the soil was sterilised for a metre below the surface. That is evidenced in Yellowstone National Park today. A little while ago—a year or so ago—friends of mine visited the park and were looking for their money back. They said that they thought they were going to see a wonderful forest and they actually saw blackened tree stumps—a bit like the edges of Canberra after it was attacked by a nuclear event. That firefighter told us that Australia was next. When he departed and I asked the ministers what they would like to do about that, they said, ‘We’ll have to put out a press release.’ I then asked—and this is a matter of record—‘What are you going to put in the press release?’ and was told, ‘We’re going to need more appliances and more orange overalls.’

A project was put to us just yesterday by a Territory opposition spokesman attempting to do something about this—and, by the way, he was present as one of the ministers at that ministerial council. He mentioned the McArthur index. It was predicted before the Victorian fires that fires had the potential, because of the fuel build-up on the forest floor and the association of climatic circumstances and ignition—however that might occur—to exceed the scale by 100. My recollection is that the fellow who put out that index—a fellow called Packham—said that at 2.5 on the scale firefighters became useless and redundant and that there was a great risk of death. Looking at the figures again yesterday, it was 25. But it hardly makes a difference, because at 100 people can actually be vaporised and Land Rovers made of aluminium can melt. That is what happened in Victoria.

In today’s media, one sees that the royal commission—which the minister also makes reference to in the second reading speech—is now taking evidence. The greatest number of submissions to that commission related to the principle of ‘no fuel no fire’. That the commission have taken this long, considering that summer is nearly upon us—we are into spring—is to be criticised, in my view. They beat up on the firefighters—when, on the scale of the fire, their appliances and orange overalls were ineffective and they could not fight it—but there are also issues around the management practices of the Victorian government.

The Victorian government received a report from one of its own committees that identified the need for hazard reduction and hid behind the excuse, oft repeated by the green activists, that more scientific research was needed. What? In 1642 we were told how to do it. In 1694 another Dutch sailor went up the west coast and, when he was off the Swan River as we know...
it today in January, he reported much smoke. They were primitive people with no fire engines, no yellow overalls and no helicopters burning the forest in the middle of summer. Why could they achieve that without personal loss of life or limb? They did it regularly. The forest benefited from it. The eucalyptus tree, our great symbol, is a product of that burning. You can go to areas of Australia where there are significant watersheds and it will be the only places you will find other varieties of trees that survive burning. Eucalyptus thrive on it.

We have had a very necessary piece of legislation drawn to our attention. We had a briefing yesterday about a warning system—that is fine, if you are not in a Telstra black spot, of course. We did not need warnings about loss of life and injury, because it was practical to stay with your house if you had properly prepared it for fire and protected it from fire. The intensity of a bushfire means that with reasonable management it is practical to do so.

I watched Q&A where the surviving occupants of Marysville were interviewed. One lady who I thought was very credible as she was the local historian said that as they sat on the oval they saw no flames. But all of a sudden everything went black and the houses started exploding into flames. People in that vicinity were actually vaporised. A young pregnant woman trying to get to the oval where there was some clearing and some protection was found dead from asphyxiation on the road. That does not happen in a safe forest environment. That is the first point: no fuel, no fire. On the McArthur scale there is a point at which the treetops start burning and of course that contributes a lot of oil. But, again, it needs the heat from the burning of the debris on the forest floor. Debris rises a metre per hectare per annum. We are advised by the ACT member yesterday that debris levels surrounding Canberra are nearly back up to what they were in 2003. It is all going to happen again.

I raised this at one stage when I was minister and a New South Wales bureaucrat accused me of wanting to bitumise the forests of New South Wales. That man should be recommended for some court proceedings too. As far as I am concerned, what happened in New South Wales was criminal by neglect. Yet when the Brumby government were advised by one of its own committees that they had to do something about it, they in fact refused to do so because there were a few votes in it. ‘I’m safe. I’ve got a job in parliament. There is no bush around it. Why should I worry about the people of Marysville and all those other towns?’ Some were lucky enough only to lose their property but many lost their life.

This legislation deals with putting out fires, and I endorse every part of it, but in his second reading speech the minister said:

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.

The patently obvious outcome of about 20 reports is that the forests of Australia are no longer the safe environment for humanity that they once were. Even over years gone by they were not. If they were a private workplace and 178 people were killed in a factory fire, where would the unions and the occupational health and safety people be? They would be outside the front gate putting up the gibbets. They would want the directors of the company put in jail. The directors of the company in this case are the Victorian government—or, if you like, the Victorian parliament, because I do not think the opposition down there has ever made a squeak either.
The reality is that those people were killed because of the intensity of the fire. There are two factors over which humanity has some control: one is the overpopulation of the forest and the other is the fuel loads accumulating on the forest floor. That is not smart, because, as everybody who has cleared land knows—as you, Deputy Speaker Secker, would know—to keep logs burning you have to keep pushing them together.

Australian people were talked into doing away with the Australian forest products industry, yet what did the industry do in the forest? They maintained a road system. As a report to this parliament indicated, after the fires around Canberra and through the Snowy Mountains the roads that had been blocked off and filled in had to be bulldozed so that people could get machinery in to try to put out fires. When the fires had been extinguished, the authorities immediately went in and ripped those roads up again. So they will not be there next time. I can say, on the advice of a person in the Canberra region who should know, that in many places those levels of debris are back to where they were before the fires.

What are we doing as a parliament? Do we believe in occupational health and safety? Do we believe in the rights of people to be protected by good management practices and good public policy? We fund every state government in Australia to about 50 per cent of their expenditures. Why aren’t we today—in fact, why weren’t we six months ago—debating a bill for the formation of, for instance, a safety commission for forest management? Surely we should use the power of the chequebook?

I might add that there is very little incentive, from an expenditure point of view, for state governments to create a safe environment in their forests, because under the natural emergency agreement with the states they spend the first $5 million, or something like that, and then the poor old federal taxpayer has to fork out the rest. I do not know how much of the reported $300 million or $400 million the Victorian government has had to shell out over and above the public subscription to the Red Cross following these fires, but if the federal government pays for it why should the Victorian government take the logical step of turning its forests—the reserves it has created by law—into a safe environment?

The forest products industry did it in numerous ways. They maintained a road system. They thinned the forest. They cut trees out without annihilating the forest. Clear-felling, which was much criticised, never destroyed a forest. As every farmer knows, trees have this wonderful ability to grow back if you leave a paddock long enough without any grazing or ploughing. The reality is that this government, under the national emergency arrangements, has to say, to the states at least, ‘We’re going to put an inspector in, and if your forests are a clear risk because you haven’t managed them properly then you are excluded from those arrangements.’ That is what any insurance company would do. That would be the minimum. I would cut all their money off until they did the right thing. It is they who created these reserves. It is they who got themselves decent votes and preferences from the Greens. All of a sudden they have encountered the events that followed.

The legislation most needed in this place is at a national level to address the fact so that we do have an inspectorate. The inspectorate can go and look at forests and if there is not an eight-year turnaround on hazard reduction prescribed burning their money will just be cut off until they achieve it. Either they can do that or they can let the forest products industry back in there. The forest products industry used to put fires out before they became hazardous be-
cause they had D9s, other pieces of machinery and roads to attack it. All that has been lost.

(Time expired)

Mrs D’ATH (Petrie) (11.01 am)—I rise to speak in support of the Foreign States Immunities Amendment Bill 2009. This is one of those bills that will get no attention in the media and will proceed without any fanfare. However, the importance of this bill should be acknowledged. The Foreign States Immunities Act 1985 provides a regime for the immunity of foreign states from the civil jurisdiction of Australian courts. This immunity is subject to various exceptions listed in the act. These exceptions include proceedings concerning the death of or personal injury to a person and loss or damage to tangible property caused by an act or omission that occurs in Australia.

This bill seeks to amend the act to enable a foreign state, and its emergency management personnel, to be immune in tort proceedings under the act for acts or omissions that occur in the course of the foreign state providing emergency management assistance to Australia. It is important to note that this immunity would apply only to acts and omissions of the foreign personnel in the course of providing the emergency management assistance. This means, importantly, that any negligence by a foreign official outside of their duties would remain subject to the jurisdiction of Australian courts. In addition, and equally important, the immunity would not extend to any criminal proceedings.

With current negotiations proceeding with the United States for a new agreement that will further enhance the support exchanged between Australia and the United States in relation to fire suppression resources, this bill is not only useful to assist those negotiations but also essential. One aspect of the new agreement which remains outstanding is the status of the United States and its firefighters in legal proceedings that may be brought in Australia. Due to their domestic legal requirements, the United States cannot finalise the agreement unless immunity for tort proceedings is provided concerning the actions of their firefighters in the course of their duties. It is the case that firefighters from the United States under the existing agreement have been assisting with fires in Australia, but it has remained a concern of the United States throughout this time that such legal protections do not exist.

Australia’s bushfire season rapidly approaches and the devastating effects of the Black Saturday fires are still very much being felt by the families and communities involved and also by the broader Australian community. In this context it is important that Australia take all necessary steps to ensure strong relationships and formal agreements are entered into with other countries that can provide support in circumstances of emergencies or disasters within our country. This is not to say that Australia does not have its own obligations to assist in relation to emergencies and disasters across the nation, but by taking such action and entering into such agreements we will provide support to our own emergency personnel who may assist those reciprocal countries in times of need. It is reasonable for any country to want to ensure, when sending their emergency personnel to another country to provide essential resources, that immunity is provided in the exercising of those duties while in that country. We would seek such support ourselves for our own emergency personnel.

This bill will enable vital USA firefighters to be deployed to Australia over the next fire season. We should take this moment to acknowledge that in the last seven years over 170 US firefighters have been deployed to Australia, on three occasions: for the 2003 Alpine fires, the 2006 Great Divide fires and of course the 2009 Black Saturday fires. Over 260 Australian
firefighters have been deployed to the United States on five occasions. Because Australia and the United States have similar training and operate in similar conditions, US firefighters can fit into crucial roles at short notice. They provided invaluable assistance during the devastating Black Saturday fires.

Let us not forget the human face of these devastating fires. Just this week my local community on the Redcliffe Peninsula have been host to survivors from the Kinglake fires. People in the community have hosted these survivors by billeting them in their homes so that these survivors can spend time relaxing and enjoying life—not something to be taken for granted. The Redcliffe Seaside Traders have organised this visit and have been holding events across the peninsula to raise money in support of the survivors and the great work being done by the Kinglake community. Jenny Wald, one of my electorate officers, was in attendance and delivered a speech on my behalf yesterday at an event held by the Redcliffe Seaside Traders at Scarborough State School to commemorate the victims. I hope the survivors from Kinglake enjoy their visit to the Redcliffe Peninsula, with beautiful Moreton Bay as their backyard. It is certainly a great place to visit. We know that a trip like this cannot heal the pain felt by these survivors, but we do hope that it provides some relief and an opportunity to see that people all across Australia are here to provide support. The people of Redcliffe are certainly renowned for that.

On the Australian United States exchange program, it is important to note that the program also provides valuable experience to Australian and US firefighters, helping firefighters develop new skills and knowledge. The new agreement will give equivalent immunity for Australian firefighters when operating in the United States. Of course, this bill does not limit itself to firefighters in the United States. Even though at this stage there is no intention to enter into such agreements, the Australian government is certainly able to create immunity by entering into similar arrangements with other countries. Although fires are a serious threat to Australia, we cannot ignore that many other emergencies or disasters can occur, whether natural or otherwise.

Australia is certainly not immune to cyclones, and the American people are still recovering and rebuilding their lives after the consequences of Hurricane Katrina. We also remember disasters such as the Thredbo landslide and Stuart Diver’s rescue, and the Beaconsfield mine collapse with the rescue of Brant Webb and Todd Russell. With those miraculous rescues, our thoughts also go to the families who lost loved ones in those disasters. We will always remember the terrifying tsunami that struck Indonesia and surrounding areas and the devastating loss of life—again, communities that continue to rebuild to this very day. Support came from numerous nations, including Australia, to assist in that disaster.

We cannot put a figure on the human toll that arises from the event of an emergency or disaster. We know that the effects are lifelong and widespread. We as a government have an obligation, where circumstances are within our control, to provide all the support we can and to put in place the mechanisms to forward-plan for emergencies and disasters. It is Australia’s obligation to ensure that barriers do not stand in the way of obtaining foreign support when times of emergency and disaster strike. Where countries have the ability to share expert resources, they should ensure that they provide that support. We also have a responsibility, which is to ensure that protection is provided to our emergency personnel and equally that we are providing such support to foreign countries in similar circumstances.
As I have stated, disasters come in many forms and they are not all naturally occurring. One example of a non-natural disaster emergency, of course, is mining accidents, and the United States and Australia have certainly seen their fair share. These types of disasters can require urgent specialist assistance to save lives and, in cases like these, the Australian government may wish to call quickly on assistance from another country. Of course, this bill does not result in immunity being provided automatically to foreign emergency management personnel that may assist Australia in such circumstances. Rather, what this bill provides is a framework for limited civil immunity to be provided where appropriate on a case by case basis.

I hope the passing of this bill will not only assist in the finalisation of a new agreement between Australia and the United States but also lead the way to new agreements and stronger bonds with a range of countries in the exchange of critical resources in emergency and disaster response. The message is simple: the Australian government is committed to strengthening our capacity to withstand disasters and emergencies in order to protect the safety and security of all Australians. I commend this bill to the House.

Mr GIBBONS (Bendigo) (11.12 am)—The Foreign States Immunities Amendment Bill 2009 will permit the states and territories to conclude a vital new agreement with the United States for the exchange of fire suppression resources including firefighting personnel. As the next bushfire season approaches, we need no reminder that emergencies and disasters can have a devastating effect on the lives and welfare of Australians. Only seven months ago on Black Saturday we saw horrific bushfires in Victoria, and many members will recall the impact on the city of Bendigo in my electorate, where we had the worst disaster in our history. I spoke in the debate on the condolence motion for this incident and I mentioned the tragic death of one person and the total destruction of 59 homes in those Bendigo fires. I am now in a position to point out that, even more tragically, the police have now determined that fire was deliberately lit. How anybody could light a fire on a day like that under those sorts of conditions is probably beyond comprehension but that is the unfortunate conclusion the police have come to. To date there has been nobody charged with that offence.

The Victorian Department of Primary Industries has provided me with its assessment of farm losses in the fires on the same day at Reidsdale, about 15 kilometres north-east of Bendigo. I remind the House of some of those statistics: 85 rural properties around Reidsdale were affected and almost 6,500 hectares of land were damaged. Most of this was grazing pasture but of note was the impact on two commercial olive-growing operations at Barfold, where more than 300 hectares of olive trees were affected. Although there was significant livestock and wildlife loss, fortunately there was no loss of human life in that particular fire. A royal commission is now investigating the issues and concluding its investigation arising from the Victorian fires as we get ready for the forthcoming fire season. The Victorian government last month warned that this summer’s bushfire conditions could be even worse than those which led to the deadly fires last February. It has identified 52 towns that will be at particular risk this summer. In my electorate this includes the city of Bendigo and several nearby towns around Castlemaine.

Our volunteer and professional emergency services workers do a superb job of helping us to prepare for the fire season and helping fight bushfires when they do occur. During the Black Saturday fires in my electorate there were countless heroic efforts to save people and
possessions. Many of our firefighters are volunteers who readily give up their time and spare time to protect our communities, and they work tirelessly when called out to a fire. It is no exaggeration to say that we could not survive without them.

But we simply do not have enough firefighters for the sort of extensive and long-lasting fires we experienced last February. For some years United States authorities have provided critical help to Victoria in the lead-up to, and during, the annual bushfire season. A cooperative exchange program allows personnel and equipment from one country to be deployed to the other country to provide vital operational assistance. This also allows Australian firefighters to share and develop specialist knowledge and skills by participating in training exercises and study tours. The similarity in conditions in Australia and United States means that both countries’ firefighters are able to fit straight into front-line roles at short notice.

This capability has been invaluable during long bushfires, when local resources get overstretched and exhausted. Over 170 United States firefighters have been deployed to Victoria since 2003, including 73 during the Black Saturday fires earlier this year. A new cooperation agreement is currently being negotiated that would apply across the whole of Australia. Victoria is leading the negotiations but, if they are successful, the new agreement will benefit all states and territories. However, the United States has been concerned for some time that Australian law currently provides no immunity from tort proceedings to its firefighters while they are engaged in bushfire assistance activities in Australia. The United States is understandably concerned about its firefighters becoming caught up in legal disputes in Australia, and it cannot finalise a new cooperation agreement without this immunity. Without the new arrangement in place, United States authorities will not be able to provide help to the states and territories in the upcoming bushfire season, potentially leaving our fire services dangerously exposed.

This bill will amend the Foreign States Immunities Act so that regulations may be made applying immunity from tort proceedings to a foreign state, including its personnel, where they assist the Commonwealth, a state or a territory to prepare for, prevent or manage domestic emergencies and disasters. The immunity would only apply to acts or omissions of foreign personnel in the course of their duties and would not apply in any criminal proceedings.

The agreement being negotiated provides for a reciprocal immunity to be granted to all Australia and its firefighters under United States law. This will ensure an equivalent level of protection for Australian firefighters when they are operating in the United States. The limited and appropriate protection in the bill will allow the United States to confidently deploy its firefighters in response to a request for help from Australia. The new bushfire exchange program with the United States will form an integral part of the fire management and response capacity of all Australian states and territories and will enhance the safety and security of all Australians. This bill is one way the Australian government can support the states and territories as they prepare for the coming fire season and I commend this bill to the House.

Ms SAFFIN (Page) (11.18 am)—I do not want to spend a lot of time talking about the technical parts of the Foreign States Immunities Amendment Bill 2009, because that has been well covered by speakers on both sides, but I would like to make some comments, having had some experience working in international affairs in areas where such agreements had to be negotiated. There can always be a response about giving immunity—should or shouldn’t we? From a purist’s point of view, people often say, ‘Well, there are immunities now given for all
sorts of things.’ The fact is that it is the world we deal in, the world we live in and if we want to get help from other countries and we want to give it then it is necessary to give this immunity in several areas. Not in criminal areas, we never do that. It is civil immunity.

We certainly do not want a situation where firefighters or other emergency personnel are deployed to Australia, as acts of goodwill and frequently as volunteers, and are inadvertently tied up in civil proceedings in the courts. This does not include where somebody has a legitimate cause of action in an Australian jurisdiction; that will prevail and be taken to the appropriate authority. So it does not have an impact on that. But because we are interdependent in the globalised framework that we operate in, this is an effective mechanism. It will allow personnel—emergency personnel in this case—to be deployed as needed, and because this will work in a reciprocal way it can give comfort to both sides. But the fact that we have an emergency or a disaster is not a precondition to the use of this regulation-making power. The way I understand the bill, and I know the Attorney would be able to answer this definitively, it will operate on a case-by-case basis. It is overarching legislation with regulation-making power as each situation warrants it. That is my reading of it.

Mr McClelland—Yes.

Ms Saffin—Thank you. I think it is important that it is on a case-by-case basis and there will be that regulation-making power there. I admit that I have not read all of the bill, but that is the way I read it at this stage. The regulation-making power will cover foreign states that send their personnel and/or equipment to participate in the ordinary course of emergency management activities. So the regulation-making power can extend to situations where preparations are being made for a disaster but where it has not occurred. It is very important that we undertake those activities and that we undertake that preparedness together, and frequently we do.

In conclusion, this bill will provide a key way for the Australian government to assist the states and territories with bushfire prevention and management, because the states and territories handle bushfire prevention and management, and this is a way that the federal government can help. This bill is a key way for us, at a national level, to enhance our ability to withstand disasters and emergencies. I commend the bill to the House.

Mr McClelland (Barton—Attorney-General) (11.22 am)—in reply—I would like to thank the members for Farrer, Isaacs, Cowan, Blair, O’Connor, Petrie, Bendigo and Page for their contributions to the debate. I welcome the support from both sides of the House. I can confirm, in response to the question from the member for Page, that the bill provides a framework for limited civil immunity to be provided where appropriate on a case-by-case basis.

Specifically, the Foreign States Immunities Amendment Bill 2009 amends the Foreign States Immunities Act to enable immunity from tort proceedings where a foreign state assists Australia in preparing for, preventing or managing emergencies or disasters. It is an important step to help Australian authorities prepare for the next bushfire season. In particular, I would like to thank opposition members for their bipartisan support of the bill and for their assistance in ensuring the speedy passage of this bill through the parliament in time for the forthcoming bushfire season.
The bill is necessary in order to permit the states and territories to finalise an agreement with the United States for the exchange of vital fire suppression resources prior to this year’s bushfire season. For some years, United States authorities have provided vital assistance to Victoria and other states in the lead-up to and during the annual bushfire season. Over 170 United States firefighters have been deployed to Victoria since 2003, including 73 for the devastating Black Saturday fires in 2009. These firefighters were deployed under an existing agreement between Victoria and the United States. While the existing agreement provides for the immunity of United States firefighters operating in Australia, that immunity has never been given effect in Australian law. This has been of some concern for the United States for some considerable time.

Victoria and the other states and territories are currently negotiating a new agreement with United States authorities that would apply across Australia. Due to their domestic legal requirements, the United States cannot finalise this agreement unless immunity is in place for its firefighters—in other words, that the terms of the agreement can be enforced and will apply as part of Australia’s general law. Without the new agreement in place, the United States may not be able to assist Australia in the upcoming bushfire season, potentially leaving state and territory fire services dangerously exposed.

The bill will facilitate the provision of immunity to the United States by inserting a new regulation-making power in the Foreign States Immunities Act. The bill will allow regulations to be made with respect to a foreign state that assists Australia to prepare for, prevent or manage emergencies or disasters. This will allow for immunity from tort proceedings to be provided to a foreign state that provides such assistance to Australia, pursuant to an agreement of the kind we were talking about.

It is important to note that the bill places limitations on the new regulation-making power. The regulation-making power only applies to actions of foreign personnel in the course of providing emergency management assistance to the Australian government or a state or territory government, as opposed to any conduct that they may become involved in outside those duties. No immunity can be provided for actions of foreign personnel outside of their allocated emergency service duties. The bill has no effect in relation to criminal proceedings. Criminal conduct by foreign emergency management personnel will remain subject to the full jurisdiction of Australian courts. I should note, though, that to my knowledge there have been no such incidents from these people who have provided tremendous assistance to Australian authorities. Finally, the bill does not affect the liability of Australian governments, agencies or officers.

The general framework of the bill is that it is a flexible option that permits the Australian government to assist the states and territories in future situations where they may urgently require assistance from overseas. There has been some commentary, I understand, as to whether it is appropriate to modify these provisions or permit this exemption to apply by way of regulation. The purpose of that is precisely to provide that flexibility. The regulation-making power is intended to cover a range of emergencies and disasters, natural or otherwise. It was thought too prescriptive to have the measures set in stone in the legislation rather than creating a more flexible regulation-making power.

Of course, the bill does not result in immunity being provided automatically to foreign emergency management personnel that may assist Australia in such circumstances. Rather, the
The bill provides a framework for limited civil immunity to be provided, as I have indicated to the member for Page, where appropriate, on a case-by-case basis. I also recall that any regulation made under the new power will, of course, be subject to parliamentary scrutiny in each case under the scrutiny power that the Senate possesses.

In conclusion, the bushfire exchange program with the United States is and will continue to be an integral part of Australia’s fire management and response capability. I should indicate our great appreciation to those United States firefighters who have assisted and will continue to assist Australian emergency workers. 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 very short notice. This extra capability is essential during long bushfire campaigns when state resources are overstretched and Australian fire fighters exhausted.

The bill does no more than is necessary to provide appropriate protection to United States firefighters, and it allows the United States to be confident in responding to our requests for assistance. It also provides a general framework so that the Australian government may assist the states and territories in future situations where assistance from overseas is required and the issue of immunity arises. As I said when I introduced this bill into the House, it is an important measure to enhance our capacity to respond rapidly and effectively to emergencies and disasters. This contributes to the safety and security of Australians. In turn, it will facilitate Australians assisting with the safety and security of citizens of the United States.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

CORPORATIONS LEGISLATION AMENDMENT (FINANCIAL SERVICES MODERNISATION) BILL 2009

Second Reading

Debate resumed from 25 June, on motion by Mr Bowen:

That this bill be now read a second time.

Mr PEARCE (Aston) (11.31 am)—It is a great pleasure to rise in the parliament this morning to speak on the Corporations Legislation Amendment (Financial Services Modernisation) Bill 2009. This bill provides a mechanism for the regulation of margin lending, regulation in and around trustee companies and the regulation of so-called promissory notes. In addition, the bill also provides consistent federal regulation and oversight of these financial services and products by the Australian Securities and Investments Commission. The bill does present a good example of evidence that targeted reforms, reforms that go to particular parts of the Australian law and in particular to our financial system, can provide a positive result for all participants. This is a good example of where a bill has particularly identified areas in the law for improvement. It has targeted those areas, and it will solve some issues. All three of these financial areas, and the products and services in and around them, are very different. I guess it is appropriate to consider them independently of each other, and that is what I will do this morning.

First, let me go to the area of margin lending. The problems surrounding margin lending were highlighted during the difficulties experienced by some financial services organisations
as the market turned in late 2007-early 2008. It has been widely canvassed in the press and elsewhere that there are regulatory failings in relation to margin lending. These have included many different areas, but a few of the areas identified include a potential lack of consistent and robust supervision and confusion over the adviser’s and the lender’s responsibilities, particularly in relation to the end user—the end user being the consumer, the customer, who has actually taken out the margin loan. Uniform national regulation of margin lending was agreed upon at COAG in March of 2008, and it was agreed that the responsibility for margin lending would pass to the Commonwealth so as to ensure that it was clearly and consistently regulated throughout our great country.

Federal regulation of margin lending was raised in June 2008 through the green paper on consumer credit and financial services reform. Subsequently, in June of this year an exposure draft of the bill we are currently debating was released for public comment. There have been some changes to the draft, which is good to see, as result of the consultation process. The primary change from the exposure draft to this bill has been the extending of the transitional period in relation to licensing.

There are three primary objectives of the margin-lending aspect in this bill. Firstly, the licensing of lenders and advisers who engage in margin loans will be mandatory. This will occur by instituting margin lending as a chapter 7 product in the Corporations Act. Madam Deputy Speaker Vale, you will know that chapter 7 in the Corporations Act is on financial services and markets. It is the chapter that particularly regulates all issues relating to financial products and financial services and was instituted as a result of the Howard government reforms under the Corporate Law Economic Reform Program, or CLERP, that the Howard government put in place during its time in office. Margin lending and the licensing of the lenders and advisers will now move into chapter 7 of the Corporations Act. Licensing will be compulsory 12 months after assent to the bill, and that will allow a phase-in approach. People will have up to 12 months to get themselves licensed, but once the 12 months following royal assent have passed it will be law that all people must be licensed.

Secondly, margin call responsibility and ambiguities between advisers and providers will be clarified in this bill. I think this clarification is a very important step as any grey areas over margin calls and margin loans has the potential to ultimately negatively affect the investor. Toward the end of the bull market run there were a series of allegations that investors with margin loans were not informed by their financial adviser or loan provider that they faced a margin call. I am sure all members of the House—and, indeed, the whole parliament—consider this to be an inappropriate and unsatisfactory situation for investors, particularly those investors who have taken out margin loans. Consequently, such investors essentially had the rug pulled from underneath them without warning as their equities were liquidated in order to meet the margin loan debt. That is the way the margin loan system works. Washing away any ambiguities in margin loan regulation is, I think, a positive step.

Thirdly and finally, this bill provides additional investor protection mechanisms for margin lending in terms of responsible lending. The responsible lending aspect is to be provided through subsequent regulations, and those regulations are currently on public exposure for comment. I comment here that I think that the omission from the bill of responsible lending arrangements in relation to margin lending is not a good or desirable outcome. Given that these provisions will dictate the way in which a business is to structure its margin loan busi-
ness, I think it would have been much more preferable to have those sorts of substantive elements vested in the bill itself rather than in regulations.

I take the opportunity to highlight again that I think the government has a penchant for vesting the substantive measures of bills in subsequent regulations. This is something of a slippery method, because it provides the government the ability to escape some of the scrutiny that the parliament provides. It also fails to provide the business community with any sense of certainty. The reason for that is that regulations are much easier to change on the run than legislation. I think that from a practical, business certainty viewpoint, having these types of areas vested in the actual bill is a much more favourable situation than what we find today. A good example of that is a bill that went before the parliament late last year about short selling. We were told then that this bill was urgent and that the regulations would follow very soon after. I am sorry to say that bill passed this parliament in December of last year and, believe it or not, we still have not seen the regulations for that bill. That is an example of the point I am making about how important it is to vest these types of things in the actual bill. Some 9½ months after that bill was passed in this parliament, the business community still has not seen the short-selling regulations.

The next area of the bill is in relation to trustee companies. This bill provides national uniformity which will allow trustee companies to operate across multiple state jurisdictions without different laws and without prohibitive compliance costs. This is another good example, as I said in my opening remarks, of a good, targeted reform. Trustee companies are currently regulated at the state and territory level. There are currently 10 private licensed trustee companies operating in Australia. Trustee company services will, like margin loans, become part of chapter 7 and their products regulated in the Corporations Act. Again, it is a good initiative in my view.

Members of the Trustee Corporations Association, the sector’s peak body, have approximately $510 billion of assets under management, according to a Treasury estimate. It is therefore a significant sector of the financial services industry. The bill will provide authority under Commonwealth law for trustee companies to perform their traditional functions, deem such services to be ‘financial services’ and require them, as a result, to hold an Australian financial services licence when selling such services. Another result of moving it in under chapter 7 of the Corporations Act is that these people will now be required to hold an AFLS—an Australian financial services licence.

The third area of the bill is in relation to promissory notes. Under this bill, promissory notes will be regulated in the same manner as debentures. All promissory notes will now be subject to additional disclosure and regulatory requirements, which already apply to debentures. All promissory notes issued to retail clients will now be accompanied with a prospectus, appointment of a trustee and the issuance of a trust deed. There have been some notable failures of the use of promissory notes in recent years. Promissory notes are in fact very similar in function to debentures. However, they are regulated according to their value. Under the current distinction, promissory notes issued with a value less than $50,000 are regulated as debentures, while promissory notes issued with a value greater than $50,000 are not subject to debenture regulation and are treated as financial products. This bill will now regulate all promissory notes. It will require prospectuses and trustee documents to be provided. Again, this is a good and positive reform.
This bill has the three areas of margin lending, trustee companies and promissory notes. I notice here in the chamber that we have the distinguished chairman of the Parliamentary Joint Committee on Corporations and Financial Services and a fellow distinguished member of that committee, the member for Parramatta. The three of us have been spending quite a lot of time travelling Australia. The chairman has attended, I think, six public inquiries over the last couple of weeks. I have had the opportunity to attend three of those six in Melbourne, Brisbane and Sydney, where we have been hearing firsthand about some of the issues in and around margin lending. It is very clear to me that the proposals that are captured in this bill will be very important proposals. They will be positive initiatives that I think will help to overcome some of the stories that we have heard throughout the public hearings in relation to the inquiry that the committee is undertaking into financial services.

Overall, by instituting margin lending and trustee company services as chapter 7 products in the Corporations Act and treating promissory notes as we already do debentures, I believe that Australian investors will be the ultimate beneficiaries. This bill does represent worthy, targeted reforms—reforms that go to the act and improve it. This bill proves that this is a good way to ensure that the baby is not thrown out with the bathwater. You do not rewrite of the whole area; you go to the area where there is a particular problem and you put in place some reforms to improve it. This is a good example of how that can be done.

Our financial system in Australia has proven itself to be strong and robust. We hear each and every day in the parliament and in the media about the fact that Australia is travelling comparatively very well compared to other like nations throughout the world. There are several reasons for that, but one of the core reasons for that is our regulatory system—a regulatory system that was put in place years ago during the term of the Howard government, where we regulated the financial services industry in Australia. We put in place the so-called twin peaks regulatory model. We created APRA, the prudential regulator, to regulate our financial services from a prudential viewpoint and we established ASIC, the regulator of business conduct. It is through that twin peaks model that we have sustained a very robust and strong regulatory framework for financial services—and it is, as I say, one of the reasons that Australia has been performing well during these very turbulent economic terms. I think these are good initiatives, and I commend the bill to the House.

Mr Ripoll (Oxley) (11.46 am)—I take pleasure in speaking on the Corporations Legislation Amendment (Financial Services Modernisation) Bill 2009, and I acknowledge the contributions of the previous speaker, the member for Aston, and other speakers on this bill. This bill is quite important. It reflects a range of changes that the Rudd government is making to ensure not only that the financial services sector and the Corporations Act work in unison but also that there is a uniform consumer credit model across this country—across all the states and territories. One principle that underpins this good work is that of consumer protection in ensuring that we have a robust system. We heard from the previous speaker about the twin peaks model, and I concur with him that it is a very important benchmark for how we manage the financial services and products in this country. It is very welcomed that we have this legislation before us, because it bridges a gap that currently exists and that has caused some problems in the past—or, if it not has directly caused the problems, it has certainly been used as an excuse for people not to apply the sort of regulatory rigour that they might otherwise have applied if it had applied directly to them.
This bill does two basic things. One is in relation to margin lending and the other relates to
trustee corporations. Margin lending, as we have heard in the media over recent times, has
been the source of a lot of problems for consumers. People have lost a great deal of money—
their life-savings, their superannuation retirement incomes—and, for many, even their homes
through margin lending facilities and practices. It is important that we separate out the issues
and the regulatory issues for how margin lending is covered by law. As it stood, margin lend-
ing was not covered specifically by responsible lending regulation and banks, lenders and
other issues did not have to adhere to principles. We do not believe this was an acceptable
position. We believe that margin lending as a facility should be included. It was specifically
excluded from the licensing regime that existed for those people who operated under an Aus-
tralian financial services licence, an AFSL, because it did not meet the definition of who a
licensee was. This bill will bridge that gap, include it and cover issuers of financial products,
including issuers of margin-lending facilities. So we are removing from the licensing regime
the exemption that they enjoyed.

As we will hear from other speakers, and as we just heard, a whole range of issues have
arisen in recent times where the matter of responsible lending has been of great concern—and
certainly of great concern to me as Chairman of the Parliamentary Joint Committee on Corpo-
rations and Financial Services, which is currently embarking on an inquiry into financial
products and services, with a particular focus on the collapse of Storm Financial and Opes
Prime. The problems that arose were quite simple. People were encouraged to take out margin
loans that were often in vastly greater quantities than they were capable of repaying. They
involved large loans. When markets are rising there only appears to be an upside. A margin
loan gives you the capacity to multiply or leverage up your winnings, as it were, on the way
up but, of course, the tragedy is that on the way down, when the markets and shares and
stocks fall, the losses are also multiplied. That is managed through a loan-to-value ratio. It is
managed through a buffer or a margin. Normally, issuers of margin-lending facilities will set a
maximum of up to 70 per cent. What we saw in the heady days of a rampant bull market was
that those principles that were applied were set to one side, and people were encouraged into
much larger margin loans that were far beyond what their incomes could support. They were
based on the income generated out of the shares that they purchased. That is how margin lend-
ing normally works. The collateral that is used is normally offset against the portfolio itself
and the portfolio generates the income, which meets the repayments and the interest.

The problem for the people who got into trouble was not just the quantum of the margin
loan but also their ability to meet the repayments. If it is set at, say, 70 per cent, you need to
meet the 30 per cent funding through your own sources. You are meant to have the cash. It is
as simple as that. People often did not have that cash, depending on the size of the loan. Peo-
ple used a double-gear method, which means that you either mortgage your home or use the
equity in your home. It is quite a dangerous practice when the market begins to fall. A margin
call means that you either have to top up your loan to keep it in balance in terms of, let’s say,
the 70/30, or the issuer can sell down and sell the shares to meet that call. Of course, the lar-
ger the portfolio the more critical that balance is. We heard many sad and tragic stories of or-
dinary people who were loaned very large amounts of money that they obviously had no in-
come to support. We have seen some tragic outcomes where people did lose their homes or
are in the process of losing their homes.
The Rudd government believe in an efficient, free market. We believe in markets, as does the former government, the current opposition. In fact, on many of those issues we share similar views because it is about providing the freedom for people to invest and to make money, or to lose money for that matter. We have provided the tools and the benchmarks for regulation through the twin peaks system—through ASIC and APRA. APRA is the prudential regulator and ASIC is the securities investment commission—the watchdog, as it were, or the policeman on the beat. And there is the Corporations Act to take out the worst effects of the market. If it were left to run rampant, to run on its own, the ordinary person would have no protection at all from those who would act in an unscrupulous manner. That is really the nub of it.

This legislation is about pulling into line and making sure that those who have the capacity and the power, the issuers, adhere to a set of principles and rules. Those rules are contained in this legislation. We are bridging that gap and ensuring that the responsible lending processes and principles that normally apply to other lending also apply to margin lending. It is not just good enough to loan people very large amounts secured against their home where they have no capacity to repay. It is reckless behaviour. It is reckless to lend people far beyond their capacity. It is all okay while markets are rising but, as we have just learnt once again, when markets begin to fall you still have to pay back the loans and the debt.

It is important that we put in place mechanisms to measure the market, check the market and balance the market to ensure that while people have the freedom to do as they will with their own money they also understand that when they borrow money it is done responsibly and in a fair manner. I am very pleased that we have moved ahead of the joint standing committee’s report which will be handed down on the 23 November. This is an issue that needed to be addressed and this government, as in other areas, will be moving as quickly as it possibly can to bridge any gaps, fix loopholes and provide more efficient markets and better systems and protections for ordinary people.

In this bill the term ‘provider’ has also been clarified in relation to margin lending facilities to make sure that there is no ambiguity or confusion as to who provides what. The consequence of this regulation power is that the issuer, or lender, of a margin facility will be required to be licensed. It is probably fair to say that most people who provided them were licensed anyway, but they were not licensed specifically for this type of loan.

I know that out of the changes we are putting forward there will be a change in behaviour. Not merely from the legislative changes we have made but from what has happened in the markets there ought to be changed behaviour in how banks provide margin loans, debt facilities and other types of financial arrangements so that they do it in a more responsible manner. In the end, they are responsible. In the end, they are the ones who are to be held to account, because they provide the finance, the means by which people can get into a lot of trouble. I support the idea that people have a free market to go to in order to borrow funds to invest, but it has to be done in a responsible manner. Laws such as these exist in other forums; they just did not exist specifically in relation to margin loans.

We have made absolutely the right move and it is about time. Sometimes it is the case that markets need to fail before you can see the structural problems that exist. It is a difficult and painful lesson to learn, but the response from a good government is to act upon it when it happens. That is what we have done and I am very proud of that. I know that this will in the
future prevent many people from getting into the sorts of financial difficulties that wipe out their retirement incomes or their home equity. Perhaps even worse, they not only lose their home but continue to carry a debt into their retirement. It is abhorrent that somebody who, regardless of their status in life, has worked hard all their life to own a home and have some meagre savings, perhaps some superannuation, has it wiped out by the reckless lending practices of a third party—which, by their own standards, guidelines and policies, the banks are not allowed to do. They are not allowed to do it because it is bad for people and bad for them; they stand to lose money as well. Of course, they can absorb losses much more easily than an ordinary person can. While it might not have a personal impact on the bank, for ordinary people it is catastrophic; it is a position from which they cannot come back. I reiterate the importance of this bill and acknowledge that the opposition is supporting it because it is good legislation.

I will touch briefly on trustee corporations. ASIC has requested that a number of amendments be made to ensure that certain existing ASIC powers under the Australian Securities and Investments Commission Act 2001 are available in relation to trust property held by a trustee company. This is something we also support. Currently, the relevant ASIC powers apply only to financial products, and trustee companies may provide services that do not fall within that definition. It is important to include this provision to make sure that ASIC has the correct amount of power in the right places to deal with issues that arise out of trustee corporations and the holding of property.

Our amendments will replicate relevant parts of sections 71 and 73 of the ASIC Act and will allow ASIC to make certain orders, such as preventing the disposal of certain property due to noncompliance with a requirement made under other parts of the act. I am sure people involved in this area will understand the gravity of giving ASIC the power to prevent the sale or disposal of property, in particular if there is a dispute or we are talking about a particular estate. While these are minor amendments, they are very important amendments.

This government is committed to a range of very important changes and amendments in terms of financial services and products right across this country—not least the Uniform Consumer Credit Code, which will, for the first time in Australian history, bring together all of the different jurisdictions in this country, the states and territories, into a uniform single platform while maintaining the legislative platforms they hold in each state. I think that is very important given the vastness of our country and our population of only 20-odd million people. I think it is important that, as we trade and move not only capital but people between state borders and territory borders, we have uniform, consistent and robust laws for financial services and products. I welcome all of those changes and the principles that we have applied in these areas. I commend them to the House.

_Mrs MOYLAN_ (Pearce) (12.00 pm)—The Corporations Legislation Amendment (Financial Services Modernisation) Bill 2009 is a really important piece of legislation—an amendment to existing legislation. It is targeted. It is important because, I suppose, there is nothing like a major shakeout in the financial markets to highlight the need for targeted reforms to the financial system. Sadly, during the unprecedented—at least in our contemporary history—worldwide financial collapse we have witnessed, many Australians have been attracted by the potential to increase their wealth through various schemes and have lost not only their savings but also their homes.
For those who are retired and unable to return to the workplace, or for whom it is difficult
to return to the workplace, despite their best intentions to replace their lost wealth, their ad-
venture into the financial marketplace has taken a heavy toll. We have heard evidence on this
in the Parliamentary Joint Committee on Corporations and Financial Services, and there are
some are absolutely heart-wrenching stories. It might be instructive to relate a couple of those
in this place.

One of the people giving evidence to the inquiry said:

Our first contact regarding margin loans came from CGI with a demand for $55,000 within 48 hours.
I will talk about margin loans in a moment in a little more detail. In the past some of these
financial products have been well known by the business and commercial sector, but many
average Australians out there are not fully aware of the complex nature of these kinds of in-
vestment packages. For big corporations that may not seem like a lot of money, but to have a
demand to pay $55,000 within 48 hours might be a very difficult thing for many Australians.

They went on to say:

Our portfolio has been sold down completely—
and, again, I will explain this in a moment—
with proceeds being deposited into a CBA accelerator account, but we had a shortfall of $55,000 in our
margin loan. We contacted our advisor and he then realised—
‘he then realised’: even the advisers did not fully understand what they were getting their cli-
ents into—
our financial situation—self-funded retirees with no portfolio, no jobs, no income and a $300,000 debt
on our home. When our final statement arrived, our LVR—
that is the loan-to-value ratio, and I will say a word about that in a moment—
had reached 110% before our portfolio was sold down. We decided to pay out our margin loan, rather
than continue paying interest on $1.5 million. This cost us a break fee—
so, to get out of this before more damage was done and more debt was accrued, they paid a
fee—
of approx. $44,000. We had pre-paid interest on the loan in June 2008.
They go on to talk about the things they have had to do, as retirees, to try and recover their
position, to put a roof over their heads and just to afford the weekly groceries. This is a heart-
wrenching story indeed, and I will relate a couple of others as we go along. The stark reality
of the parlous financial circumstances many Australians found themselves in on the back of
this collapse is abundantly clear from the many witness statements to the Financial Products
and Services in Australia inquiry.

The committee is currently examining a number of issues. I think they are important
enough, again, to relate here. The terms of reference say the committee is to examine:
1. the role of financial advisers;
2. the general regulatory environment for these products and services;
3. the role played by commission arrangements relating to product sales and advice, including the
potential for conflicts of interest, the need for appropriate disclosure, and remuneration models for
financial advisers;
I am just going to pause there; there are actually nine references.
These arrangements between financial advisers, bankers and other investment companies present problems in a number of areas. This has become apparent to me in my electorate, with people coming to me, on the back of this worldwide financial collapse, with terrible problems because there has been a conflict between the people advising them and the organisation selling the product, whether that is superannuation or these kinds of margin loans or other products. It is very apparent that there are deep conflicts of interest. It is also very apparent to me, from discussions with constituents, that, quite often, they believe their financial advisers did not fully understand what the implications of some of these products were. So I think that reference No. 3 of the committee is a very important one and, in some ways, this amendment that we are debating today is also endeavouring to address that.

The fourth reference is:
4. the role played by marketing and advertising campaigns;
Again, today, many products are sold online, on computer. You can sit at your desk at home and you can get yourself into some awful trouble with online products without fully understanding what the intricacies of those packages or products are.

The fifth reference is:
5. the adequacy of licensing arrangements for those who sold the products and services;
And the sixth is:
6. the appropriateness of information and advice provided to consumers considering investing in those products and services, and how the interests of consumers can best be served;
I will pause again there on No. 6 to speak of one of the cases I had—a very sad case. This case was of a very elderly gentleman in my electorate who got himself into a reverse mortgage. Reverse mortgages can be fantastic products for some people, if they fully understand what the full package is about. And there is an obligation, to be fair, on people selling reverse mortgage products to get a signed statement that a consumer entering into those kinds of packages has got independent advice from their accountant and a solicitor. Nevertheless, some elderly people still do not fully understand the implications of the product. And you do not have to be elderly not to fully understand—some of them would, I think, probably perplex a Rhodes scholar, they are so intricate and difficult.

But, with a reverse mortgage, what a lot of people do not realise is that there is a break fee, which was talked about also in regard to the margin loans situation. A reverse mortgage is a handy product for older people who want to stay in their home but have got all their money tied up in it. It is their only asset. So they can unlock some cash from an institution prepared to give them a reverse mortgage. But if they want to break that arrangement anywhere in the time frame of the contract then they are up for very substantial fees.

Just the other day I had a letter from someone else who had encountered this product and had a break fee of $85,000. My constituent had a very substantial break fee but, fortunately, when I contacted the organisation they reduced the break fee. But these fees are not well understood. I am not in any way suggesting that we should not have these packages and products available because, as I say, they suit some people, and they are quite good. But if people do not fully understand what they are getting into then they can get a terrible shock when it comes to having to break the contractual arrangement. Sometimes that happens because of emergency situations. In this case, somebody was not well; they needed to move closer to
their family and sell their home. And those things can happen to any of us. But we need to be aware that these products have clauses in them which can be very, very costly indeed.

So consumers do need to understand the products they are getting into, and the inquiry’s terms of reference point No. 7 is:

7. consumer education and understanding of these financial products and services;

And the final two are:

8. the adequacy of professional indemnity insurance arrangements for those who sold the products and services, and the impact on consumers; and

9. the need for any legislative or regulatory change.

The committee also agreed to look at another matter—to:

… investigate the involvement of the banking and finance industry in providing finance for investors in and through Storm Financial, Opes Prime and other similar businesses, and the practices of banks and other financial institutions in relation to margin lending associated with those businesses.

I doubt that too many reasonable people would argue that there is not a need for targeted reform to the financial system, and considerable media attention has made it very clear that there are issues, as I said, about the linkages between advisers and lenders, and their individual responsibility to the borrowers or the users of these products. As our shadow minister, the member for Aston, expressed in his speech here a short while ago, there is a need for suitably targeted reforms. We do not have to throw the baby out with the bathwater. We do have a good financial regulatory system in Australia, and I think that has been evidenced by the fact that we have certainly had fewer difficulties than many other countries. It has shown that we have a fairly robust system here.

Nevertheless, there are these gaps. For instance, this bill also deals with promissory notes. I remember, as a young person working in a law firm when I left school, coming across promissory notes. They have been around for centuries. But we have no consistent, national laws that really lay out any regulation or legislation in regard to how this product is dealt with. So it amazed me when I saw promissory notes there, because I know they have been around for a very, very long time, and yet I was surprised to learn that they are not covered by any of the current laws or regulations of state, territory or Commonwealth jurisdictions.

I understand, though, that the matter of regulating margin lending was agreed to between the states and the Commonwealth at a COAG meeting in March of this year. It was resolved that the Commonwealth would undertake to ensure that there was a robust national regulatory framework governing the operation of margin lending. I know that not everybody is familiar with the term ‘margin lending’, though we hear these words bandied about. For those who are unfamiliar with the term, basically it is about using money that has been borrowed to invest in the stock market or in financial products. Existing investments can be used for this purpose, and they might include real property—that is, your house or your investment property if you have one—and these are generally used as collateral or as a guarantee against the money that is being borrowed.

They use what they call ‘gearing’. It has been used a lot. I have been around the property and financial markets for a long time, and gearing was used a lot in the property boom back in the seventies. Having bought their property years ago and having now, with inflation, seen an increase in the equity in that asset, people would unlock that equity without selling the prop-
They might still have a small loan as a first mortgage on their home. The home might now be worth another $200,000 or $300,000 more than when they bought it and their mortgage might be relatively small, so they could unlock that equity in their existing asset to use as a start to get into further investments, whether they be property or shares, as we are talking about in this case. That is how gearing is used. It is a common practice, as I said, in the property market. In a boom, it becomes a very attractive option because usually the value of properties is going up and it provides an attractive equity in property for investing in shares and financial products—particularly in the boom that we have seen where the share market was the flavour of the month.

While there can be considerable benefits from the financial gains available from employing these methods, they can also significantly multiply the losses when things go bad. Just to illustrate, again, some of the problems that have come out in the testimony, there was a letter of appeal on behalf of a number of unit holders to the inquiry. In their testimony, they said:

As a direct consequence of the loss of distributions, there are now thousands of previously self-funded retirees and part-pensioners requiring additional pensions and struggling to make ends meet. In addition, there are many who do not qualify for any Centrelink benefits and have been forced back into the workforce or are having to sell other assets just to live. I know of previously comfortable elderly people having to sell their family homes and live in caravans … an eighty year old lady taking in ironing, another renting her own home and living with her daughter and others selling treasured personal possessions.

Sad stories indeed.

In this day and age, when so much business, as I said before, is conducted online on the computer, sometimes these options look very attractive indeed. There are many traps for the unwary, especially as the margin lender takes a mortgage over the shares on a loan-to-value basis. If the share value falls, the margin lender can sell, just like that, to recover their loan, to cover their exposure, so they are in the No. 1 position, but this can leave the investor with considerable exposure to the shortfall or the margin. That is what margin lending does. Just to further illustrate some of the problems that arose, another of the testimonies to the inquiry said:

We have not received any disbursements and have been told we will be lucky to recoup any of our life savings, the $1 units now being valued at 12 cents). I have had to return to full-time work and we have been struggling financially ever since. We have no savings. We are not eligible for Centrelink benefits. Our weekly wages barely cover our mortgage and modest living expenses. We use our credit card to cover basic bills, electricity, gas, body corp, rates. We do not smoke or live lavishly. We have always been frugal and conservative in our expenditure.

We simply ask for justice and real help from anyone in government.

It is our responsibility to make sure that, as we see these anomalies and these gaps occur, we tighten up legislation to make sure that the worst of these abuses, in some cases, do not occur again.

Interestingly, according to the Treasury, in the June 2008 green paper on financial services and credit reform, margin lending grew from a less than $5 billion industry in 1999 to a $32.6 billion industry in March 2008. In normal circumstances that might be very welcome, but it is not welcome when the system collapses and when vulnerable people who do not fully understand the complexities of what they are getting into are left in financial ruin. It has been a
largely unregulated industry both at state and at Commonwealth levels. The green paper provided an opportunity for consultations with a view to reform, including on a number of points which I do not have time to go into. All I can say is that I welcome the opportunity to participate in this debate and to join in a bipartisan way to see far better legislation to protect investors in the financial services sector. (Time expired)

Ms OWENS (Parramatta) (12.20 pm)—I am pleased to speak on the Corporations Legislation Amendment (Financial Services Modernisation) Bill 2009. Like so many members of the Joint Committee on Corporations and Financial Services, including the member for Pearce, I have also heard some of the tragic stories of loss and desperation from a range of people who invested their money in the good times, only to find that they lacked an understanding of the consequences of the kind of downturn that we have experienced over the last year.

The amending legislation seeks to amend the Corporations Act 2001 and the Australian Securities and Investment Commission Act 2001 to reflect agreements at COAG in relation to the national regulation of margin lending and trustee companies. In particular, any person providing margin loans and advising about margin loans will need to hold an Australian Financial Services licence and will be subject to the licensing conduct and disclosure requirements contained in the Corporations Act and administered by ASIC. The bill also aims to improve the regulatory framework that applies to the issuing of promissory notes and debentures, but today I will concentrate on the first part, margin lending.

Ten years ago I doubt that there would have been that many people in Australia who would have known what a margin loan was. Yet today we find that a large and growing number of people have chosen to invest using that form of finance. In short, margin lending is the borrowing of money to invest in the stock market. According to FIDO, the consumer website of the Australian Securities and Investment Commission, a margin loan lets you borrow money to invest in shares and other financial products using existing investments as security. Borrowing money to invest in this way, also known as gearing, can increase the gains from an investment but also multiply the losses. Margin loans are offered by a wide range of financial institutions and are often available online.

There has been some downturn in the number of margin loans in the last year due to the global financial crisis, but, by and large, the number has grown substantially over the last eight years. In June 1999, less than $5 billion had been borrowed through margin loans but, by December 2007, some 8½ years later, that figure had skyrocketed to over $37 billion—that is, more than a 700 per cent increase. It has not just grown but, arguably, the range of investors has also changed significantly. In June 1999, when there were a small number of investors, one could assume that they were largely institutional investors and experienced investors. But, over the last decade, with the rise in super funds and demutualisation, Australia is in a rather unique position, being one of the highest per capita investors in the world. An incredibly large number of people are coming to investment quite late in life, with relatively little experience, arriving in their senior years with large superannuation payouts or finding themselves literally receiving shares in the mail through demutualisation. That makes us a little bit unique. Perhaps it exposed a large number of our population to risks which they were unaware of or perhaps did not fully understand. Through the evidence provided to the inquiry of the Joint Committee on Corporations and Financial Services, we found that large numbers
of people have found themselves in considerable hardship. Anecdotally, they were unaware of the risks of margin lending or perhaps lacked the ability to fully comprehend the risks.

During those growth years, margin loans remained largely unregulated—again, quite extraordinary, given the growth over that time. Margin lending has not been subject to the credit regime operated by the states. In fact, until now, margin loans had not been subject to any specific regulatory regime at all. The Uniform Consumer Credit Code, which currently forms the basis of a scheme of state based consumer credit legislation, does not apply to credit provided for investment purposes.

Under this amendment, margin lending will be regulated as part of the financial services regime in chapter 7 of the Corporations Act, which means that for the first time margin loan borrowers will benefit from the general investor protection regime contained in that legislation. That means that lenders will have to be licensed by ASIC, as will advisers; advisers will be required to only provide advice that is appropriate to the client’s needs and circumstances; and consumers will have access to independent, free and fast dispute resolution services. In terms of enforcement, all margin lenders for the first time will become subject to the enforcement provisions of chapter 7 surrounding market manipulation, false or misleading statements; inducing investors to deal using misleading information; and engagement in dishonest, misleading or deceptive conduct.

As well as the benefits of placing margin loan regulation under the Corporations Act, there will be an additional two specific measures which will further enhance consumer protection. The first is a responsible lending requirement. That requirement is designed to prevent lenders from giving unsuitable loans to consumers. It was quite alarming to find, in the evidence received during the current committee inquiry, that so many lenders do not consider the suitability of the loans for the consumers at all, or their ability to deal with a potential downturn. Under the new amendment, before giving a margin loan, lenders will be required to consider whether the borrower could suffer substantial hardship as a result of taking out the loan, and if that is the case the law says that the loan must not be provided.

The regulations which will accompany the legislation will provide further detail of what the lenders will need to consider, including a specific requirement for lenders to consider whether consumers will be at risk of losing their homes as a consequence of taking out a margin loan. The regulations will also require financial advisers to consider the same matters, including the possible loss of a borrower’s home, when providing advice on margin loans to consumers. Had both of these measures previously been in place, they might have gone a considerable way towards avoiding some of the tragic stories of loss that we in the committee have encountered over the last few weeks.

The second specific measure clarifies which party is responsible for notifying borrowers when a margin call occurs where both a lender and a financial adviser are involved. Again, the committee members were surprised to find that so many of the lenders did not deal directly with the customer in making a margin call but chose to advise the customer through the financial adviser. There are stories of delays in margin call notifications due to disagreements between lenders and advisers, and we have heard from people who were not aware of their losses until it was far too late to act.

These are extremely important amendments, part of a larger reform package of consumer protection that we will see rolled out in the near future. This bill is an extremely important
one—arguably, overdue—as it recognises that over the last 10 years there has been a dramatic increase in the complexity of products and the number of complex products, and a huge increase in the number of inexperienced investors choosing, through advice, to purchase those products. For many people this legislation is, tragically, too late, but it is our hope that it will prevent a repeat of some of the tragic stories that we have heard over the recent year. I commend the bill to the House.

Debate (on motion by Mr Melham) adjourned.

ADJOURNMENT

Mr MELHAM (Banks) (12.30 pm)—I move:

That the Main Committee do now adjourn.

**Dunkley Electorate: Langwarrin Primary School**

Mr BILLSON (Dunkley) (12.30 pm)—I rise today to again draw the parliament’s attention to the difficulties that the Langwarrin Primary School is facing in being fitted up with a Building the Education Revolution building that is not what it is seeking and in being completely ignored by the bureaucracy and the Labor governments that are overseeing this program. I also put on record my frustration and extreme disappointment at—having raised these concerns in the parliament and having been given assurances from the Deputy Prime Minister and the Minister for Education of her interest in and willingness to engage on these concerns—having received possibly the most churlish, juvenile reply that I have seen in 13½ or 14 years in response to legitimate community concerns I have raised in this place. I raised it in good faith. I asked the question with courtesy and respect. I recognise the responsibilities that the minister has. She—in her saccharine-sweet way—reassured the parliament that of course she was interested in consultation. What did I get out of that? Absolutely nothing. I got just a churlish, juvenile, politically motivated letter that showed no interest in the concerns of the Langwarrin school community and no interest in good value for money.

As I have said over and over again, the Building the Education Revolution program has funding available and that funding needs to be spent wisely. Those opposite in the Labor Party are just spraying some money around. They are the BS of Australian politics—that is, the big spenders of Australian politics. They are not interested in value for money, and this is an example. I wonder whether the Deputy Prime Minister will put on the plaque in the Langwarrin Primary School that she forced that project on that school community when the school community had pointed out what they could have done with just some of that money to implement their master plan, to give it what it needs. Instead, they are being forced to demolish part of a building that is ripe for refurbishment. If you were at all interested in sustainability, why would you demolish a building just to build another one? They could refurbish that perfectly good building. Schools have been told to take one of these McMack style template projects. Do not ever think about changing anything! Heaven forbid. Do not make it relevant and adapt it to the school’s needs! Do not try and blend it in with the facilities that are there! No, no. Take it or leave it. Kim Jong-il would be impressed with the way this program is being handled. The school community are faced with having to demolish a building that is ripe for refurbishment and that could be demolished at a cost-effective price. They are asking for one of the template half-court buildings and they are being told they cannot have that. Moreover, there are uncertainties and additional costs relating to the multimedia centre that needs to be re-
moved and relocated. They are unclear about how to handle the enormous disruption to the school. They are having a building design forced on them because the project managers have said that the Rudd Labor government wants the buildings to be visible from the road. The profile of this project is more important than the education of these primary school kids. They are having to push this building into a place where it should not be and to demolish rooms that are perfectly functional and suitable for refurbishment. But here is the clanger. Do you know what they are going to end up with? They are going to have permanently plumbed portable dunnies. This is the primary school of the 21st century federal Labor style. They are going to have a building demanded by Kevin and loos delivered by Kenny. That is what we are going to have.

We are going to have a primary school for the 21st century with permanently plumbed portable dunnies, as a requirement of the project being forced on this community.

We have this clear example. If the Deputy Prime Minister could be even remotely sincere and in keeping with her saccharine-sweet assurances to the parliament that she is even remotely interested in this school community’s interest, she could fix this. She could get value for money. She could get change for the Australian public. She would be able to see that the outcome would be in keeping with what the school community seeks. That is what she could do. She could lift a finger and do something about value for money and genuine consultation.

We hear a lot from Labor about good-faith bargaining in industrial relations. In my electorate, that is a union coming in and telling an employer: ‘You can’t have anyone represent you. We demand to talk to you in the spirit of good-faith bargaining.’ What about some good-faith consultation? What about some genuine engagement? We have other examples here. We have had a primary school which for many years has had a population of over 150 but for 10 days in about four years it slipped under and went into a different category. Is the minister interested in addressing that and having funding that reflects the genuine population? We have parents in Mornington Park Primary School saying this money could surely be used more wisely. I commend Langwarrin Primary School for their efforts. I have a petition and letters from parents wanting a better outcome from this money piling up. This is a lazy, big-spending government, and they should be focused on getting— (Time expired)

**Jobs Fund: Julie Burgess Maritime Discovery Centre**

Mr SIDEBOTTOM (Braddon) (12.35 pm)—I congratulate the government on the Jobs Fund and the jobs that it is stimulating, the jobs that it is retaining and the jobs that we will have in the future. So far, my electorate has been fortunate to receive $4.3 million from the Jobs Fund rounds. The Burnie City Council received $1.26 million for a magnificent waterfront boardwalk project which will link West Park to the waterfront and the CBD. The Mersey Natural Resource Management Group received $267,000 for a weeds-to-assets commercialisation project, which is essentially feral trees being processed and used for timber products. A Devonport based employment firm, the O Group, has been awarded $910,000 to fund a range of community based projects.

Only the other day I was able to announce, with the Devonport City Council and my colleague Senator Nick Sherry, a magnificent project of $1.8 million for what is termed the Julie Burgess Maritime Discovery Centre. I know you will be very interested in this. Deputy Speaker: not only does it involve the creation of a centre for information, a cafe and a training centre; it also includes the refurbishment of the Julie Burgess, part and parcel of our maritime history, a boat that was used for fishing, trade and wartime ventures. It will be restored to its
former glory. The restoration itself will be used for lots of different enterprises and activities. First and foremost, it is going to enhance the shipwright skills, the shipbuilding skills, the woodworking skills and the metalwork skills of people in my district. Those skills are quickly slipping away, but we will be able to enhance them, and those skills will then be passed on to young people—particularly the young unemployed—who will be encouraged to participate in the restoration of the Julie Burgess. I think that is a fantastic enterprise.

On top of that, of course, it will become part and parcel of Tasmanian tourism and will enhance it, particularly maritime tourism and general tourism in the local area of Devonport. I see some young ‘dads’ assistants’ with us today in the gallery. The Julie Burgess will encourage families to get on board—literally. They will go along the beautiful north-west coast of Tassie, right through some of our ports, into Ulverstone, into Penguin, into Stanley, into Smithton and then across a beautiful part of Bass Strait to King Island. It is a magnificent maritime legacy and people will be able to participate in that. It will be a wonderful experience for people. Not only that, as part and parcel of the maritime heritage trail that so dominates the beautiful port of Devonport, people will be able to develop hospitality skills through local training agencies. It will be a resource centre for skilling and training not just in boat-building enterprises but also in hospitality, food services and refreshments. Not only will the Julie Burgess take you on a lovely sea voyage, it will feed and refresh you while you are on it. I can see dads’ assistants and the families over there making their way on the Julie Burgess through the beautiful Devonport heads, passing the TT line with its two Spirits of Tasmania and the magnificent maritime museum. They will be able to take a punt across the river when they are finished with the Julie Burgess and participate.

I want to thank everybody who put up this project. I congratulate them. They have developed a trust, which is made up of Alderman Grant Goodwin; Alderman Graham Kent; Mayor Lynn Laycock; Evonne Ewins, director of community services; Ian Martin; David Kent; Peter Higgins, the chair of the committee; and Timothy Gott. I want to thank everybody involved in this wonderful project, all the stakeholders who have been part and parcel of developing a sea voyage for the future and preserving our wonderful maritime history. (Time expired)

McMillan Electorate: Landcare

Mr BROADBENT (McMillan) (12.40 pm)—The first thing I would like to say to the member for Braddon is that he should be congratulated for the input and inspiration of his local community, which the federal government supported, just as the previous federal government supported projects through Regional Partnerships. At your invitation, when the project is finished, I will come to the electorate of Braddon to have a look. I do not know how long the Julie Burgess is, but I take it it is a 40-footer.

Mr Sidebottom—No, it’s 68.

Mr BROADBENT—It is 68 feet, because it is going to cross the sea as well. It is a huge investment and a great opportunity for local people. In Tasmania, there are amazing lovers of wooden boats, so this is going to add to that fleet and to tourism. There is nothing more we can do for our own communities than to enhance opportunities through regional tourism. People come from all over the world to parts of my electorate, and I know to parts of your electorate, Member for Braddon, to look at what is unique. My old friend Brian Quinlivan, who was a trader who came to our shop—you would call him a rep—always said to me, ‘Russ, the greatest secret in Australia is a place called Tasmania.’ He went there twice a year to sell his
wares. By chance and opportunity, I was given a holiday by my daughter at one stage—probably, like you, Member for Braddon, after an election loss. I was sent away with my wife to tour Tasmania. I have to say to those who are listening to this broadcast today that one of the most precious trips you can ever do is a tour around Tasmania. Go and look at the beauty of Tasmania—what it is and how we should preserve it.

I think the Australian nation is now coming to a place where we are considering very, very carefully what forests we clear and what damage we do to those forests. There is a balance now coming into play of jobs and opportunities in tourism and other benefits, as the member for Braddon has outlined. But we are going to have to consider where the world stands on climate change and what our contribution is going to be to stopping that. Therefore, if we are going to do any clearing, we have to double the planting. This is coming from a person from a timber area, like the member for Braddon, who has great concern for the jobs that people gain out of the harvesting of timber. Whilst that is crucially important, we now have to look very closely across the whole of Australia that we have the opportunity to green.

On Saturday, I am going to Mossvale Park, a beautiful and elegant park in my area which was planted years ago. All of the Landcare people are coming together, but not to whinge about what the government has done—they are over that. I believe Tony Burke, the Minister for Agriculture, Fisheries and Forestry, has made some changes whereby small groups will now be able to apply for funds for their small projects. These people are coming together on one big day, which I have the opportunity to open—and I am pretty excited about that—to commit to planting a million trees. They have decided as a group to commit themselves to planting a million trees.

The member for Braddon has outlined what is going on in his electorate and the opportunities that are there. I am letting him know that in my electorate we are doing something for the environment. It is true and fair to say that members of parliament who I see come to this place consider every day what opportunities there will be for people such as the two very young people sitting behind me. We are making decisions now that will make a difference to their future and we have to keep that in mind at every opportunity. (Time expired)

Moreton Electorate: Sport

Mr PERRETT (Moreton) (12.45 pm)—It is a very big weekend for Brisbane sport with our National Rugby League and AFL teams both carrying the hopes of their fans into the finals. The mighty Brisbane Lions take on the Western Bulldogs at the MCG on Friday night while the Brisbane Broncos will upset, I am sorry to say, the Gold Coast Titans on their home turf at Skilled Park on Saturday. Both teams have had challenging years but have peaked at just the right time to present as real competitive premiership contenders at the business end of the season. I wish both of those teams all the very best as they head towards finals day. If the Broncos do not get up, then I wish the Titans all the best.

I also want to mention the winner of my AFL footy-tipping competition that I held this year in my electorate. The lucky winner is Martin Finbow. His prize is a signed copy of my book and the second prize is two copies of my book. No, no! We have a good prize for Martin. I tipped outstandingly for most of the season, even though my background is in rugby league. But I had one or two unlucky rounds which saw me slip down the rankings. I have to be honest and say that I did not always pick the Lions, because I did not think they would end up
This finals season I particularly want to acknowledge the sporting clubs in my electorate on Brisbane’s south side. These clubs help promote a strong sense of community and build lifelong skills in our young people, such as Harry Jutsum and Levi Jutsum. These sporting clubs help keep us fit and active during winter. No matter what a person’s age, ethnicity, gender, body type or level of fitness, there is always a role in a team for everybody. We even take people from the northern side of the river; that is how inclusive we are. Whether it is football, hockey or netball, we love our sport on Brisbane’s south side. There is a feeling of anticipation in the air, that sniff-of-winning feeling.

Souths Rugby Union Club have managed to progress four and, depending on what happens this weekend, maybe five teams into the upcoming grand finals of the Brisbane Rugby Union Club competition. Everyone on the south side will be cheering the boys on in the coming weeks—maybe not those people who barrack for the Sunnybank Rugby Club, which is also having a very successful season and is also in my electorate.

Special thanks must go to the teams, coaches, support staff, management committees and other volunteers—the strappers et cetera—who have all contributed to these great achievements. Also, one of our AFL teams, the Mount Gravatt AFL Club, will take on Southport in the preliminary final of the Velocity Sports Cup this weekend. I know there are many other south side teams in the finals throughout Brisbane and I wish them all the best—not having the time to name all of them. I am sure that they will do us proud.

I also recognise the achievements of our junior sporting clubs. The kids have a lot of fun, but it is because of the hard work of parents and other volunteers who give of their time to give our young people an opportunity to learn and play sport. It helps encourage our kids to live healthy, active lifestyles as well as learn important skills like teamwork and perseverance and one of those most important skills: how to lose gracefully. I think society is much better off if people learn that in sport you do lose—there is always a winner and always a loser unless there is a draw—and then you work out how to do so gracefully. It is a great life skill.

The Rudd government is also helping our young local sporting champions to achieve their goals in their chosen sports. So far this year 12 young people and one team in my electorate have received grants to help cover some of the costs of travel and competition. This is a great way of helping young people who are selected to compete at the national or state level. In the three rounds this year the grants have been awarded to Crystal Shaw, under-16 girls basketball classic; Mitchell Symonds, Queensland Cricket; Laura David, Australian National Track and Field; Kayla Coombs, Australian Junior Table Tennis Championships; Tegan Head, Pacific School Games, Swimming; Sasha Aleceenco, Pacific School Games, Athletics; Tegan Riding, Australian Age Swimming Nationals; Emma Goodhew, Queensland Junior Squash Championships; Yannick Dixon and Christopher Dixon, Australian Rowing Championships; Robert Bell, Australian Junior Team Cycling Championships; Jake Ott, Under-15 National Basketball Championships; and Yeronga Park Swim Team, 2009 Australia Age Champions.

Congratulations to all our sporting champions on Brisbane’s south side. Bruce Duwe says in his poem Life-cycle that sport is an essential part of Australian culture, particularly in the south. I will take that as the south side of Brisbane. I quote this line from his poem Life-cycle:
And the tides of life will be the tides of the home team’s fortunes—the reckless proposal after the one-point win, the wedding and honeymoon after the grand final …

It is coming up to grand final season, so hopefully there might be a couple of weddings and a couple of honeymoons coming out of the south side.

**Herbert Electorate: Employment**

**Herbert Electorate: 3rd Brigade**

Mr LINDSAY (Herbert) (12.50 pm)—Since the global financial crisis started, employment growth in the northern and north-western statistical divisions of Queensland has been truly remarkable. According to recent research, the region—which is based on Townsville, the capital city of Northern Australia—is ranked equal top in Queensland and equal fourth in the nation for employment growth. The key reasons this has occurred in the northern and north-western regions—the reasons they performed so well—include industrial diversity, a strong public sector, a solid education sector and a growing need for health sector workers. What we find happening is that, in more flexible workplaces, instead of cutting jobs, our North Queensland employers are cutting hours of work in order to retain their key employees. The outlook for strong continued employment growth in our region is sound. However, there remain challenges on the horizon. These include an emissions trading scheme that could suck up to 1½ per cent out of economic growth in 2011-12, with rising interest rates being a concern, and school leavers joining the workforce in January 2010. Congratulations nevertheless to North Queensland for performing so well.

On the other side of the ledger are the surging food and petrol prices and accommodation and entertainment costs in the North as well as the increased pressure on the household budget. A cost of living report by Colin Dwyer of DS Economics has revealed that the total cost of living in Townsville has increased by $4,147 for renters and $2,723 for homeowners over the last three years. What is interesting is that the Rudd government has provided the consumer price index figures for cities such as Darwin, Cairns and Mount Isa but not for Townsville. How could the Rudd government leave Australia’s largest tropical city out of the CPI index reporting? Why have we been forgotten? Having CPI figures would enable us to better monitor changes in the cost of living and be prompt in moving towards workable solutions. The other situation for us in the North is that we were going to have the grocery choice to keep food prices affordable for families, but rising food prices have had a big impact on Townsville, where the cost of food is 18 per cent of the average household budget. As with the CPI, Townsville does not have a grocery price index, so we cannot know the full impact on families. That is indeed a shame; it is a slur on Australia’s largest tropical city.

I would also like to refer to an article in today’s *Australian* by Mark Dodd, which refers to the 1st Brigade in Darwin as ‘the army’s rapid reaction force’. That is not correct—it is no such thing. The 1st Brigade is a heavy brigade, and it takes a minimum of 28 days to deploy a heavy brigade. In the Australian Defence Force, it is quite widely said that by the time the 1st Brigade deploys, the war is over. That can probably be sourced to the 3rd Brigade, Australia’s premier brigade, which is of course garrisoned in Townsville. In addition, the article refers to Brigadier Krause’s ‘male and female soldiers’ already in Afghanistan—this is in relation to the story that surfaced yesterday about having women in the infantry. While what the Briga-
dier has said is certainly true, there are only a few soldiers involved, and I would point out to
the parliament that the majority of soldiers currently serving in Afghanistan are from Austra-
lia’s premier brigade, the 3rd Brigade in Townsville. Under the command of Brigadier Stuart
Smith, our brigade in Townsville is the one that responds in the first instance; it is set up to
move very quickly on very short notice, which it does so well and has done so well over the
years. I well remember that, when we last went to the Solomon Islands, the 3rd Brigade took
18 hours from notice-to-go to being on the ground there. That is a tremendous tribute to the
commanders and the soldiers of the 3rd Brigade and the infantry battalions at Townsville. I
am pleased to see that we are getting an additional infantry battalion, the 3rd Battalion of the
Royal Australian Regiment, which is due at the beginning of 2012. Our city is looking for-
toward to that, and we are very proud, as a garrison city, of our 3rd Brigade. (Time expired)

Iraq: Religious Persecution

Mr HAYES (Werriwa) (12.55 pm)—I rise today to speak out against the religious persecu-
tion of the Sabaean-Mandaean community and Christian minority groups in Iraq that I feel
requires a more proactive and compassionate response from the Western world. Despite the
Australian government’s involvement in helping to establish a democratic society in Iraq,
members of religious minority groups continue to be persecuted and killed, causing many to
flee as refugees to the neighbouring countries of Syria and Jordan.

Recently I met with Dr Amad Mtashar, who is the president of the Mandaean-Australian
Community Cultural Club and a member of the Mandaean Human Rights Group. Dr Mtashar
informed me of the recent killing of a Mandaean goldsmith, Mr Weam Abdul-Nabi Lazim, on
6 August this year. He was gunned down in the Iskan district of Baghdad in the middle of the
morning, in a busy shopping centre with security controlled entrances and exits. This is not
the only example of persecution against Mandaeans. I have been advised that recorded inci-
dents against Mandaeans in Iraq since 2003 include 171 killings, 275 kidnappings and 298
assaults and forced conversions to Islam. As I understand it, they also include four deaths,
which occurred in the last week alone. The Mandaean people are followers of John the Baptist
and are not regarded as ‘people of the Book’ by Islamic extremists, so they are considered
worthless and expendable. The UNHCR, in its April report, noted:
The situation of the remaining 3,500-5,000 Sabaean-Mandaeans in Iraq remains of serious concern as
they continue to be singled out by Sunni and Shi’ite extremists as well as criminals on the basis of their
religion, profession and (perceived) wealth.
The UNHCR report went on to say:
The fact that Mandaeans generally have no tribal networks and live scattered in small groups, further
increases their vulnerability. In addition, non-violence is a basic tenet of their religion.
It is important to note that the population of Mandaeans in Iraq prior to 2003 was approxi-
mately 60,000. The persecution of Mandaeans and the subsequent decision of these people to
flee Iraq is similar to the position of Christian minority groups. The UNHCR also noted in its
report that Christians are being targeted by Islamic extremists for being un-Islamic, a charge
that equally applies to Mandaeans. A wave of attacks on Christian minorities in Mosul, in Oc-
tober 2008, forced almost 10,000 Christians to flee their homes. As a consequence of these
attacks, a large Iraqi security force presence was deployed to the city of Mosul, but mass
casualty attacks, kidnappings and targeted assassinations continue to occur on an almost daily
basis.

MAIN COMMITTEE
In October 2008, Archbishop Jean Sleimam, of Baghdad, told the Aid to the Church in Need conference in the UK that this ‘paralysing fear’ was gripping Iraq’s Christian and religious minority groups, including Mandaeans. The archbishop said that very real persecution remained a huge threat to these people, who have been forced to adopt Islamic practices, including that of dress, and who have been encouraged to leave various areas. In the light of the above examples of persecution, I strongly believe the Australian government should be more disposed to granting humanitarian visas to Mandaean and Christian refugees.

As I understand it, very few, if any, visas have been granted to these refugees sheltering in Syria and Jordan. The refugee and humanitarian program is designed to assist those people who are the victims of a level of persecution or discrimination that amounts to a gross violation of their human rights. Mandaeans and Christian minority groups in Iraq are certainly suffering that degree of persecution every day. Regardless of individual political views concerning Australia’s initial involvement in Iraq, I believe the government has a moral responsibility to assist with the consequences of the 2003 invasion and the ensuing instability in Iraq that followed. Clearly, these are consequences that should have been considered by the Howard government prior to committing Australia’s troops to that activity in Iraq. It is now up to the Rudd Labor government to be compassionate, to deal with these consequences and to not turn our backs on the people who most need our assistance.

Question agreed to.

Main Committee adjourned at 1.00 pm
QUESTIONS IN WRITING

Vietnam Veterans Family Study
(Question No. 850)

Mr Billson asked the Minister for Veterans’ Affairs, in writing, on 11 August 2009:

(1) How many veterans and veterans’ family members have agreed to participate in the Government’s Vietnam Veterans’ Family Study.

(2) What is the optimum number of volunteers needed to ensure an accurate cross section of the veteran and veteran community is represented in the health study, and when is this level of participation expected to be secured.

Mr Griffin—The answer to the honourable member’s question is as follows:

(1) The number of registered participants as at 31 August 2009 was 24,549. This number includes more than 13,500 randomly selected Vietnam veterans, Vietnam-era Army personnel who did not deploy to Vietnam, and their respective children. These four categories of participants are the key groups required in sufficient numbers to make the study scientifically robust.

The remaining numbers include partners, siblings, nieces, nephews and other family members of Vietnam veterans and Vietnam-era Army personnel who have registered to provide information to the study.

(2) The optimum number of volunteers is 5,000 each of Vietnam and Vietnam-era veterans and 3,000 each of Vietnam and Vietnam-era veterans’ children. The minimum numbers required to ensure valid study conclusions are 3,000 veterans and 1,800 children.

The number of Vietnam veterans’ children has exceeded the optimum number. The number of veterans in both groups is currently over 4,000. The number of Vietnam-era veterans’ children is in excess of the minimum required. Registrations will remain open until at least mid 2010.

Work has already commenced on some projects and we can now be confident the overall study can be successfully conducted.