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SITTING DAYS—2009

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>3, 4, 5, 9, 10, 11, 12, 23, 24, 25, 26</td>
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<td>March</td>
<td>10, 11, 12, 16, 17, 18, 19</td>
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<tr>
<td>May</td>
<td>12, 13, 14, 25, 26, 27, 28</td>
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<td>June</td>
<td>1, 2, 3, 4, 15, 16, 17, 18, 22, 23, 24, 25</td>
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<td>August</td>
<td>11, 12, 13, 17, 18, 19, 20</td>
</tr>
<tr>
<td>September</td>
<td>7, 8, 9, 10, 14, 15, 16, 17</td>
</tr>
<tr>
<td>October</td>
<td>19, 20, 21, 22, 26, 27, 28, 29</td>
</tr>
<tr>
<td>November</td>
<td>16, 17, 18, 19, 23, 24, 25, 26</td>
</tr>
</tbody>
</table>

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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

<table>
<thead>
<tr>
<th>Name</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, Hon. Anthony John</td>
<td>Warringah, NSW</td>
<td>LP</td>
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<tr>
<td>Adams, Hon. Dick Godfrey Harry</td>
<td>Lyons, Tas</td>
<td>ALP</td>
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<td>Albanese, Hon. Anthony Norman</td>
<td>Grayndler, NSW</td>
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<td>Andrews, Hon. Kevin James</td>
<td>Menzies, Vic</td>
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<td>McEwen, Vic</td>
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<td>Baldwin, Hon. Robert Charles</td>
<td>Paterson, NSW</td>
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<td>Bidgood, James Mark</td>
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<td>Holt, Vic</td>
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<td>Melbourne Ports, Vic</td>
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<td>Debus, Hon. Robert John</td>
<td>Macquarie, NSW</td>
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<td>Dreyfus, Mark Alfred, QC</td>
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<td>Dickson, Qld</td>
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<td>Richmond, NSW</td>
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<td>Ellis, Annette Louise</td>
<td>Canberra, ACT</td>
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<td>Emerson, Hon. Craig Anthony</td>
<td>Rankin, Qld</td>
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<td>Macarthur, NSW</td>
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<td>Batman, Vic</td>
<td>ALP</td>
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<td>Hunter, NSW</td>
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<td>Mallee, Vic</td>
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<td>Kingsford Smith, NSW</td>
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<td>Members</td>
<td>Division</td>
<td>Party</td>
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<tr>
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<td>Throsby, NSW</td>
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<td>Kooyong, Vic</td>
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<td>Bendigo, Vic</td>
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<td>Lalor, Vic</td>
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<td>Newcastle, NSW</td>
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<td>Kalgoorlie, WA</td>
<td>LP</td>
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<td>Solomon, NT</td>
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<td>Shortland, NSW</td>
<td>ALP</td>
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<td>Cowper, NSW</td>
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<td>Mitchell, NSW</td>
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<td>Hawker, Hon. David Peter Maxwell</td>
<td>Wannon, Vic</td>
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<td>Hayes, Christopher Patrick</td>
<td>Werriwa, NSW</td>
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<td>Hockey, Hon. Joseph Benedict</td>
<td>North Sydney, NSW</td>
<td>LP</td>
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<td>Hull, Kay Elizabeth</td>
<td>Riverina, NSW</td>
<td>Nats</td>
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<td>Hunt, Hon. Gregory Andrew</td>
<td>Flinders, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Irons, Stephen James</td>
<td>Swan, WA</td>
<td>LP</td>
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<td>Irwin, Julia Claire</td>
<td>Fowler, NSW</td>
<td>ALP</td>
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<td>Hasluck, WA</td>
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<td>Scullin, Vic</td>
<td>ALP</td>
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<td>Jensen, Dennis Geoffrey</td>
<td>Tangney, WA</td>
<td>LP</td>
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<tr>
<td>Johnson, Michael Andrew</td>
<td>Ryan, Qld</td>
<td>LP</td>
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<td>Katter, Hon. Robert Carl</td>
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<td>Stirling, WA</td>
<td>LP</td>
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<td>Eden-Monaro, NSW</td>
<td>ALP</td>
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<td>Denison, Tas</td>
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<td>Ballarat, Vic</td>
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<td>Bowman, Qld</td>
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<td>LP</td>
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<td>Barton, NSW</td>
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<td>ALP</td>
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<td>Pearce, WA</td>
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<td>ALP</td>
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<td>Party</td>
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<td>Nats</td>
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<td>Oakeshott, Robert James Murray</td>
<td>Lyne, NSW</td>
<td>Ind</td>
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<td>Gorton, Vic</td>
<td>ALP</td>
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<td>Parramatta, NSW</td>
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<td>Fremantle, WA</td>
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<td>Pearce, Hon. Christopher John</td>
<td>Aston, Vic</td>
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<tr>
<td>Perrett, Graham Douglas</td>
<td>Moreton, Qld</td>
<td>ALP</td>
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<td>Plibersek, Hon. Tanya Joan</td>
<td>Sydney, NSW</td>
<td>ALP</td>
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<td>Chifley, NSW</td>
<td>ALP</td>
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<td>Sturt, SA</td>
<td>LP</td>
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<td>ALP</td>
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<td>Grey, SA</td>
<td>LP</td>
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<td>Goldstein, Vic</td>
<td>LP</td>
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<td>Gellibrand, Vic</td>
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<td>Griffith, Qld</td>
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<td>Berowra, NSW</td>
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<td>Maranoa, Qld</td>
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<td>Vamvakinou, Maria</td>
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## Members of the House of Representatives

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

## Heads of Parliamentary Departments

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

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

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

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

<table>
<thead>
<tr>
<th>Position</th>
<th>Member</th>
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<tbody>
<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Hon. Alan Griffin MP</td>
</tr>
<tr>
<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
</tr>
<tr>
<td>Minister for Home Affairs</td>
<td>Hon. Brendan O’Connor MP</td>
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<td>Minister for Indigenous Health, Rural and Regional Health and Services</td>
<td>Hon. Warren Snowdon MP</td>
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<tr>
<td>Minister for Small Business, Independent Contractors and the Service</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Senator Hon. Nick Sherry</td>
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<td>Minister for Ageing</td>
<td>Hon. Justine Elliot MP</td>
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<td>Minister for Early Childhood Education, Childcare and Youth and</td>
<td>Hon. Kate Ellis MP</td>
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<td>Minister for Sport</td>
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<td>Hon. Greg Combet AM, MP</td>
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<td>Senator Hon. Mark Arbib</td>
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<td>Minister on Government Service Delivery</td>
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<td>Parliamentary Secretary for Infrastructure, Transport, Regional</td>
<td>Hon. Maxine McKew MP</td>
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<td>Development and Local Government</td>
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<td>Parliamentary Secretary for Defence Support and Parliamentary Secretary</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Parliamentary Secretary for Western and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Hon. Bill Shorten MP</td>
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<td>Parliamentary Secretary for Victorian Bushfire Reconstruction</td>
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<td>Parliamentary Secretary for International Development Assistance</td>
<td>Hon. Bob McMullan MP</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Duncan Kerr SC, MP</td>
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<td>Hon. Anthony Byrne MP</td>
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<td>Parliamentary Secretary for Social Inclusion and the Voluntary Sector</td>
<td>Senator Hon. Ursula Stephens</td>
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<tr>
<td>Inclusion</td>
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<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
<td>Hon. Laurie Ferguson MP</td>
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<td>Parliamentary Secretary for Employment</td>
<td>Hon. Jason Clare MP</td>
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<td>Parliamentary Secretary for Health</td>
<td>Hon. Mark Butler MP</td>
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<td>Parliamentary Secretary for Industry and Innovation</td>
<td>Hon. Richard Marles MP</td>
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SHADOW MINISTRY

Leader of the Opposition
The Hon. Malcolm Turnbull MP

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

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

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

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

Shadow Treasurer
The Hon. Joe Hockey MP

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

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

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

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

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

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

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

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

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

Shadow Minister for Defence
Senator the Hon. David Johnston

Shadow Attorney-General
Senator the Hon. George Brandis SC

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

Shadow Minister for Employment and Workplace Relations
Mr Michael Keenan MP

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

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

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

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

Shadow 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
CONTENTS

TUESDAY, 15 SEPTEMBER

Chamber
Ministerial Arrangements .................................................................................................... 9589
Questions Without Notice—
  Broadband ...................................................................................................................... 9589
  Economy........................................................................................................................ . 9589
  Broadband ...................................................................................................................... 9591
  Economy........................................................................................................................ . 9591
  Broadband ...................................................................................................................... 9592
  Telecommunications....................................................................................................... 9593
  Economy......................................................................................................................... . 9594
Distinguished Visitors......................................................................................................... . 9594
Questions Without Notice—
  Women in the Workplace................................................................................................ 9594
  Economy........................................................................................................................ . 9597
  Workplace Relations.......................................................................................................... 9597
  Building the Education Revolution Program.................................................................. 9598
  Budget ............................................................................................................................ 9603
Distinguished Visitors......................................................................................................... . 9604
Questions Without Notice—
  Women in the Workplace................................................................................................ 9604
  Personal Explanations.......................................................................................................... 9606
Auditor-General’s Reports—
  Report No. 4 of 2009-10................................................................................................. 9606
Documents ...................................................................................................................... ..... 9607
Ministerial Statements—
  Zimbabwe ....................................................................................................................... 9607
  Pensions and Benefits..................................................................................................... 9614
  Child Care ...................................................................................................................... 9620
  Brighton Grammar School................................................................................................... 9625
Matters of Public Importance—
  Remote Indigenous Housing .......................................................................................... 9625
Native Title Amendment Bill 2009 ................................................................. 9639
ACIS Administration Amendment Bill 2009—
  Returned from the Senate ............................................................................................... 9639
Automotive Transformation Scheme Bill 2009—
  Consideration of Senate Message................................................................................... 9639
Telecommunications Legislation Amendment (Competition and Consumer
Safeguards) Bill 2009—
  First Reading .................................................................................................................. 9643
  Second Reading .............................................................................................................. 9643
  Leave of Absence ............................................................................................................ 9649
Corporations Legislation Amendment (Financial Services Modernisation) Bill 2009—
  Report from Main Committee ......................................................................................... 9649
  Third Reading ................................................................................................................. 9651
Committees—
  Electoral Matters Committee—Membership..................................................................... 9652
Freedom of Information (Removal of Conclusive Certificates and Other
Measures) Bill 2008—
  Second Reading ............................................................................................................. 9652
CONTENTS—continued

Third Reading................................................................................................................. 9660
Asian Development Bank (Additional Subscription) Bill 2009—
Second Reading.............................................................................................................. 9660
Adjournment—
  Nuclear Energy........................................................................................................ 9675
  Budget ....................................................................................................................... 9676
  Water Safety........................................................................................................... 9677
  Fremantle Electorate: Sustainability....................................................................... 9679
  Tillegra Dam Proposal............................................................................................. 9680
  Sri Lanka.................................................................................................................. 9682
Notices............................................................................................................................ 9683

Questions In Writing
  Chifley Electorate: Blacktown Hospital Magnetic Resonance Imaging Machine—(Question No. 870) ................................................................. 9684
  Gold Coast: Point of Entry—(Question No. 874) ...................................................... 9685
  National Binge Drinking Strategy—(Question No. 886) ........................................ 9685
  Small Business Payments—(Question Nos 896 to 919 Interim)............................. 9687
  Neqtar Australia Pty Ltd, SDS Beverages Pty Ltd and Neqtar Wines Pty Ltd—
    (Question No. 949).................................................................................................. 9687
The SPEAKER (Mr Harry Jenkins) took the chair at 2 pm and read prayers.

MINISTERIAL ARRANGEMENTS

Mr RUDD (Griffith—Prime Minister)

I inform the House that the Minister for Veterans’ Affairs will be absent from question time today as he is addressing the RSL National Congress in Adelaide. The Minister for Defence Personnel, Materiel and Science will answer questions on that minister’s behalf.

QUESTIONS WITHOUT NOTICE

Broadband

Mr TURNBULL (2.01 pm)—My question is to the Prime Minister. I refer the Prime Minister to the admission by his communication minister today that there had been no cost-benefit analysis done for the proposed National Broadband Network. How can Australians have confidence in the government’s capacity to deliver value for money when it is willing to spend $43 billion of taxpayers’ money without even having a business plan?

Mr RUDD—As the Leader of the Opposition would well know, when the government announced plans for a national broadband network we said at that stage that we would also welcome co-investment by the private sector. That is the first point to make; and, secondly, therefore the proposition which underpins his question is largely undermined. Can I also say in response to the Leader of the Opposition that the reason the government took the extraordinary step of saying that we would build a national broadband network is that we saw 12 years of conspicuous failure on broadband on the part of those opposite.

The reason we have embarked upon this reform is that what we see in the most recent OECD report is that, firstly, Australia is in the bottom half of the OECD for broadband take-up. Secondly, the monthly broadband subscription price for medium-speed connections is US$56. That is the fifth most expensive in the OECD. Thirdly, Australia’s broadband speed lags behind 26 other OECD countries, including the Slovak Republic. The government is acting because the previous government engaged in an absolute neglect of this country’s critical infrastructure for the future.

Economy

Mr SULLIVAN (2.03 pm)—My question is also to the Prime Minister. Will the Prime Minister update the House on the recent commentary on the global financial crisis and the global response?

Mr RUDD—I thank the honourable member for his question. Last night President Obama spoke in New York on the first anniversary of the collapse of Lehman Brothers. That day in some respects, as we know, marked the onset of the global financial crisis, the global economic crisis and, of course, the global employment crisis—and the worst global recession that we have seen since the Great Depression three-quarters of a century ago. The President’s speech looked back to the dark days of September last year when the global financial system teetered on the brink of collapse and when the global economy stared into the abyss.

Opposition members interjecting—

Mr RUDD—I find it remarkable that those opposite regard the events of the last 12 months and the gravity of the global financial crisis, which has torpedoed the superannuation earnings of so many Australians, as something worthy of amusement. The President also looked forward to the challenges ahead. He spoke of the fundamental challenge of reshaping the global financial regulatory system to prevent history
from simply repeating itself. He went on to say, and this is in the President’s own words:

We will not go back to the days of reckless behavior and unchecked excess that was at the heart of this crisis, where too many were motivated only by the appetite for quick kills and bloated bonuses.

Those are the words of the President. Through American leadership the G20 has been working since its first meeting in Washington at the end of last year on this important reform project. At the London summit the governments of the G20 committed themselves to a global action plan on financial regulation covering capital adequacy regimes, the regulation of systemically significant institutions, the regulation of credit rating agencies, the regulation of short selling, the reform of the derivatives, cross-border supervisory colleges and the regulation of executive remuneration. That work will continue when the G20 summit again convenes in Pittsburgh next week.

Australia’s financial system has been resilient through the crisis. This has been aided by the government’s sovereign guarantee to all Australian deposit holders, for the first time in Australian history, to underpin the stability of our financial system—and also underpinned by the government’s guarantee of wholesale term funding, again for the first time in Australia’s history. Of the 100 largest banks in the world only nine remain AA rated or above today. Four of these banks are Australian. But we cannot rest on our laurels, because the Australian financial sector is in fact deeply integrated with global markets and therefore must be part of the global reform effort.

Today, and I assume honourable members opposite will join me in this as well, we pay tribute to the work of the Australian Treasury, the RBA, APRA and ASIC—because through these institutions Australia is participating in the most ambitious overhaul of the global financial regulatory architecture since the end of the Second World War. But there is much, much more work to be done through the agency of the G20 and the Financial Stability Board. Through the FSB Australia’s voice is now stronger than before. Australia’s representation on the FSB has now been increased from one to two members and includes both the RBA and the Treasury. Through APRA we have also now, for the first time, secured a position on the 12-member Basel Committee on Banking Supervision. Furthermore the FSB’s membership has now been virtually standardised to that of the G20.

Finally, overnight the President commended the role of the G20 in responding to the global financial and economic crisis. He said the G20:

… has proven to be an effective forum for coordinating policies among key developed and emerging economies …

Importantly, the President of the United States also noted for the first time that the G20 was an institution, and I quote him:

… that I see taking on an important role in the future.

As the former Treasurer, the member for Higgins, has already observed in this place, there are many in the world who would not necessarily argue for a robust future for the G20. The G20’s future as a key part of the architecture of global governance is by no means a done deal. Nonetheless, Australia welcomes President Obama’s statement on the future of the G20 and America’s continued leadership through the G20 into the future.

Mr Pyne interjecting—

Mr Crean interjecting—

The SPEAKER—Order! The Minister for Trade and the Manager of Opposition Business can have an early mark if they con-
continue. I doubt whether they will join each other for a cup of tea.

Broadband

Mr Turnbull (2.08 pm)—My question is again to the Prime Minister and refers to his government’s largest single infrastructure investment—the National Broadband Network. If, as the communications minister said today, the network will not cost $43 billion, what will it cost? How many subscribers will it have and what will they be asked to pay? If it is going to be able to pay interest on the bonds the Prime Minister has urged mums and dads to buy to finance it, what will its net revenues be?

Mr Rudd—I would suggest to the Leader of the Opposition that if he reflected for one moment on the conspicuous failure of the previous government to build a national broadband network he would begin to understand the deficiency and the gap into which the current government seeks to move. Secondly, an expert advisory panel, including the Treasury, upon reflection of the responses to the initial tender round for expressions of interest from the communications industry, advised the government through the Treasury that this represented the absolute best value for taxpayers’ money which existed. In other words, to embark upon another course of action was not desirable in bringing about this infrastructure which is necessary for the future of the Australian economy. It is good for business, good for productivity, good for the delivery of e-health, good for e-education and good for Australia.

Economy

Mr Bradbury (2.10 pm)—My question is to the Treasurer. Will the Treasurer update the House on the economic challenges we still face as a nation one year since the collapse of Lehman Brothers?

Mr Swan—I thank the member for Lindsay for his question, because it is a year ago today that the US’s fourth largest investment bank, Lehman Brothers, filed for bankruptcy. Of course, that collapse heralded the deepest global recession we have seen in three-quarters of a century. Confidence was shattered, global financial markets went into meltdown and the global economy went into freefall. Something like 29 of the world’s 33 advanced economies fell into recession, something like 12 million jobs were lost across advanced economies and something like $30 trillion was wiped from global stock markets. So this was 12 months that shook the world.

I think that Australians are entitled to be proud of the way in which they have all pulled together in the midst of this global recession. It has been the combination of economic stimulus, lower interest rates and community effort that has meant that Australia has performed so well. We are one of only a handful of advanced economies that have so far avoided recession and we are the only advanced economy to have recorded positive growth over the past year.

Last night President Obama made some statements on the crisis, as the Prime Minister was saying before. He made the point that, whilst there were some signs of returning to normal, this should not lead to complacency. We certainly agree with President Obama that the job is far from finished. In this country, like in the United States, we have those who wish to ignore the events of the past year. This is what President Obama said overnight:

There will be those who argue we should do less or nothing at all. There will be those who engage in revisionist history or have selective memories and don’t seem to recall what we just went through last year.

Who does that remind us of? It is those opposite. They denied the existence of the
global recession. They would have sat and waited and done absolutely nothing. Because they do not understand the nature of the global financial crisis, they are not qualified to deal with the challenges that flow from it. They have demonstrated that day in and day out in this parliament.

The biggest challenge that we face is employment. Unemployment and underemployment are still very substantial challenges for this country. Unemployment has increased by the equivalent of 200,000 jobs in the past year. There has been a huge reduction in hours worked. The reduction in working hours across the economy is equivalent to the loss of more than 200,000 full-time jobs. That is why we as a country need to support our economy. We need to back in the essential economic stimulus to support Australians in work, to keep customers coming through the door and to support business.

So on this side of the House employment is our No. 1 priority, but it is not the No. 1 priority of those opposite. They have dismissed it as a second order priority. Support for stimulus comes from right around the country, from the business community, from the wider community but not from those opposite. It has been one monumental misjudgment by those opposite from day one. They are not qualified to understand the nature of the global recession and they are not qualified to understand what must be done to strengthen our economy into the future.

**Broadband**

**Mr Turnbull** (2.15 pm)—I refer the Prime Minister to his answer to my previous question and to his going on television earlier this year to urge Australians to invest in the National Broadband Network, which he said would be commercially viable. Will the Prime Minister, having had some time to think about it, now answer these questions: what will it cost, how many subscribers will it have, what will they be asked to pay, and, if it is going to be able to pay interest on the bonds you are urging people to buy in it, what will its net revenues be?

**Opposition members interjecting—**

**The Speaker—**Order! The Prime Minister now has the call, but those on my left cannot commence interjecting straight after the question has been asked. Likewise, it is not assisting when the Leader of the House talks over the chair.

**Mr Rudd**—I am always taken by these questions asked by the opposition about broadband, given that they seem to be so spectacularly anchored in the past when this government is seeking to invest in the nation’s future. Can I say to the honourable gentleman opposite that, when you are about to embark upon the single largest infrastructure project in Australia’s history, you plan it thoroughly and you work with your private sector partners, or prospective private sector partners, in that project. On top of that, you also get your regulatory regime right.

I would draw the honourable member’s attention to what he conspicuously does not ask about today, which is the fundamental reform of telecommunications in this country, as indicated by the release of the telecommunications legislation amendment bill 2009. If the honourable member suggests that it is possible to unfold every aspect of this proposed infrastructure investment for the future in the absence of the regulatory reforms necessary, which involve those which go to the heart of Telstra’s current near monopoly, then he demonstrates how out of touch and ignorant he is of these matters.

We have taken this decision based on the absolute best of Treasury advice. We will proceed with the implementation of this critical missing link in Australia’s productivity for the future. It is the right infrastructure
for the future. We will proceed methodically, carefully, consistently through the implementation of this to deal with the conspicuous gap in infrastructure which those opposite left behind for 12 long years.

Telecommunications

Ms CAMPBELL (2.18 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government, representing the Minister for Broadband, Communications and the Digital Economy. Will the minister inform the House of the historic reforms to telecommunications regulations announced today?

Mr ALBANESE—I thank the member for her question and, indeed, her appreciation of the importance of broadband. She, like other Tasmanian members, knows that our National Broadband Network is the single largest nation-building investment in Australia’s history. It will first be rolled out in Tasmania. It will drive future growth, productivity and innovation across all sectors of the economy. While the NBN is progressively rolled out around the country, the efficiency of the existing telecommunications regulatory regime remains critical to the delivery of affordable, high-quality services to businesses and to consumers. Minister Conroy has today announced historic reforms to modernise telecommunications regulations in the interests of all Australians. Today the government is delivering fundamental microeconomic reform of telecommunications in the long-term national interest.

The first element of the reform program focuses on the current structure of the telecommunications sector. The government will require the functional separation of Telstra, unless it decides to voluntarily structurally separate. The government has been clear about its desire for Telstra to structurally separate on a voluntary and cooperative basis. Today’s reforms give Telstra the flexibility to choose its future path. The government has commenced constructive discussions with Telstra on how NBN Co. and Telstra could work collaboratively towards the NBN. The government is also introducing measures to address Telstra’s horizontal integration across the copper, cable and mobile platforms. The government will prevent Telstra from acquiring additional spectrum for advanced mobile services unless it structurally separates and divests its HFC cable network and its interest in Foxtel. The legislation provides scope to remove either or both of the cable network and Foxtel requirements if Telstra submits an acceptable undertaking to structurally separate.

The second element of the reform package seeks to streamline and simplify the competition regime to provide more certainty and faster outcomes for telecommunications companies. Since the commencement of the regime in 1997 there have been more than 150 telecommunications access disputes, compared to only three access disputes in other regulated sectors, including aviation and energy. This is unacceptable. The government will reform part XIB and part XIC of the Trade Practices Act to simplify the access regime and to deliver greater regulatory certainty. It will also enable the ACCC to act quickly on anticompetitive conduct.

The third element of the reform package will strengthen consumer safeguards to ensure services standards are maintained at a high level. The final element of the package seeks to remove inefficient and redundant red tape and to address impediments to Australia’s long-term productivity growth. These historic fundamental reforms address longstanding inadequacies of the existing telecommunications regulatory regime. They are within the national interest and they are consistent with our approach to drive future growth, productivity and innovation across all sectors of the economy.
Economy

Mr HOCKEY (2.22 pm)—My question is to the Treasurer. Does the Treasurer stand by his budget forecast of six years of above trend growth from 2011?

Mr SWAN—I thank the shadow Treasurer for his question. The government’s forecasts will be updated in the usual way in the Mid-Year Economic and Fiscal Outlook. That happens at the end of every year, and I will be delighted to provide them to him at that time.

DISTINGUISHED VISITORS

The SPEAKER (2.22 pm)—I inform the House that we have present in the gallery this afternoon the Hon. Fred Chaney, a former minister and a former member of the other place—when he then realised the fault of that and became a member of this place. He has also been involved in many other things since leaving the parliament. On behalf of the House I extend a very warm welcome to him.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Women in the Workplace

Ms COLLINS (2.23 pm)—My question is to the Minister for the Status of Women. Will the minister inform the House about the government’s contribution to improving the position of women in the workplace? Has the government considered previous approaches?

Ms PLIBERSEK—I thank the member for Franklin for her question. I know that, with her long and strong history in defending the rights of working men and women, she knows what an important issue this is. Australians are rightly proud of the progress that we have made over many years in achieving greater equality between men and women. But, while Australians have changed their attitudes and their behaviours over time, it is a little disappointing to see that the opposition in many respects have not. Yesterday we heard from the member for O’Connor, who said that women want to work part time on the weekends so dad can be home to look after the kids.

Mr Tuckey—Women want to work part time.

Government members interjecting—

The SPEAKER—Order! The House will come to order. Those behind the minister are not assisting.

Ms PLIBERSEK—Mr Speaker, I was actually going to agree with the member for O’Connor in one respect, which is that that does suit many families. There are many families where they want to have one person working part time. But there are a lot of families where women want to work full time too. It is a little difficult to be the Governor-General or the CEO of Westpac or the CEO of Heytesbury Holdings and work part time. In fact, there are women all over Australia who are supporting themselves and supporting their kids, struggling along with full-time work—and they are proud to do it.

The fact is that the modern world has both men and women working and it has both men and women wanting to share the responsibility and the joy of raising kids and looking after a family. Our modern workplace laws have to reflect that. They have to reflect the modern reality that women work part time and full time. Dads tell me all the time that they want to spend more time with their kids. The fact that some women want to work part time so dad can be home with the kids on the weekend certainly is not a reason to exploit them. It is certainly not a reason to pay them less or take away their pay and conditions. It reflects a very old fashioned view that women are not supporting a family when they work; they are working for pin money.
Last week we saw the gratuitous insults about women in our defence forces. We heard opposition members say that women on the front line would threaten rational thought and the success of the mission and that the psychological standards of the forces would be compromised by the admission of women. Well, news flash: women are already soldiers, sailors, pilots and medics. They are already on the front line.

We see an emerging trend here—an emerging trend of an opposition stuck in the past and out of touch with the reality of modern Australian lives. And nowhere is this more evident than on the website of the Liberal Party of Australia. I had a look at the website of the Liberal Party of Australia and it has a section about the Liberal Party. In the section about the Liberal Party it has a subheading ‘Women and the Liberal Party’. It is good. It is very interesting and very informative. I looked at the picture in the ‘Women and the Liberal Party’ section and found that it has one, two—

Ms Julie Bishop—Mr Speaker, really—
Ms PLIBERSEK—Actually, Julie, you are in it; it is okay.

The SPEAKER—The minister will resume her seat.

Ms Julie Bishop—Mr Speaker, I rise on a point of order on relevance. This display that the minister is seeking to make relevant is entirely irrelevant to the question that she was asked, and I ask that she desist in using that—

The SPEAKER—The Deputy Leader of the Opposition will resume her seat. I will listen carefully to the response by the minister. The minister should refer to members by their parliamentary titles.

Ms PLIBERSEK—The photograph has four blokes and one woman. But it actually gets even better. It says that the ‘government recognises that the ability of women to participate in the workforce, and in society more broadly, is underpinned by education and training’. It goes on to say that the ‘government is committed to an Australia where women are full and active participants’, and ‘the government has introduced a number of measures to allow women to better prepare for their retirement’. Oops! It has been almost two years now—

Mr Pyne—On a point of order, Mr Speaker: at four minutes and thirty seconds, I would invite you to ask the minister to draw her answer to a conclusion.

The SPEAKER—The member will resume his seat. As he is aware, the standing orders are silent on that matter. The question was in order. The minister is responding to the question, and I would think that she is getting much closer to the end than to the start of her response.

Ms PLIBERSEK—It has been almost two years. John Howard is not the Prime Minister anymore. Sir Robert Menzies is not the Prime Minister anymore. Both men and women work outside the home and inside the home. The majority of families share work and caring responsibilities, and at different times in their lives together mum may stay home more with their kids. At different times there are—

Government members interjecting—
Mr Dutton interjecting—

The SPEAKER—The member for Dickson and those on my right!

Ms PLIBERSEK—At different times in their lives together, mum and dad share those caring responsibilities. Sometimes mum stays at home more—

Mr Pyne—Mr Speaker—

The SPEAKER—The Manager of Opposition Business on a point of order.
Ms PLIBERSEK—sometimes grandparents help out—

The SPEAKER—The minister will resume her seat. The minister has lost the call. The Manager of Opposition Business has a point of order.

Mr PYNE (Sturt) (2.31 pm)—I move:
That the member be no longer heard.

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

Mr Albanese—Mr Speaker, I rise on a point of order. I might give the Manager of Opposition Business an opportunity to re-think just how bad a look this is.

The SPEAKER—There is no point of order. The Leader of the House has made a point.

Question put.

The House divided. [2.35 pm]

(The Speaker—Mr Harry Jenkins)

Ayes............ 59
Noes............ 82

AYES
Andrews, K.J. Baldwin, R.C.
Billson, B.F. Bishop, B.K.
Bishop, J.I. Briggs, J.E.
Broadbent, R. Chester, D.
Ciobo, S.M. Cobb, J.K.
Costello, P.H. Coulton, M.
Dutton, P.C. Farmer, P.F.
Forrest, J.A. Gash, J.
Georgiou, P. Haase, B.W.
Hartsuyker, L. Hawke, A.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. Hunt, G.A.
Irons, S.J. Jensen, D.
Johnson, M.A. Keenan, M.
Laming, A. Ley, S.P.
Lindsay, P.J. Macfarlane, I.E.
Marino, N.B. May, M.A.
Mirabella, S. Morrison, S.J.
Moylan, J.E. Pearce, C.J.
Pyne, C. Randall, D.J.
Robert, S.R. Schultz, A.
Secker, P.D. Slipper, P.N.
Somlyay, A.M. Stone, S.N.
Tuckey, C.W. Vale, D.S.
Wood, J. 

NOES
Adams, D.G.H. Bevis, A.R.
Bird, S. Bradbury, D.J.
Burke, A.S. Byrne, A.M.
Champion, N. Clare, J.D.
Combet, G. D’Ath, Y.M.
Debus, B. Elliot, J.
Emerson, C.A. Ferguson, M.J.
Garrett, P. George, J.
Gillard, J.E. Grierson, S.J.
Hall, J.G. * Irwin, J.
Kelly, M.J. King, C.F.
Macklin, J.L. McClelland, R.B.
McMullan, R.F. Murphy, I.
Neumann, S.K. Oakeshott, R.J.M.
Parke, M. Piliterse, T.
Raguse, B.B. Ripoll, B.F.
Roxon, N.L. Saffin, J.A.
Sidebottom, S. Snowden, W.E.
Swan, W.M. Tanner, L.
Tanner, L. Thomson, C.

AYES
Ramsey, R. Robb, A.
Ruddock, P.M. Scott, B.C.
Simpkins, L. Smith, A.D.H.
Southcott, A.J. Truss, W.E.
Turnbull, M. Washer, M.J.
Tuesday, 15 September 2009

Ms PLIBERSEK—The government believes that it is the role of government to support and facilitate choice, not to make choices for families about hours worked and supports needed. The opposition, in contrast, is stuck in the past. We saw today in the *Sydney Morning Herald* that they do not let women ask questions—it seems now we are not allowed to answer them either!

Opposition members interjecting—

Mr Hunt interjecting—

The SPEAKER—Order! The House will come to order. I think the member for Flinders knows that I really have to warn him for that outburst. He is warned.

Economy

Mr HOCKEY (2.40 pm)—My question is to the Treasurer. Is the Treasurer now guaranteeing that in the midyear economic update the government will release six years of growth forecast from 2011?

Mr SWAN—I thank the shadow Treasurer for his question. Having stuffed up with his first conspiracy theory—which was that the G20 is a cabal of leftists—he now has a new one. Wait for it—it is a conspiracy that we are going to bring out MYEFO and update our forecasts. No wonder they call him Sloppy Joe!

Opposition members interjecting—

The SPEAKER—Order! I simply say again that by interjection I have all sorts of advice given to me.

Mr Johnson interjecting—

The SPEAKER—The member for Ryan knows that he cannot interject from out of his place. The member for O’Connor is the only person who is addressing the standing orders directly at the moment. The serial offence of using unparliamentary expressions has been something that has taxed occupants of this chair over several parliaments and I am being consistent in the way that I am handling them.

Mr Tuckey—It is my intention now to draw your attention, again, to standing orders 88, 89, 90 and 91, relating to disorder, the use of certain names, offensive words, reflections on members and disorderly conduct. Such activity as occurred during the last two questions is no excuse for not knowing the answer to sensible questions asked on behalf of the Australian taxpayer.

The SPEAKER—I note the submission to me by the member for O’Connor.

Workplace Relations

Ms VAMVAKINOU (2.43 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion.
Will the Deputy Prime Minister inform the House why a fair workplace relations system is important for women?

Ms GILLARD—I thank the member for Calwell for her question and I know that she is dedicated to fairness and decency at work. I know that she, like members of the government generally, would frequently discuss with their constituents the challenges of balancing work and family life—the challenges of families making choices. In order to be able to make those choices, women in particular rely on a fair and decent workplace relations system.

We know when we look at working women that one in five is reliant on awards. That is, they are reliant for their terms and conditions at work on a safety net—a safety net that cannot be stripped away, a safety net that gives them rights in their workplace. We know that almost half of Australian women with children under five are in paid work. We know, too, that 86 per cent of single-parent families are headed by women and that, at the appropriate stage of life, many of these women seek to balance work and family life as they take care of their children.

Understanding this about our modern economy and our modern society, the Howard government—the Liberal Party, aided by the National Party—introduced Work Choices so that it could strip away basic protections. We know from the statistics that, under Work Choices, it was women who bore the brunt of these harsh and unjust laws. We know that it was women who bore the brunt of what happened under Work Choices. If we look at what happened under Australian workplace agreements—statutory individual employment agreements—ABS data tells us that working women on AWAs earned less than working women on collective agreements. The take-home pay of women working full-time on AWAs was, on average, $87.40 per week less than their female colleagues working on collective agreements. That is a staggering figure. We know that women working on AWAs in casual jobs earned $94 per week less than women on collective agreements. Once again this is a staggering figure about what Work Choices did to working women.

It is because Labor understood the deep unfairness of Work Choices to working Australians, and to working women in particular, that we killed Work Choices and replaced it with a fair and decent system at work. But, on the weekend, the opposition leader let the cat out of the bag. When challenged about whether or not he would reintroduce this kind of unfairness in our workplace, he refused to rule it out. Of course, he refused to rule it out because the Liberal Party is now and always will be the party of Work Choices. We have seen some remarkable conduct on display in question time today. We know that the Liberal Party does not like women asking questions, we know that they do not want to listen to the Minister for the Status of Women when she is answering questions, and we know that they are in the embrace of deep unfairness about women at work. We also know that, if they ever had the opportunity, they would bring Work Choices back—with all of the consequences that it would have for Australian working women.

Building the Education Revolution Program

Ms LEY (2.48 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 minister to the Jerilderie Public School in my electorate of Farrer. After being told that their application under the Building the Education Revolution for an upgrade to their administration block and a new classroom had been approved, the
school was informed last week that they would get only one classroom, costing $850,000. Does the minister agree with the view of the school’s P&C that, ‘To an untrained mind, $850,000 for one classroom seems ridiculously expensive’?

Ms GILLARD—I thank the member for Farrer for her question. I note the fact that in this parliament she voted against the 116 schools in her electorate benefiting from 265 projects—total funding, in her electorate, of $128 million. She voted against every dollar of it, and she voted against every job that it would have supported. She is nodding her head in agreement: yes, she did vote against every dollar of it and, yes, she did vote against every job that it would have supported.

On the figures she has raised about one of the schools benefiting under Building the Education Revolution, I am happy to look at what the member for Farrer said, but I would issue these words of caution: when matters have been raised by the opposition in the past, we have frequently found that things asserted as facts are nowhere near facts. We have also frequently found, when we have tried to follow matters up with members of the opposition—or at least some of them—that they are more interested in making a political point than they are in getting matters resolved for their local schools. But you would expect that attitude to be on display by members of a political party that voted against the biggest school modernisation program in the nation’s history.

Mr Tuckey—Mr Speaker, I raise a point of order. I refer the House to page 125 of the standing orders, ‘right of reply of persons referred to in the House’. The minister has just called the P&C a mob of liars.

The SPEAKER—There is no point of order. The member has reminded people of the standing orders.

Ms GILLARD—As I was saying, the political party in this parliament that is representing the views of parents who care about schools is the government.
party that has set its face against the views of parents is that which voted against the biggest school modernisation program in the nation’s history. My reference to inaccuracies was a reference to members of the opposition who have come in this parliament from time to time and raised wholly inaccurate matters about Building the Education Revolution, and we have got very clear evidence of that. Can I say to the member for Farrer, who represents a—

*Mr Hale interjecting—*

**The SPEAKER**—Order! The member for Solomon is warned.

**Mr Hawke**—Mr Speaker, I raise a point of order: standing order 90 on the imputation of improper motives. The Deputy Prime Minister has imputed that the opposition deliberately comes in here with false facts in relation to Building the Education Revolution. That is not correct. That is the imputation of improper motives.

**The SPEAKER**—Order! There is no point of order.

**Ms GILLARD**—I am prepared to say that it may just be plain stupidity that leads them to make these false assertions. But, on the views of those that care about education—

**Mr Turnbull**—Mr Speaker, I rise on a point of order. I invite you to ask the minister to withdraw the imputation against the P&C at Jerilderie. It is very clear from the question that the statement about the money was from the P&C. The minister has imputed that statement is false. She has slurred the—

**The SPEAKER**—Order! I am not in the position to give a critique about my interpretation of the answer. But even if the point being put to me by the Leader of the Opposition is factually true, there is no way in which the standing orders could demand me to ask the minister to withdraw. The standing orders refer to offensive remarks to members of this place and other listed people.

**Mr Pyne**—Mr Speaker, I raise a further point of order. I think the point that is being made is that—

*Mr Hale interjecting—*

**The SPEAKER**—Order! The member for Solomon—

**Mr Pyne**—He has already been warned, Mr Speaker.

*Honourable members interjecting—*

**The SPEAKER**—I know that members do not believe me when I make such statements as the following, but I have a little difficulty in actually knowing who makes some comments from that quarter. I warned the member for Solomon when it was clear that it was him.

**Mr Hale**—Mr Speaker, it wasn’t me but, unlike those opposite, I am a team player so I will go.

**The SPEAKER**—Order! The member is suspended from the House under standing order 94(a). This is not necessarily for what I thought he might have said, but for that interruption.

The member for Solomon then left the Chamber.

**Mr Pyne**—Mr Speaker, on the points of order moved by the member for Mitchell and the Leader of the Opposition: the point is that the Deputy Prime Minister is imputing an improper motive to members of the opposition: that we come into the chamber and raise falsehoods under the auspices of questions. I would ask for that to be withdrawn.

**The SPEAKER**—Order! I have actually, then, misinterpreted the Leader of the Opposition’s point of order. The Leader of the Opposition spoke on behalf of the P&C. But I will take it that the Manager of Opposition Business is rising further to the member for
Mitchell’s point of order. This is a question that has taxed my mind and the minds of my predecessors in the past, when general comments about groups of members have been made and there have been difficulties contained in those statements, and I stand by my ruling to the member for Mitchell.

Mr Pyne—Mr Speaker, I rise on a point of order. As the member of the House who has asked the most questions specifically about the failure of Building the Education Revolution, I personally take offence, and I ask you to ask her to withdraw.

The SPEAKER—I stand by my ruling.

Ms Gillard—Thank you very much, Mr Speaker, and—

Mr Pyne (Sturt—Manager of Opposition Business) (3.00 pm)—I move:

That the member be no longer heard.

Question put.

The House divided. [3.05 pm]

(The Speaker—Mr Harry Jenkins)

Ayes……….. 60
Noes……….. 81
Majority…….. 21

AYES
Baldwin, R.C. Billson, B.F. Pearce, C.J. Pyne, C.
Bishop, B.K. Broadbent, R. Robb, A. Randall, D.J.
Briggs, J.E. Ciobo, S.M. Ruddock, P.M. Robert, S.R.
Chester, D. Costello, P.H. Scott, B.C. Schultz, A.
Cobb, I.K. Dutton, P.C. Simpkins, L. Secker, P.D.
Coulton, M. Forrest, J.A. Smith, A.D.H. Slipper, P.N.
Farmer, P.F. Georgiou, P. Southcott, A.J. Somlyay, A.M.
Gash, J. Georgiou, P. Southcott, A.J. Stone, S.N.
Haase, B.W. Hartsuyker, L. Turnbull, M. Tuckey, C.W.
Hawke, A. Hawker, D.P.M. Washer, M.J. Vale, D.S.
Hockey, J.B. Hull, K.E. * Wood, J.
Hunt, G.A. Johnson, M.A. * Wood, J.
Jensen, D. Laming, A. Shorten, W.R. Thomson, C.
Keenan, M. Lindsay, P.J. Smith, S.F. Thomson, K.J.
Ley, S.P. Marino, N.B. Sullivan, J. Troman, L.
Macfarlane, I.E. Mirabella, S. Symon, M.
May, M.A.

NOES
Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Beazley, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.E.
Byrne, A.M. Butler, M.C.
Champion, N. Campbell, J.
Clare, J.D. Cheeseman, D.L.
Combet, G. Collins, J.M.
D’Ath, Y.M. Crean, S.F.
Debus, B. Danby, M.
Elliott, J. Dreyfus, M.A.
Emerson, C.A. Ellis, K.
Ferguson, M.J. Ferguson, L.D.T.
Garrett, P. Gifford, A.
George, J. Gibbons, S.W.
Gillard, J.E. Gray, G.
Grierson, S.J. Hall, J.G. *
Hayes, C.P. Irwin, J.
Jackson, S.M. Kelly, M.J.
Kerr, D.J.C. King, C.F.
Livermore, K.F. Macklin, J.L.
Marles, R.D. McClelland, R.B.
McKew, M. McMullan, R.F.
Melham, D. Murphy, J.
Neal, B.J. Neumann, S.K.
O’Connor, B.P. Oakeshott, R.J.M.
Owens, J. Parke, M.
Perrett, G.D. Plibersek, T.
Price, L.R.S. Raguss, B.B.
Rea, K.M. Ripoll, B.F.
Rishworth, A.L. Roxon, N.L.
Rudd, K.M. Saffin, J.A.
Shorten, W.R. Sidebottom, S.
Smith, S.F. Snowdon, W.E.
Sullivan, J. Swan, W.M.
Tanner, L. Thomson, L.

CHAMBER
Ms GILLARD—Every parent group, every teacher and every principal works hard and has my respect in supporting local schools. Because of that respect and on the question of imputations, may I take the House to an email I received from Tony Shaw, Principal of Glen Park Primary School—and these are his words, not mine:

I have read and watched with some concern over the last few weeks the unprecedented attack on—

Opposition members interjecting—

Ms GILLARD—These are the words of the principal.

Mr HARTSUYKER—Mr Speaker, my point of order is on relevance. The question was about Jerilderie.

The SPEAKER—It was about Jerilderie and Building the Education Revolution.

Ms GILLARD—These are, as I said, the words of a principal, Tony Shaw, who says about Building the Education Revolution:

I have read and watched with some concern over the last few weeks the unprecedented attack on small rural schools by the Federal opposition in parliament and in some sections of the media.

In an attempt to discredit the Building the Education Revolution program they are calling into question the high quality education provided in small rural schools in a condescending and arrogant manner.

These are the words of a principal. He goes on to say:

The only handicap we face in the delivery of 21st century education to our students is the dilapidated condition of our school buildings. The BER not only provides a much appreciated economic boost to our local economy but it will provide us with a classroom that will finally match the innovative and cutting edge education provided within it.

Ms LEY—Mr Speaker, I rise on a point of order. My P&C wants an answer. The minister needs to address the issue of Jerilderie Public School.

The SPEAKER—Order! The member will resume her seat. The minister is responding to the question. She knows of her responsibilities in making sure that her material is relevant to the question. The Deputy Prime Minister.

Ms GILLARD—On Building the Education Revolution, about which I was asked, the email from Tony Shaw, a principal, says:

I wonder if National Party politicians feel as adamant about small rural schools missing out on getting new classrooms as their Coalition partners. I think Prime Minister’s Fadden, Page and McEwen would be ‘turning in their graves’ if they do.

He goes on to say:

I support the BER as I’m sure all small school principals and their communities do. Of course with such a massive project there will be problems in implementation. (There was with Investing in Our Schools, the Howard Government’s school infrastructure improvement project) but the mean spirited attacks on small school principals, teachers, children, parents and rural/remote communities is—

Mr ABBOTT interjecting—

The SPEAKER—Order! The member for Warringah might think that he is on some crusade, but the crusade will not be benefited by sitting there mumbling to me about the state of play.

Mr ABBOTT interjecting—

The SPEAKER—No, the member for Warringah is being very, very foolish if he thinks that he is doing anything (a) to change the way that this House handles question
time or (b) to assist in the way that the House, as a totality, is seen outside of this place.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order on relevance. If the minister’s remarks in reading out that letter are to be relevant to the question, she must show that this particular principal is in support of $850,000 being spilt at Jerilderie. Otherwise, it is totally out of order.

Mr Ciobo—She is treating question time with contempt.

The SPEAKER—Order! I thank the member for Moncrieff. He has some advice he is willing to give by interjection—plenty of that goes on. There is no point of order. The Deputy Prime Minister has the call and she will bring her response to a finalisation.

Ms Gillard—I will, Mr Speaker. I conclude with his last few words that it is ‘mean spirited’ and:

… is a disgrace and it demeans those lone ignorant voices that persist in them.

These are the words of a principal and I table the email from that principal.

Opposition members interjecting—

Ms Gillard—I am talking about Building the Education Revolution and the words of a principal. You might not like the words, but they are the words of a principal.

The SPEAKER—Order! The Deputy Prime Minister will ignore interjections. The interjections will cease.

Ms Gillard—Can I conclude by saying that in the time the House has been in progress, the Liberal Party have updated its website about women. They can update their website but they cannot update their attitude quite so easily—a website two years out of date and attitudes stuck in the past with the dinosaurs. That is the Liberal Party.

The SPEAKER—Order! Is the member for Farrer seeking the call?

Ms Ley—Mr Speaker, in an attempt to make the Deputy Prime Minister understand the concerns of the P&C at Jerilderie Public School, I seek leave to table the letter.

Leave granted.

Ms Julie Bishop—Mr Speaker, I rise on a point of order. In answer to the member’s question, the Deputy Prime Minister said, as she has done on numerous occasions, that she would come back with an answer. I invite her to do so before the end of question time.

Budget

Ms Neale (3.15 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. How will the government’s reforms to pensions and family assistance benefit Australian women?

Ms Macklin—I thank the member for Robertson for her question and particularly for her advocacy on behalf of around 24,000 pensioners in the seat of Robertson. It is the case that, from this Sunday, millions of Australian women will benefit from the government’s reforms to the pension system. It is the case that women disproportionately rely on the pension for their survival. It is the case that 57 per cent of age pensioners are women and, more important for all of us to be aware of, three out of four Australian single age pensioners are women. They in particular will benefit from the major reforms that the government is introducing, which start this Sunday.

It is the case that these single pensioners, many, many of them women, will benefit from the increase to the single age pension, which starts on Sunday. The increase, if you are on the maximum rate, will be $70.83 per fortnight—$70.83 per fortnight for those single age pensioners relying on the maximum rate of the pension. Of course, this increase comes about because of the signifi-
cant increase in the base pension that was announced in the budget, the increase in the new pension supplement and the increase that is due to the new pension index that this government has introduced.

It is also the case, of course, that women represent more than two-thirds of all people who are on the carer payment. Those women in particular have already benefited from the new carer supplement, which this government introduced and made permanent for the first time—not like the previous government, who of course made these decisions for both older Australians and carers when it suited them politically. There was almost a decade of neglect from those opposite as far as pensioners were concerned. The pension was not enough for millions of Australian women dependent on it. Millions of Australian women could not survive on the pension. And for the whole time that those opposite were in government they were not capable of delivering to Australian pensioners. They did not have the bottle to deliver the reforms that we have delivered in the short time that we have been in office.

It is not just reforms to the pension that those opposite were not prepared to tackle. Take another very important matter of support for families, which is paid parental leave. Listen to what the current shadow minister for families had to say about paid maternity leave back in 2002. It will not be a surprise to some people that when he was a minister in the Howard government this is what the current member for Warringah said:

…”paid maternity leave, over this Government’s dead body, frankly. It just won’t happen under this Government."

Well, Tony, you were spot-on about that.

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

Ms MACKLIN—It certainly did not happen under a Liberal government. Now that that government is dead, fortunately this government can get on with the job of introducing paid parental leave. We will be able to do so without any help whatsoever from the lifeless form over there that calls itself an opposition. We know how stuck in the past it is, but I must say that, even knowing how stuck in the past it is, I was very surprised to read in the Age today of the attitudes—and I am sure even the current member for Higgins was surprised to read this—of some preselectors in the electorate of Higgins. It was reported in the Age today that Higgins is:

…”not a seat for a woman because it’s a leadership seat” …

It is not a seat for women, according to the preselectors in Higgins. Apparently some of these Liberal preselectors—

Mr Pyne—Mr Speaker, I raise a point of order. Under standing order 104, I would ask you to explain to the House how this answer could be in the least bit relevant to the question the minister was asked.

The SPEAKER—I just rule on the points of order; I do not do the explanation part. The minister must relate her material to the question and she should commence to finalise her response.

Ms MACKLIN—Unfortunately, the final quote from the preselectors for Higgins actually raised questions about whether or not the candidate’s marriage would even survive if she won a federal seat. This just demonstrates yet again how stuck in the past the Liberal Party is.

DISTINGUISHED VISITORS

The SPEAKER (3.22 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the Republic of Serbia, led by the Speaker of the National Assembly, Professor Dr Slavica Djukic-Dejanovic. On
behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Women in the Workplace

Ms JULIE BISHOP (3.22 pm)—My question is to the Deputy Prime Minister, the Minister for Employment and Workplace Relations, the Minister for Education and the Minister for Social Inclusion. I refer to the minister’s attack on the Liberal Party’s support for working women and her reference back to the Menzies era. I ask whether the minister is aware of the statement of former Labor Prime Minister Paul Keating, who said in this House of the then coalition government:

In the last couple of years the government—
as in coalition—

has boasted about the increasing number of women in the workforce. Rather than something to be proud of, I feel that this is something of which we should be ashamed.

Doesn’t this demonstrate, Minister, that even 39 years ago the coalition was way ahead of Labor’s thinking when it came to choice for women?

Honourable members interjecting—

The SPEAKER—Order! Those on my right will come to order. The House will come to order. The member for Wakefield will leave the chamber under 94(a) for one hour.

The member for Wakefield then left the chamber.

Ms Roxon interjecting—

Mr Pyne—You raised Menzies, you idiot.

Ms Roxon interjecting—

The SPEAKER—The Minister for Health and Ageing will cease interjecting. The member for Sturt will withdraw.

Mr Pyne—I withdraw, Mr Speaker.

Mr Sidebottom interjecting—

Ms JULIE BISHOP—I was at the point where I quoted former Labor Prime Minister Paul Keating when he said:

In the last couple of years the government has boasted about the increasing number of women in the workforce. Rather than something to be proud of, I feel that this is something of which we should be ashamed.

Doesn’t this demonstrate that even 39 years ago the coalition was way ahead of Labor’s thinking when it came to choice for women?

Honourable members interjecting—

The SPEAKER—Order! The House will come to order. Before giving the call to the Deputy Prime Minister, and if the House would settle down, this question time is not one of the greatest moments for the House. If the House would just calm down, that was an example of a question where, if we were to strictly apply the standing orders, I would be in the position to rule it out. But I will allow it.

Ms GILLARD—I genuinely thank the Deputy Leader of the Opposition for her question. This year I was exposed on television as not smarter than a fifth grader, it is true, but the Deputy Leader of the Opposition is taking me back to when I was not even in fifth grade. And, no, I have to confess that when I was in Mitcham Primary School they were not playing maiden speeches, first speeches, in the House of Representatives. Actually, looking back on it, I am not sure that we had a TV in the classroom. I think we had a radio, but we did not have a TV, so long ago it is that the Deputy Leader of the Opposition is referring to.

Ms Julie Bishop—Mr Speaker, on a point of order: if the Deputy Prime Minister wishes to disown Labor thinking she should say so. She has not answered the question.
The SPEAKER—The Deputy Leader of the Opposition has asked her question.

Ms GILLARD—I believe that statement was made in 1969. Apparently they have gone this strange because I used the word ‘Menzies’ when I was reading the letter from the principal. Can I say to the Deputy Leader of the Opposition that, whether or not they realise it over there, life has moved on. Mr Keating has moved on and has made public statements to that effect. The nation has moved on. Policy has moved on. The only people who, for almost 40 years now have obviously been out circling in the wilderness, are not understanding that things have moved on—are those people in front of me—the members of the Liberal Party. This question is reminiscent of the old sitcoms we used to see about fighters from World War II who did not realise that the war was over.

Ms Julie Bishop—Mr Speaker, on a point of order: as the minister has difficulty answering this question, I seek leave to table the Hansard where Mr Keating said that this was something of which we should be ashamed.

Leave not granted.

Ms GILLARD—We do have the Hansard, so the Deputy Leader of the Opposition does not need to table the extract from it. Can I say to the Deputy Leader of the Opposition that while she and the Liberal Party might be stuck thinking about 1969 we as a government are dealing with the challenges of the modern age. The problem for the Liberal Party is that in this modern age, a modern age where people believe that women are equal and extend them the same opportunities, the Liberal Party is stuck in the past. Its website was stuck in the past until raised in question time. Of course you can change a website; what you cannot change is the dinosaur attitudes we are seeing displayed by the Liberal Party today.

They are stuck in the past, unable to move into the future and unable to embrace the future. They are stuck in the past on the role of women, stuck in the past on the question of climate change and stuck in the past in the embrace of Work Choices. This has been an embarrassment for the Liberal Party. I woke up this morning, read the newspaper and thought that it was pretty bad that the Liberal Party did not give a fair share of questions to women. Now I have come to question time and watched them gag women speaking. However, having seen this performance from the Deputy Leader of the Opposition, maybe the deputy leader is better off without questions.

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

PERSONAL EXPLANATIONS

Mr SIMPKINS (Cowan) (3.31 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr SIMPKINS—Yes.

The SPEAKER—Please proceed.

Mr SIMPKINS—In a doorstop interview this morning the member for Wakefield falsely, and without evidence, said:

Luke Simpkins from the seat of Cowan revealed that there was a secret Liberal blueprint. His statement was false. Anyone can check the transcripts of Hansard and the media reports. It is just not true in any respect, as usual.

AUDITOR-GENERAL’S REPORTS

Report No. 4 of 2009-10

The SPEAKER (3.32 pm)—I present the Auditor-General’s Audit report No. 4 of 2009-10 entitled The management and processing of annual leave: Australian Bureau of Statistics, Australian Taxation Office, and...
Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (3.32 pm)—Documents are presented in accordance with the list circulated to honourable members earlier today. Full details of the documents will be recorded in the Votes and Proceedings. I move:

That the House take note of the following document:
Medibank Private—Statement of corporate intent for 2010 to 2012

Debate (on motion by Mr Pyne) adjourned.

MINISTERIAL STATEMENTS

Zimbabwe

Mr STEPHEN SMITH (Perth—Minister for Foreign Affairs) (3.33 pm)—by leave—Mr Speaker, I wish to update the House on the situation in Zimbabwe. Today is the anniversary of the signing on 15 September 2008 of the agreement which created the Inclusive Zimbabwe Government under the joint leadership of Robert Mugabe as President and Morgan Tsvangirai as Prime Minister. That agreement has become known as the ‘global political agreement’. It was not until February this year that Mr Morgan Tsvangirai assumed the position of Prime Minister of Zimbabwe pursuant to that agreement.

On 13 February, I spoke to Mr Tsvangirai to congratulate him and to tell him that the government and the people of Australia stood with him as he confronted the enormous economic, social, political and security challenges faced by the people of Zimbabwe. At that time, the challenges faced by Prime Minister Tsvangirai and the Zimbabwean government seemed overwhelming. Zimbabwe’s economy had collapsed, around three-quarters of Zimbabwe’s estimated remaining population required food aid, a cholera epidemic had already claimed thousands of lives, and the political agreement appeared a last resort and a fragile experiment.

I can report to the House that, while the challenges faced by Zimbabwe remain enormous, some progress has been made. The global political agreement between Prime Minister Tsvangirai’s Movement for Democratic Change, or the MDC, and Mr Mugabe’s ZANU-PF remains in place. Improvements in the economy are in no small part due to the strong and sensible reforms implemented by Prime Minister Tsvangirai’s colleague Mr Tendai Biti, the finance minister.

The end of price controls and adoption of hard currency, necessary steps after the total collapse of the Zimbabwean dollar, have put an end to hyperinflation. Goods are returning to shelves as the business environment slowly improves. For the moment, the cholera epidemic has been contained. Schools and healthcare facilities are re-opening. Salaries of teachers and health professionals are being gradually increased. Levels of political violence have reduced significantly.

An agreement, yet to be implemented, has been reached for the appointment of new provincial governors. We are seeing growing signs of a sense of hope and optimism among the people of Zimbabwe. These hard-won gains have taken a long time to achieve and Prime Minister Tsvangirai and his MDC ministers are to be congratulated for the strength of their resolve and commitment.

Australia has played a proud role in Zimbabwe’s recent progress. Australia has been at the forefront of international efforts—both political and humanitarian—to assist Zimbabwe. In recent years, Australia’s assistance to Zimbabwe has been humanitarian. Most of
that has necessarily been emergency food aid to assist the people of Zimbabwe during a severe humanitarian crisis.

After the new government was sworn in on 13 February this year, Australia was one of the first countries to deliver assistance in a manner that has become known as ‘humanitarian plus’ assistance. This goes beyond purely emergency humanitarian relief to include longer term measures to help restore essential services such as water, education and health care. Since the establishment of the inclusive government, Australia has provided more than $20 million in assistance to Zimbabwe.

In February, I announced $5 million in assistance through UNICEF for essential water and sanitation works and essential medicines to deal with Zimbabwe’s cholera epidemic. In May, I announced a further $5 million, comprising $2 million for seeds and fertiliser to begin revitalising Zimbabwe’s devastated agricultural sector and a further $3 million for water and sanitation mostly through our highly regarded Australian non-government organisations—World Vision, Caritas and Oxfam.

Between these two announcements, on 11 March, as I reported to the House on that day, I announced a $10 million package of measures which went beyond our previous humanitarian-only contributions. Five million dollars was for water and sanitation services, particularly to address the cholera epidemic. This funding was provided through UNICEF to local authorities for water and sanitation safety assessments and urgently needed water treatment chemicals. As Zimbabwe’s local authorities had taken back responsibility for water infrastructure and UNICEF was dealing directly with these local authorities, the prospects of this funding being diverted by Mr Mugabe or his associates was greatly reduced and the more direct work with these authorities increased the likely benefits to the people of Zimbabwe.

The other element of this package was $5 million in short-term incentive payments for health workers delivered through the UK Department for International Development (DFID). This assistance was necessary to restore some level of stability to health services which had been damaged by the exodus of trained staff due to the unreliability of salary payments from the Mugabe regime. In moving beyond strict humanitarian-only assistance and in dealing more closely with Zimbabwe government authorities on these two measures, the risks were increased but sensible risk management strategies were put in place and this more direct assistance provided greater benefit to the people of Zimbabwe. These measures have underlined Australia’s commitment to assisting Prime Minister Tsvangirai and his ministers in the rebuilding of Zimbabwe.

The government supports Prime Minister Tsvangirai in his view that the global political agreement currently presents the best prospect of a better future for Zimbabwe. Australia supports the role of Zimbabwe’s neighbours, through the Southern African Development Community (SADC), in overseeing the global political agreement. It is vital that the parties to the global political agreement fully implement and respect all of its provisions.

In a sign of growing frustration at the slow pace of reform, Prime Minister Tsvangirai over the weekend said that President Mugabe and ZANU-PF were violating the rule of law and pointed to evidence that they were not committed to reconciliation or genuine power sharing under the agreement. One of Prime Minister Tsvangirai’s key concerns is that ZANU-PF is trying to erode the parliamentary majority secured by Mr Tsvangirai’s MDC in last year’s election. Several MDC
MPs have been arrested and are at risk of losing their seats on what the MDC believes are trumped-up charges.

Mr Mugabe has refused to reverse his earlier appointments of the Reserve Bank governor and the Attorney-General—further hampering MDC efforts to implement economic reform and ensure an independent judiciary. Zimbabwe’s repressive media legislation remains in place. State media continues to be controlled by ZANU-PF as a propaganda tool. Reports of human rights violations continue, as do farm invasions. Prominent human rights activist Jestina Mukoko, after being grossly mistreated in detention, still faces charges of conspiring to overthrow Mr Mugabe. While the global political agreement stipulates a clear timetable for constitutional reform, progress has slowed to a crawl. Prime Minister Tsvangirai has said he is not able to stand by and allow ongoing violations of the power-sharing agreement to continue and has called on Zimbabwe’s neighbours, in particular SADC countries, for assistance.

Australia recognises the important role the African Union and SADC have played to date in supporting Zimbabwe to address its grave economic, political and social challenges. South Africa itself facilitated the inter-party negotiations that led to the current agreement. Regional leaders, including from Botswana and Zambia, have played a prominent role in calling for a just and timely resolution to Zimbabwe’s protracted disputes. SADC, as facilitator and guarantor of the global political agreement, has a critical role to play in ensuring its terms are adhered to. SADC discussed Zimbabwe at its annual summit, held in Kinshasa in the Democratic Republic of Congo, from 7 to 8 September. It referred the situation in Zimbabwe to the SADC Organ on Politics, Defence and Security.

Last week in Perth and again yesterday in Canberra, I met with Mr Oldemiro Baloi, the Minister of Foreign Affairs and Cooperation from Mozambique. As a leading member of SADC and as the current Chair of the SADC Organ on Politics, Defence and Security, Mozambique will play an all-important role in overseeing implementation of the global political agreement in the coming months. I offered to Minister Baloi and to SADC Australia’s support for this objective. I will continue to discuss Zimbabwe with African counterparts, as I have with the foreign ministers of Tanzania, Kenya, Botswana and Rwanda during their visits to Australia over recent months.

Zimbabwe’s needs are enormous. After decades of neglect, infrastructure has deteriorated significantly. There are not enough schools, hospitals or functioning water and sanitation systems. Zimbabwe’s government and private sectors are run down and are unable to adequately provide essential services. The unemployment rate in the formal economy is estimated to be over 90 per cent. The economy is less than half its pre-2000 level and will take years, if not decades, to regain its strength. Three million people have fled Zimbabwe searching for a better life, taking with them essential skills needed for Zimbabwe’s rebuilding.

Australia will work with the international community to address these challenges. How the international community can further assist Zimbabwe will be addressed by a senior officials’ meeting of donor countries scheduled to take place in Berlin in late October. This will provide an important opportunity for the international community to both assess and assist Zimbabwe’s rebuilding, to both contemplate and support prospects for longer term reform. Australia urges the international community to make this step a significant one. Australia strongly believes that the international community needs to take a
flexible, pragmatic and active approach to its consideration of the next steps. We have a responsibility to do what we can to support Prime Minister Tsvangirai and his ministers in their efforts to bring positive change to Zimbabwe.

At the peak of the so-called hungry season in March 2009, almost seven million Zimbabweans relied on emergency food aid. After a better than expected harvest in 2009, the outlook for the coming year is more positive. However, it is still estimated that nearly three million people will need food aid before the next harvest in April 2010. I announce today a substantial assistance package of food and agriculture assistance for Zimbabwe. Zimbabwe has tremendous potential in agriculture and, historically, was a significant agricultural exporter. Australia leads the world in dryland agriculture and agriculture science. The first element of the package I announce today is that Australia will provide $5 million in food aid immediately through the World Food Program to help meet the needs of the most vulnerable. Importantly, and for the first time in more than a decade, Zimbabwean suppliers, who have been able to increase production this season, will be able to tender to supply this food. This will have the double benefit of both feeding those who desperately need food and also contributing to the strengthening and rebuilding of the agricultural sector in Zimbabwe.

The resuscitation of the country’s agricultural sector is central to its overall economic recovery. Longer term recovery in the agricultural sector must also address the private sector. The second element of the package is a joint effort between Australia and the Netherlands through the Dutch ministry of development cooperation. Under this measure, Australia will contribute $1 million in 2009-10 to support private sector activities aimed at boosting agricultural production—for example, by contracting farmers to grow seeds for food crops. Creating these links between farmers and the private sector is the first step in reinvigorating private sector interest and engagement in Zimbabwe’s agricultural sector. It is an area of significant Australian experience and expertise.

Australia is also continuing to support agricultural recovery in Zimbabwe by funding the distribution of more productive and disease resistant maize seeds, through the World Bank’s global food security fund. The fund was announced in July 2008, and Australia was one of the first countries to contribute, providing $50 million to the global food security fund. Nearly $9 million has now been allocated to Zimbabwe from the fund.

Australia believes it is time to carefully consider working directly with select Zimbabwean government ministries and agencies, to help build capacity and support the restoration of essential services for the long term. Education and health are important areas for such consideration. Today I announce that Australia will contribute $2 million through UNICEF to help Zimbabwe’s ministry of education reinvigorate the education sector. Australia’s funding will support the procurement and distribution of textbooks and learning materials for Zimbabwean schools, as well as teaching materials. It will also address capacity constraints and assist the ministry of education in policy development and implementation. Australia’s assistance to the ministry of education follows support provided earlier this year to help restore the ability of the ministry’s headquarters to operate and function. Yesterday in Harare the minister for education, David Coltart, welcomed Australia’s assistance in that respect.

The Australian government is under no illusions about the political risks in Zimbabwe and the track record of Mr Mugabe and ZANU-PF. Australia’s financial and travel
sanctions will remain in place for the present. These sanctions target individuals who have been responsible for, or involved in, acts to undermine the rule of law, corruption, violence and intimidation, and restrictive laws and regulations. The sanctions do not impact on the broader population in Zimbabwe and are not responsible for Zimbabwe’s economic demise over the last decade. Since 2002, Australia has also applied a ban on minister-to-minister contact with Zimbabwean ministers. In recognition of the efforts of parts of the new inclusive government over its first year, Australia will consider opportunities for ministerial engagement on a selective case-by-case basis with Zimbabwean ministers. In recognition of the efforts of parts of the new inclusive government over its first year, Australia will consider opportunities for ministerial engagement on a selective case-by-case basis with Zimbabwean ministers.

Much more significant progress will be required before the Australian government undertakes any broader review of Australia’s sanctions with respect to Zimbabwe. Australia places the utmost importance on the need for real and demonstrated improvement in economic and political governance. There must be substantial progress towards real reform. Zimbabwe’s long-term future will not be secure without such reform. A united international community must send that strong message to Zimbabwe. Many more improvements will need to be effected before full normalisation of relations, including in the area of development assistance, can take place. Australia’s views in this respect were shared by the delegation from the European Commission which visited Zimbabwe on the 12th and 13th of this month.

All efforts must be made, both in the region and by the international community, to ensure that recent gains are not lost and that Zimbabwe continues to move forward. The terms of the global political agreement must be adhered to in letter and in spirit. Constitutional reform must proceed smoothly and in accordance with the terms of the agreement. This would allow the holding of full, free and fair democratic elections. Restrictive media legislation must be repealed. Mr Mugabe’s unilateral appointments of the Reserve Bank governor and the Attorney-General must be reversed. The rule of law must be respected. The people of Zimbabwe must be given hope for a brighter future. Australia’s assistance announced today, and its ongoing support, adds to this hope for the people of Zimbabwe.

I thank the House.

I ask leave of the House to move a motion to enable the Deputy Leader of the Opposition to speak for 17½ minutes.

Leave granted.

Mr STEPHEN SMITH—I move:

That so much of the standing and sessional orders be suspended as would prevent Ms J Bishop (Deputy Leader of the Opposition) speaking in reply to the ministerial statement for a period not exceeding 17½ minutes.

Question agreed to.

Ms JULIE BISHOP (Curtin) (3.51 pm)—Australian governments and the Australian people have taken a keen interest in Zimbabwe for many years. We have continued to watch developments with hope, trepidation and, at times, deep despair. It is a tragedy that a nation blessed with an abundance of natural resources and large, fertile agricultural areas has been reduced to the point where millions of its people are starving and its economy has been utterly devastated. Yet that is what has occurred under the regime headed by Robert Mugabe—a regime
which ruled Zimbabwe from 1980 to 2008, a regime which grew increasingly corrupt and which became increasingly violent as its intolerance to any opposition grew.

As the regime’s behaviour grew increasingly violent, the international community began to express its objections. It culminated in March 2002 when three leaders—President Obasanjo of Nigeria, President Mbeki of South Africa and Australian Prime Minister Howard—were appointed by the Commonwealth of Nations to decide what to do about Zimbabwe. There had been a presidential election in Zimbabwe at that time that was not on any account free or fair. It did not reflect the will of the people. There were allegations of vote rigging. It was conducted in a climate of fear, amidst political and state sponsored violence. I know this from my own observation, as I was in Zimbabwe in March 2002 as a Commonwealth electoral observer, charged with the task—along with about 50 other Commonwealth electoral observers—to report to the Commonwealth heads of government, who, as it turned out, were meeting in Australia at that time.

On 19 March the three leaders agreed to suspend Zimbabwe from the Commonwealth for one year. It was seen as a blow to Zimbabwean President Mugabe’s standing and prestige, particularly among other African Commonwealth nations. While this action did not trigger immediate sanctions, it certainly represented a milestone in terms of the international community’s attitude to the economic, social and political chaos under President Mugabe’s repressive regime. Ultimately, it did result in Zimbabwe withdrawing from the Commonwealth. From September 2002, Australia implemented targeted sanctions against the Mugabe regime and its close supporters. These sanctions have been expanded over time.

I also remember well that, when I was in Zimbabwe in 2002, the then leader of the opposition, Morgan Tsvangirai, was charged with treason. While President Mugabe and his cronies sought to crush the spirit of their political opponents, they were unable to totally suppress the people of Zimbabwe. Zimbabweans continued to vote at elections, often in the face of extreme violence and, in some cases, the very real threat of death. They would have known that President Mugabe would do everything in his power to steal elections, but they still wanted to cast a vote—and we know that many, many people continued to vote for change.

After significant irregularities in successive elections, there was little genuine hope that the 2008 elections would reflect the true will of the people. Against the odds, the Movement for Democratic Change won a majority of the seats in the Zimbabwean parliament. Mr Tsvangirai appeared to have won a clear majority of the vote for president—but this was a step too far for President Mugabe and fear and violence were the all too familiar weapons he used to keep his grip on that office. However, he was forced to enter into negotiations with Morgan Tsvangirai and the MDC.

Then South African President Mbeki played a pivotal role in negotiating the power-sharing arrangement known as the global political agreement, signed one year ago, on 15 September 2008. Under great international pressure, President Mugabe appointed Mr Morgan Tsvangirai as Prime Minister in February this year and a so-called ‘unity government’ was formed. Very few international observers, particularly those who had been to Zimbabwe, gave this arrangement much hope. It was previously unthinkable for members of Mugabe’s ZANU-PF party to be in the same room as Mr Tsvangirai’s MDC members, let alone work cooperatively in government.

CHAMBER
There have been some positive developments, particularly since the swearing-in of Prime Minister Tsvangirai. Reports from Zimbabwe indicate that economic recovery, while extremely fragile, is underway. Inflation appears to have subsided from the catastrophic hyperinflation that rendered the nation’s currency worthless and forced Zimbabwe to use the currency of other nations. There is now consideration of the reintroduction of Zimbabwean money. Food is now more widely available. Education and health services are reported to be reopening. And there is hope that food production will be increased. There are also reports of greater personal freedom and improved ability for the media to report independently on developments. However, human rights abuses are reported to be widespread and the violent invasion of commercial farms continues. There are also reports of an ongoing campaign of intimidation and violence against members of the Movement for Democratic Change, some of whom have been charged with crimes regarded by the MDC as spurious.

President Mugabe has still not implemented the full terms of the global political agreement, and there are many signs of his efforts to undermine the agreement both in spirit and in law. This has led Prime Minister Tsvangirai to declare in recent days that the tensions between the parties to the agreement must be resolved in the coming weeks and months to enable Zimbabwe to make greater steps towards genuine, lasting recovery.

There have been calls from organisations such as the Southern African Development Community for sanctions to be lifted—sanctions which apply to key members of the Mugabe regime. This has been rejected by the United States, with President Obama in March this year extending sanctions that were due to expire on 6 March. The US sanctions ban more than 250 individuals from conducting business with the United States.

A delegation from the European Union which travelled to Zimbabwe in recent days also ruled out a lifting of sanctions and said that there would be no increase in humanitarian aid until President Mugabe implemented the terms of the power-sharing agreement. One delegation member, the Swedish Minister for International Development and Cooperation, Gunilla Carlsson, said that, while talks were held with Mr Mugabe, they did not reach any agreement on human rights violations. Minister Carlsson said that ‘much more needs to be done’ and that Zimbabwe was only at the start of a very long journey. European Commissioner for Development and Humanitarian Aid Karel De Gucht said that the European Union would like to increase its aid to Zimbabwe but that it depended on greater progress made in terms of honouring the commitments of the global political agreement.

The coalition also believes it is too early to lift sanctions against members of the Mugabe regime, who continue to show a flagrant disregard for the rule of law and international humanitarian standards. It is vital that we keep the pressure on President Mugabe and his cronies so that they are under no illusions about how abhorrent the international community finds their behaviour. The international community will continue to play an important role in providing aid to the long-suffering people of Zimbabwe.

While emergency food aid will be required for some time, I am encouraged by announcements yesterday from the United Nations that the Food and Agriculture Organisation of the United Nations has started to implement a program of support for farmers, particularly those with small farms, in partnership with the European Union, to help reduce food shortages this year. The Food
and Agriculture Organisation has reported that it will distribute 26,000 tonnes of seed and fertilisers to 176,000 vulnerable farmers, which represents 10 to 15 per cent of all small-scale landholders in Zimbabwe.

The Food and Agriculture Organisation of the United Nations believes that, if Zimbabwe receives reasonable rainfall during the upcoming growing season, it is possible that production could be doubled this year. The Australian government is providing food and agriculture support through a number of international organisations, as well as providing support to Zimbabwe’s education sector. All Australians support the efforts to restore dignity to the everyday lives of the people of Zimbabwe, who aspire to live free from fear and threat of violence and who aspire to emerge from the shadow of oppression and corruption under which Zimbabwe has suffered for decades.

Pensions and Benefits

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (4.01 pm)—by leave—This weekend, the most significant reforms to the pension system in 100 years will start being rolled out. From Sunday, around 3.3 million age pensioners, disability support pensioners, carers, wife and widow pensioners and veteran income support recipients will receive an increase in their pension payments.

These increases are fair, sustainable and long overdue. And they will make a difference to the lives of so many Australians—including people like Rusty Woodward and Jan Petrie, who I met last week. They are peer educators for the Council on the Ageing and committee members of Communities@Work’s 55 Plus Club.

When the Australian government undertook its comprehensive review of the pension system, Rusty and Jan conducted a survey of local ACT pensioners. They heard many ‘heartbreaking stories’, including one pensioner who told his local greengrocer he kept chickens so he was able to get the leftover vegetables which could not be sold. These vegetables and cheap noodles were in fact his staple diet. As every member in this place knows, this is not an isolated case. The difficulties pensioners had making ends meet was a story told over and over again to the review conducted by the secretary of my department, Dr Jeff Harmer.

This is why the government has overhauled and reformed the pension system, to make it adequate for the millions of age and disability pensioners, carers and veterans who depend on it. And even in these very difficult economic times we have been able to introduce these reforms and also deliver savings to help meet the cost of the increases to make the pension system sustainable over the long term. For Rusty Woodward, for example, the extra $70.83 a fortnight she will now receive means—and this is what she told me—that she can live a more social life, go out with friends and enjoy activities like exercise and art classes.

I want to take this opportunity today to provide the parliament with a detailed overview of the range of changes to our pension system that will start this Sunday. Critical to the reform package are changes to address the particular inadequacy of the single pension. Recognising that single pensioners do not usually share household costs, the pension review found that the relativities between singles and couples needed to be adjusted.

The pension review also found that an increase in payments for couples was also warranted. A key structural change will see the single rate of the pension set at two-thirds of the combined couple rate. This two-thirds
ratio will apply to both the base rate of the pension and the new pension supplement.

From 20 September, a single pensioner on the maximum rate of the pension will receive an increase of $60 a fortnight in the base pension. Single pensioners will also receive an increase of $5 a fortnight in the new pension supplement. Along with indexation, this will amount to a total increase for single pensioners on the maximum rate of $70.83 per fortnight, bringing total pension payments to $671.90 a fortnight for a full rate single pensioner.

For couple pensioners combined on the maximum rate there is an increase of $29.93 a fortnight—$20.30 due to the reforms and $9.63 indexation—bringing their total pension to $1,013 a fortnight. Pensioners will also receive their final quarterly payment of the utilities allowance and the telephone allowance with their regular pension payment after 20 September.

The pension reform package also addresses an existing inequity in the social security system where pensioner couples received a lower rate of allowances than those self-funded retirees on the Commonwealth seniors health card. From 20 September 2009, the new pension supplement paid to pensioner couples and the new seniors supplement paid to holders of the Commonwealth seniors health card will be at the same rate. The maximum pension supplement will be $56.10 per fortnight for singles and $84.60 per fortnight for couples combined.

**Simpler pension payments**

Along with increases to pension payments, the government’s reforms are making the whole system simpler and more flexible.

The reforms introduce a new payment—the pension supplement. The new supplement will combine the full value of four existing supplements and allowances that have been paid in addition to the base pension over recent years, and will be further increased for both singles and couples. The new pension supplement includes the full value of the utilities allowance, telephone allowance (at the higher internet rate), the GST supplement and the pharmaceutical allowance—plus an increase of $5.00 for singles and an increase of $20.30 for couples.

From this Sunday, the pension supplement will be paid fortnightly and will appear on a pensioner’s Centrelink statement as an addition to their fortnightly pension. From 1 July 2010, pensioners will have the option to receive around half of the supplement paid quarterly instead of fortnightly. That will be their choice.

**Improved pension indexation**

We have also introduced new indexation arrangements to respond to cost of living increases that pensioners face. A new pensioner and beneficiary living cost index has been developed by the Australian Bureau of Statistics to better reflect the spending patterns of pensioner and other households who rely on income support.

This new index provides another layer of protection for pensioners to help their pension keep pace with increases in the prices of the goods they buy. When the base pension rate is adjusted twice each year in March and September, it will be adjusted according to which has increased more—either the consumer price index (CPI) or the new pensioner and beneficiary living cost index.

Over the last six months, the government’s new pensioner living cost index has resulted in a higher pension indexation increase than the CPI. As a result of indexation the base rate pension is $5.50 for singles and $9.20 for couples combined. This is driven by the six-month movement of one per cent in the pensioner living cost index. Just to compare, over the same period, the CPI only increased by 0.6 per cent.
So pensioners will see an immediate benefit from the application of this new index from 20 September, when the next indexation increase will be delivered. This measure delivers the government’s election commitment to improve pension indexation to make sure that we keep the pension in touch with pensioners’ living costs.

Base pension rates will also continue to be benchmarked against improvements in wages as measured by male total average weekly earnings (MTAWE). From 20 March 2010, the benchmark for single pensioners will increase from 25 per cent—which is its current benchmark—to 27.7 per cent of male total average weekly earnings. The benchmark for a couple will be 41.76 per cent of male total average weekly earnings.

These indexation changes are consistent with the findings of the Harmer review and are guaranteed by legislation.

**Changes to the income test**

New income test arrangements will affect new pensioners entering the pension system after 20 September. I want to emphasise that existing pensioners will be protected from this change.

The need to better target the largest pension payments to those who most need support was reflected in the Harmer review of pensions which found that it was appropriate to ‘limit the flow on of the increase to pensioners with low to moderate reliance on the pension’.

The income test taper rate will increase from 40c in the dollar, to 50c in the dollar for income over the allowable income-free area. The higher income-free area for pensioners with dependent children will be removed. Changing the income test taper will mean the full benefit of the pension increase will flow to those with no or little private income, while making sure those with higher incomes receive proportional increases.

Transitional arrangements will apply for existing part pensioners to protect their current entitlement. These existing pensioners will receive an increase of more than $10 a week in their pension payments, have their payments maintained in real terms, and will remain on this transitional rate until they are better off under the new rules. There is no time limit on these transitional arrangements.

We expect around 70 per cent of all existing pensioners will be immediately better off following the reforms and will move to the new system immediately. This includes more than 90 per cent of all single pensioners.

**Rewarding part time work—the new Work Bonus**

A new work bonus is being introduced as part of the new income test rules to enable pensioners to keep more of the money they earn through part-time work. The work bonus will apply to pensioners over age or service pension age who receive employment income. From 20 September, only half of the first $500 of employment income earned per fortnight will be assessed under the income test. This will enable up to $250 of earnings a fortnight to be excluded from means testing.

In order to facilitate the introduction of the work bonus, new fortnightly assessment arrangements will apply to employment income for age pensioners. The current income test free area—$142 per fortnight for singles and $248 for couples combined per fortnight—will remain and be in addition to the new work bonus.

The new work bonus will replace the pension bonus scheme, which will be closed to new entrants from 20 September. People already registered in the scheme will be able to remain in that scheme and claim a pension and their bonus when they finish working.
Supporting Self-Funded Retirees

The Australian government recognises and appreciates the contribution made by self-funded retirees, not only to their own retirement income, but also to the community in general. The Australian government is supporting self-funded retirees through this reform package by introducing a new seniors supplement. The new seniors supplement will be introduced from 20 September and will be paid to holders of the Commonwealth seniors health card. It will replace the old seniors concession allowance and the telephone allowance (at the higher internet rate).

The seniors supplement will be paid at $785.20 a year for singles and $1,185.60 a year for eligible couples, combined. The final payments of seniors concession allowance and telephone allowance will be made to eligible cardholders as soon as possible after 20 September 2009.

The first instalment of seniors supplement will be made as soon as possible after 20 December 2009, and will be paid in quarterly instalments in March, June, September and December each year. From 20 September 2009, the seniors supplement will accrue on a daily basis. This means that if a person becomes eligible during a quarter, the amount of their seniors supplement will reflect the number of days they were eligible during that quarter.

Similarly, if a person ceases eligibility before the end of the quarter, the amount of their seniors supplement will be adjusted so that they are paid for the number of days they were eligible. This replaces old arrangements that required seniors to be holding the Commonwealth seniors health card on set dates to receive a payment.

Bulk Revaluation

On 20 September 2009, the regular six monthly revaluation of all listed securities, such as shares and managed investments, will ensure that up-to-date asset values are being assessed. The revaluation of listed securities and managed investments occurs every six months on 20 March and 20 September as required by legislation. Around 900,000 pensioners have listed investments affected by the regular revaluations.

On 20 March 2009, the revaluation led to an increase in payments for those age pensioners whose listed securities and managed investments had fallen in value due to the global financial crisis. The last six months has seen an increase in the value of these investments. As the markets have improved and returns have increased, this has had a positive impact on pensioners’ assets and private income. This is good news for pensioners.

For most age pensioners, including those on the maximum rate, the bulk revaluation will have no impact on their payments. A single pensioner will need to have shares or other listed securities valued at more than $250,000 (after the revaluation) to have a small reduction in their base pension following the revaluation. The average pensioner holds just $23,000 in listed securities.

Impact in aged care and public housing

The Australian government has taken steps to provide certainty to pensioners who live in aged-care facilities and public housing. The government will make sure the increase in the base pension is shared between aged-care providers and pensioners.

The government has amended the Aged Care Act 1997 to reset the basic daily fee from 85 per cent to 84 per cent of the single age pension base rate. This means pensioners in aged-care homes will benefit from the pension increase. At the same time, it recognises that care providers also need additional funding to meet costs of services such as nursing care, food and cleaning.
For pensioners in public housing, the Prime Minister has written to premiers and chief ministers stating the Australian government’s expectation that public housing authorities will adjust their rent arrangements to make sure that the entire pension increase flows to pensioners. The premiers have agreed that there will not be a rent increase due to the pension rise on 20 September this year, and they have confirmed that the new pension supplement be excluded from rent calculations.

**Other elements of reform**

Other key elements of the government’s pension reform have been legislated and are coming into operation at a later date. From 1 July 2010, there will be a substantial increase in the amount of pension that can be advanced, from around $500 to nearly $1000 for singles, and multiple advances will be allowed each year.

To help respond to the long-term cost of demographic change and to reflect improvements in life expectancy, the government has taken the very difficult decision to progressively increase the qualifying age for age pension. From 2017, the age pension age will begin to progressively increase to reach 67 by 2023—recognising that people now live longer and spend more retirement years in good health than when the age pension was introduced 100 years ago.

**Conclusion**

Pensioners are currently receiving letters from Centrelink or the Department of Veterans’ Affairs explaining the reforms to the pension system and their new payment rates. They do not need to do anything to receive the pension increases, but if they have any questions or want any further information they can contact Centrelink.

These are the most comprehensive reforms to the pension system since the age pension was introduced a century ago. They are long-overdue reforms which recognise that years of neglect had left many pensioners struggling to get by. They are comprehensive reforms achieved in the most difficult of economic times, because of the government’s commitment and determination to make the pension system fair, adequate and sustainable. They are reforms that have been framed for the future and the challenges of an ageing population.

I ask leave of the House to move a motion to enable the member for Warringah to speak for 19½ minutes.

Leave granted.

Ms MACKLIN—I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Abbott speaking in reply to the ministerial statement for a period not exceeding 19½ minutes.

Question agreed to.

Mr ABBOTT (Warringah) (4.22 pm)—I appreciate the goodwill that the minister brings to this subject and I do not for a second deny the importance of the matters that she has been discussing, but I do think I need to put it on the record again in this House that ministerial statements of this nature verge on abuse of the parliament. Ministerial statements are supposed to announce new policy; they are not supposed to re-announce old policy. They certainly should not be an opportunity for a government to engage in self-congratulation over something that was announced many, many months ago. The government’s new practice of bunging on several statements after question time is clearly a deliberate device to delay the matter of public importance debate and, in so doing, to deny opposition members of parliament the opportunity to get on the news bulletins on the subject of their political choice for the day.

Let me make it very clear, dealing specifically with the substance of this statement,
that there is only one reason for the changes which the minister has re-announced today. Brendan Nelson, the member for Bradfield, forced the government to make these changes. By proposing a $30-a-week increase in the single age pension in the middle of last year, he made it inevitable that the government would follow suit. The pensioners of Australia have one person above all others to thank for the changes which the minister has yet again specified today; namely, the retiring member for Bradfield. This is a significant achievement—one of many significant achievements that the member for Bradfield has. It is to his credit that it is an achievement that he was able to bring about from opposition.

Not for one second do I begrudge the pensioners of Australia, particularly the single age pensioners of Australia, this increase in their money. But it is one thing to make this promise when the budget surplus was thought, when Dr Nelson did this, to be in the order of $20 billion. It is quite another to deliver on this commitment with a budget deficit in the order of $30 billion, as it was when the government finally made the commitment. The pensioners of Australia thoroughly deserve this money, let me make that crystal clear, but the extra $3 billion a year plus that these changes will cost when fully implemented will have to be paid for every year into the future, and there is certainly no provision whatsoever in this budget for the kinds of savings measures, extra revenue measures and additional productivity measures that our country will need in order to make these additional payments as affordable as they should be. In fact, far from giving us the kind of productive economy that would make these extra payments easily affordable, the government has gone backwards by re-regulating the labour market and by proposing a giant carbon tax that would cascade through every aspect of our economy.

Let me say this: paying pensioners more is not a reform; it is just a change. Paying single pensioners 66 per cent of the married rate is a structural change. It is still not a reform, although it is a structural change, but again let me say that it is one that has been forced on this government by Dr Brendan Nelson, the member for Bradfield. The only real reform in the package that has been re-announced today is the government’s decision to raise the pension age, by slow steps, from 65 to 67. I am not for a second saying that that is bad policy. It is good policy. It is such good policy that I have said that the government should go further faster. But it would only have been a courageous reform, as opposed to a rather sneaky by-the-backdoor reform, if the government had had the guts to say that that was its policy before the election rather than springing it, as it has done, on the general public after the election.

Let me deal briefly, in conclusion, with the minister’s charge—and it is the standard line from members opposite. I thought the minister was better than that. I did not think the minister was quite such a slave to focus groups and to the Leader of the House’s edicts as to come in here and repeat the mantra. Nevertheless, I was wrong. She is lesser than I thought. So she has come in here and repeated the mantra about years of neglect. Let me remind her and the House that the real income of pensioners increased by 20 per cent—by more than two per cent a year—over the life of the Howard government. In addition to that, there were one-off bonuses paid to most categories of pensioner and there was a utilities allowance paid to pensioners for the first time. It was thanks to the good economic management of the Howard government that these increases were made possible. It is true that in the year or so before these changes the government has
announced today came into being pensioners were under more pressure. And do you know why? It is because for the first time in 12 years wages rapidly exceeded the cost of living. Pensioners did so well under the Howard government because the growth of wages was so far in advance of the cost of living.

In conclusion, I welcome these changes very sincerely, but I do regret the other changes that the government has made that will make these changes so difficult to afford on an ongoing basis in the years to come. The highest duty of a compassionate and decent society is to make ample provision for the least fortunate, for those who are least able to look after themselves, and I regret that the poor economic management of this government will make it harder in the years to come to give the pensioners of this country the better life that they deserve.

Child Care

Ms KATE ELLIS (Adelaide—Minister for Early Childhood Education, Childcare and Youth and Minister for Sport) (4.30 pm)—by leave—With the announcement of the sale process for the remaining ABC Learning childcare centres late last month it is a fitting time to update the parliament on ABC, as the future of all remaining centres is near final resolution.

When ABC collapsed late last year there was a very real risk that hundreds of Australian childcare centres across the country would have to close their doors at a moment’s notice, leaving literally thousands of families and children in the terrible predicament of having no child care. This is no exaggeration. The collapse threatened over 1,000 childcare centres nationally, which provided care for 120,000 Australian children from almost 95,000 Australian families. And let us not forget the workers, with over 16,000 ABC staff members also left at risk of unemployment.

It is important to remember that each of these statistics represents real parents, who literally woke up one day not knowing whether their childcare centre would remain open or, in the case of the dedicated ABC childcare workforce, whether their jobs would survive the week. With ABC owning 25 per cent of the Australian long day care market, the community was facing the equivalent of a childcare tsunami. The Rudd government’s quick and decisive action averted what would have been a disaster for thousands of families—action that provided stability and continuity of care for families and employees across the country who were affected by the collapse.

Our focus throughout this entire process has, and continues to be, the stability and continuity of care to support the needs of parents, their children and ABC Learning employees. To back this up we provided a $24 million support package to keep ABC centres open while the receiver McGrathNicol assessed their operations. It is true that we could have asserted that this was not a place for government, given that ABC was a private business gone bust. But, after years of inaction by the previous government, we stepped in because it was the right thing to do for the thousands of Australian parents, kids and workers affected through absolutely no wrongdoing of their own. It is fitting that we as a parliament reflect upon how this all went wrong and the lessons to be learnt.

ABC pursued acquisition after acquisition, buying up as many existing centres as they could and expanding their appetite by establishing more and more sites off the back of increasing debt. This meant that every new ABC sign that appeared on the horizon equated to more and more debt. Ultimately, ABC could no longer sustain their rapid ex-
pansion. With a falling share price and a closer examination of their books it became clear that ABC’s true value was significantly lower than previously thought.

When the global financial crisis hit, the ABC collapse consequently came with a thud. Receivers were appointed; properties were assessed. And, as a consequence of this assessment, the receiver announced, on 10 December 2008, that a total of 720 ABC1 Group centres had been identified as profitable and would continue to operate; 55 would, unfortunately, close on 31 December 2008, with all children to be accommodated in neighbouring centres; and 262 centres, including 21 defence centres, were deemed unviable.

As if families had not been through enough, the 262 centres deemed unviable signalled a potential second tsunami and, once again, threatened the care of hundreds of Australian children. In response, the government stepped in with a further $34 million support package for these 262 unviable centres, now known as the ABC2 Group, which became the subject of an expression of interest process, run by the court appointed receiver PPB. I am pleased to report to the House today that, as a consequence of this action, the future of all of the 262 ABC2 Group centres has been resolved, with 236 centres successfully transferring to new operators.

Additionally, I am pleased to report that more than 85 per cent of ABC2 employees have been retained. And, importantly, ABC2 Group centres were sold to 78 different operators, bringing greater diversity into the Australian childcare sector. Currently, 34 of these former ABC centres are operated by not-for-profit organisations, with Mission Australia, the largest not-for-profit buyer, operating 29 centres.

Unfortunately, a small number of ABC Learning Centres have had to close. I know how difficult this must have been for the families and employees involved. And, while it is a remarkable feat that just 26 ABC2 Group centres of the 262 that were originally deemed unviable ultimately failed at the final hurdle, I assure the House that everything was done to exhaust every opportunity to keep these centres going.

In all cases, the government has worked with the court appointed receiver to assist families to access alternative care and to explore redeployment opportunities for staff. And I would like to take this opportunity to acknowledge the role of local members, advocating for their communities, exploring new ways forward and disseminating information locally. I would also like to take a moment to particularly thank the member for McEwen for her efforts in regard to the Broadford centre, working with all levels of government and local families to identify opportunities and avenues for alternative care.

In relation to the ABC1 centres, 705 centres remain in the hands of the receiver McGrathNicol, who has recently announced the commencement of a sale process, with the intention that all centres will transfer to new ownership by early 2010. This is a significant announcement, as it signals the end point of one of the biggest upheavals in Australia’s service industry history.

While the sale process for the remaining ABC Learning Centres is the responsibility of the receiver, the government’s focus remains on stability and continuity of care in relation to these centres. Through the duration of the sale process, the government will continue to work closely with the receiver to ensure that families and employees are fully informed and that their interests are not neglected. To this effect, we have clearly sig-
nalled to the receiver and to any potential purchasers that quality of care is a key consideration and we will be closely monitoring the services that they provide.

I want to assure Australian families and the sector that our vigilant approach to child care in this country will not end come the resolution of the ABC chapter and that we will not sweep the learnings from ABC under the carpet. Let us not forget that it was under the previous government that the majority of ABC’s expansion took place.

In contrast to the previous government’s head-in-the-sand approach to ABC, we have taken strong action to support the future stability of the childcare sector in Australia. Because of our intervention, all new applications for childcare benefit approval now specifically ask questions about the applicant’s financial background and whether they or any person involved in the management of the organisation have been previously associated with an insolvency in the childcare sector.

We have also strengthened administrative processes so that there is now a requirement on the operator of childcare centres to give parents 30 days written notice of their intention to close. And we have passed legislation to enhance the childcare compliance framework and strengthen civil penalties for non-compliance.

More broadly, we are providing greater information to parents and increased transparency in the sector through mychild.gov.au—a comprehensive childcare hub, which includes information on locations, fees, services and early learning programs via a searchable database of more than 8,000 childcare providers. We are also moving to raise quality across the board which will benefit all children in child care.

When ABC collapsed there was a very real likelihood that hundreds of centres faced forced closures literally overnight. I am sure that everyone in this House recognises that this would have been catastrophic for tens of thousands of children and their parents, not to mention the serious job losses in the midst of a global economic crisis and on the eve of Christmas. Given what could have happened, the outcome has been remarkable.

I would like to commend the leadership and quick action of the Deputy Prime Minister and the former Parliamentary Secretary for Early Childhood Education and Child Care, Maxine McKew, whose can-do approach to this fiasco was central to the positive outcome. And I would also like to acknowledge the court appointed receivers, PPB, and thank the Department of Education, Employment and Workplace Relations, particularly the childcare industry taskforce headed up by Michael Manthorpe, and the department officers who worked tirelessly to bring about this great result.

This is a result driven by the shared desire to ensure that parents, children and our dedicated ABC childcare workers were protected from the collapse of ABC. It is a result that demonstrates that as a government we understand the critical importance of early education and child care not only to our children but also to the day to day lives of almost 95,000 Australian families.

I am proud of the government’s swift action in response to ABC and equally proud of our ongoing commitment to ensuring Australian parents and their children have access to high-quality, affordable and accessible early childhood education and child care.

I seek leave of the House to move a motion.

Leave granted.

Ms KATE ELLIS—I move:

That so much of the standing and sessional orders be suspended as would prevent Mrs Mira-
bella speaking in reply to the ministerial statement for a period not exceeding 10½ minutes. Question agreed to.

Mrs MIRABELLA (Indi) (4.41 pm)—I am pleased to have the opportunity to respond to the minister’s statement on ABC Learning Centres. It would appear that the Labor Party have been taking lessons on how to rewrite history and paint themselves as the ultimate reformer and saviour. First, we had the PM’s grossly inaccurate and quite embarrassing summary of economic reform last week, and this week we have a fairytale of Labor heroism from the Minister for Early Childhood Education, Childcare and Youth. According to the minister, Labor held back a childcare tsunami, no less. I assure her that it was all very different in reality. I appreciate the fact that she did not have responsibility at the time when ABC started to unravel, but she should have a detailed look at the history of what happened.

The collapse of ABC was a serious threat to the childcare industry. It had over 1,000 childcare centres providing care for over 120,000 children and employed over 16,000 staff. Yes, it was a major problem that demanded a strong response. Far from averting or managing the problem, the Rudd government stood there and let the ABC tsunami wash over the industry. In reality, the government had plenty of warning about the collapse of ABC Learning. It had plenty of time to ensure contingency plans were in place. In fact, the Deputy Prime Minister assured parliament that a task force had been in place since September 2008 and that contingency plans were well in hand. We kept asking what these contingency plans were. In October 2008, I made repeated calls to the government to outline their contingency plans, as the financial collapse of ABC Learning seemed inevitable and fairly obvious, following the cessation of trading on the stock exchange several months earlier.

Yet, when the inevitable happened and ABC Learning went into receivership on 6 November, the government was caught extremely flatfooted. The so-called contingency plans that we had been promised amounted to nothing more than a quick fix with the allocation of $24 million of taxpayers’ money and the taking of a hands-off approach. So much for the so-called contingency plan. No wonder they kept it under wraps—they actually did not have one.

Once the dust had settled a month later, ABC was it divided into the ABC1 Group, which included 720 centres that would continue to operate under the administration of the receiver, and the ABC2 Group, which included 262 centres that were deemed unviable and which required an additional $34 million to continue to operate until their future was determined. Many thousands of families faced uncertainty as the future of the ABC2 Group was decided. In addition, 55 centres were forced to close almost immediately, a very unfortunate and regrettable situation that affected many families.

Yet, with all this turmoil in the childcare industry, what was the Rudd government’s response to help provide security and certainty? Apart from the short-term fix of throwing tens of millions of dollars at the problem so that families were not immediately left in the lurch, what was their solution? Did they release details of the vacancy rates across the country so that the industry had a better indication of where there were supply and demand issues? No, they did not. After repeated requests they have continued to refuse to release the data on vacancy rates for childcare centres across the nation. In fact, there has been no data released publicly since April of 2007, under the former government. You have to ask the question: why do they refuse to do so?
Did Labor review their flawed election promise to build 260 shiny new childcare centres across the country? No. They ploughed ahead with planning to build the first 38 of these centres, although not one has yet been completed. Just stop and think about that for a minute. We had childcare centres closing, anecdotal evidence that there was a serious oversupply of places in some areas and evidence that there was a lot of commercial interest in purchasing even those ABC centres deemed unviable, but we had the government, driven by blind ideology, pushing ahead with a promise to build even more centres and stubbornly refusing to provide details of vacancy rates. It beggars belief.

Then we had the whole process of the sale of the ABC2 Group, which was conducted by a court appointed receiver that the government requested—a receiver, PPB, that was headed by Mr Stephen Parbery, who, until his appointment, was a consultant to the government task force that was supposed to be coming up with an ABC Learning contingency plan. First, the government set a ridiculous deadline of 31 March for the sale of ABC2 centres. The government’s task force head, Michael Manthorpe, told Senate estimates on 25 February that the receivers would indeed meet the deadline. Less than three weeks later the receivers requested an additional six weeks to finalise the process.

The whole sale process of the ABC2 Group lacked transparency and accountability. More than 290 buyers ended up pulling out at the final offer stage. My office was inundated with potential buyers who had been forced to pull out because they simply were not provided with the financial information they required to make a sound business decision. I am talking about very basic information like lease details, room sizes, licence transfer arrangement and details of staff entitlements. The Rudd government apparently had four staff working with PPB on a daily basis, but the public and the industry had very little feedback on the sale process.

Despite the fact that it was being underwritten by the taxpayer, there was no transparency whatsoever. We know that some centres were apparently sold for very nominal rates. We know that some centres went to non-profit organisations. We do not know how much they paid for them or on exactly what basis the decision was made to award the centres to those organisations. Nor, indeed, do we know on what basis any of the applications from private companies were put above others. There are still many questions unanswered.

The minister comes before the House today with an ‘all’s well that ends well’ approach in her ministerial statement, which really sheds no further light at all except to tell the House what we read in the papers last week: that the sale process for the ABC1 Group would commence shortly. I thought the minister might outline exactly how the $56 million in taxpayers’ funds was ultimately spent—many parents and taxpayers out there are looking for those answers; whether there were any funds left over; and how much ultimately was used for both the ABC1 and ABC2 groups of centres. I thought we might finally get some accountability on the whole process, but that was obviously wishful thinking. That is not the way Labor operate.

Instead, what we got from the minister today was a fairytale with Labor as the heroes: ‘It’s all okay, because we said so. Aren’t we wonderful? Give us a pat on the back.’ Of course they threw in the obligatory accusations that the former government did nothing about child care. They have not realised that they are in government, not in opposition, and that their job is both to govern and to be
answerable for their spending. Instead, they refuse to accept responsibility for the tens of millions of dollars they have spent in the area of child care with this ABC problem.

Let me remind the minister that it was the coalition that introduced the childcare benefit. It was the coalition that uncapped family day care and outside school hours care places so providers could set up to meet demand. We introduced the CCTR to prevent parents from having high out-of-pocket costs; introduced the childcare access hotline so parents could ring one line to find out where places were available; and started work on the childcare management system, which is a huge administrative weight lifted off the shoulders of providers, who can focus more on children than on paperwork. We also released hot spot data to show where the market was tight.

Perhaps the most misleading comment in the minister’s statement, however, is her assertion that the government have ‘taken strong action to support the future stability of the childcare sector’. On the contrary, the government’s controversial regulation impact statement in relation to the proposed so-called reforms has been an absolute disaster and their lack of consultation with parents and failure to reveal exactly how much their reforms will cost have plunged the industry into even greater uncertainty. In fact, just yesterday the management of ABC Learning warned that the government’s reforms could force up the cost of child care by as much as $20 a day. This comes on top of an independent economic analysis that found costs would rise by at least $13 a day.

Yet the government has consistently said it would only be a few dollars a week, and the minister arrogantly has dismissed concerns by claiming that the government will share the cost of price increases with parents. This is not entirely true, as the CCR is actually capped. It also conveniently ignores the fact that any increase families are forced to pay will be a breach of Labor’s pre-election commitment to slashing childcare costs. The minister, who is in the chamber, was part of the pre-election promise that the Labor Party, when in government, would slash childcare costs. We have seen anything but. Far from providing stability for the childcare industry, the Rudd government has only increased pressures on costs for families while failing to consult with the industry or demonstrate exactly how quality improvements will be made. *(Time expired)*

**BRIGHTON GRAMMAR SCHOOL**

Mr LINDSAY (Herbert) (4.52 pm)—Mr Deputy Speaker—on indulgence—this afternoon in the gallery we have Brighton Grammar School. I welcome them to the parliament. I thank David Francis for contacting me and indicating that the school would be here. We will shortly do a behind-the-scenes tour. Welcome, everybody.

**MATTERS OF PUBLIC IMPORTANCE**

**Remote Indigenous Housing**

The DEPUTY SPEAKER (Hon. BC Scott)—The Speaker has received a letter from the honourable member for Cook proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The importance of delivering remote Indigenous housing in an efficient and affordable way.

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 MORRISON (Cook) (4.52 pm)—The government’s treatment of Indigenous Australians in remote areas of this country with respect to housing is the first marker of what
the rest of our nation can expect from the Rudd Labor government. Our first Australians, I am sad to say, have truly become the first victims of the government’s cynical approach to government in this country—of rhetoric over reality—and their incompetent failure to deliver what they promise. The Strategic Indigenous Housing and Infrastructure Program is a national disgrace of which this government should be ashamed but, instead, refuses to accept responsibility.

In September 2007, the previous government signed an MOU with the Northern Territory government as part of the much acclaimed Northern Territory intervention. The delivery of housing was a central component of our promise to Indigenous Australians as part of this unprecedented and highly effective initiative. On 12 April 2008, the Minister for Families, Housing, Community Services and Indigenous Affairs affirmed this agreement and promised $647 million to build 750 houses. That included $547 million of federal taxpayers borrowed money—the government were the senior equity partner. Work was to commence by October 2008 but this date, like many, would come and go. During the period between October and December 2008, $25 million further was allocated to the program’s budget. A new date, of February 2009, was established and that too passed—however, not without the Prime Minister coming into this place and, once again, making promises that he has clearly been unable to deliver. July came and went, and in this House just a few weeks ago I asked why, after 18 months, not one house had been built under this program. Of even greater significance was the fact that, despite not one house having been built under this program after 18 months, they had managed to achieve one thing—and that was to spend $45 million of taxpayers’ money without building a house.

This is a terribly difficult area. The government’s response has been to say, ‘At least we promised more,’ but they fail to see that promises matter little to the Australian people if they are not translated into promises delivered on the ground. In this case it is houses for Indigenous Australians in remote areas. This is a difficult area. Of all issues it is most unwise to raise expectations among Indigenous people in this country. There are many, many difficulties, of which I am sure the minister is aware; but maybe she is not. The government either were unaware of these complications when they announced this program or simply unwise in making these promises—in writing cheques that they could not cash in the form of new housing for Indigenous Australians living in remote areas.

But there were many warnings. In April, the minister’s own parliamentary secretary, Senator Ursula Stephens, issued a warning that has remained secret for a year—a secret memo. Senator Stephens warned the minister that the program had fundamental problems. Alarmingly, the memo said

No houses will be built under this program until 2011—three years after the intended start date—and it is unlikely to meet its 20 per cent target for Indigenous employment.

This memo was written in April 2008, not long after the program was announced. The memo also said that lawyers at the gathering suggested that tendering processes were anti-competitive and could be a breach of the Trade Practices Act. Not even the construction industry, who stood to gain from the project, thought it was a good idea. Representatives of the industry were said to be flabbergasted by the approach and likened it to a shoddy defence procurements model. Most extraordinary of all, this was a report...
by one of the Rudd government’s own senators.

I note that the senator who wrote the memo has been moved on to other duties. Then there was Jim Davidson, who was employed by the managers of the program, Parsons Brinckerhoff. Jim exposed the fact that 750 houses would not be built at the cost provided by the government but that only 300 houses would result. He also warned that 70 per cent of the program funds would go on indirect costs, such as travel costs, administration and consultant fees. Jim went the same way as the senator; he had his contract terminated one month ago. Then there are the consultants themselves: Kerry Gearman and Bronwen King, who were appointed by the Northern Territory government to undertake some work. In the Australian on 19 August we hear about what they got up to. The article said that, following the dumping of Mr Davidson:

...two former public officials spoke of their despair at the massive bureaucratic wastage and incompetent management of remote housing they observed during their employment with the Territory government.

Tasmanian couple Kerry Gearman and Bronwen King were employed as remote audit building managers by the Department of Planning and Infrastructure, and later were seconded to work with the body in charge of public housing in the Northern Territory. The couple, who were paid a salary of $71,000 each, told The Australian they spent five months, along with five other managers, doing “absolutely nothing” during their employment with the NT government.

“They paid us wages for months to basically do nothing, because there wasn’t anything for us to do,” Mr Gearman said. “We were told to do a bit of research, go and introduce ourselves to people, but essentially we were given nothing to do.”

This couple also left the scene, but this time of their own volition. They also said, it was reported, that there were ‘many examples of bureaucratic wastage and inefficiency in the Northern Territory government’s program’.

The article continued:

In one instance, seven remote audit building managers employed by the NT government were each given new Toyota Hilux utes, worth more than $50,000 each, to be used twice a year for trips to remote central Australian communities.

The couple said:

“When we left, the cars were sitting out in a carpark— and forgive me for the following language, Mr Deputy Speaker, but I am quoting the consultant here—

collecting bird shit and leaves,” Ms King said. “From the time I got the car in March until I left, the vehicle had only done about 36km.”

As I said, Kerry and Bronwen quit. Then there was Alison Anderson, the Labor minister responsible for the program in the Northern Territory. To her great credit, she was sick and tired of warning this government and said enough was enough. She resigned in absolute disgust. She was prepared to tell the truth and refused to sign up to Labor’s efforts to spin this problem away. In the Northern Territory News on 15 August she said this:

“Labor lives on the Aboriginal vote, it talks constantly about Aboriginal people, but what it is really good at is spending Aboriginal money,” she said.

The article continued:

After being promoted to cabinet following last year’s election, Ms Anderson (pictured) said she had spent 12 months in the inner sanctum— I do not envy her—

“watching, listening, learning”.

“There is money being spent, always money, rivers of money—but it never seems to reach the people on the ground.”

She resigned and she walked away from Labor’s machine of spin that was seeking to cover this up and say that all was well.

Early last month, in contributing to this debate, Professor Marcia Langton hit the nail
on the head when she said, talking about this program, that the Northern Territory was a ‘failed state’ run by a ‘rotten government’ obsessed with looking after its political mates and doctoring its own image. If I had not known that she was talking about the Northern Territory government—had she not mentioned that—then I think it would be reasonable, for all in this place, to ask the question: which Labor government in this country was she referring to? Because they all pretty much relate to that description: they are obsessed with looking after their political mates and doctoring their own images—each a failed state run by a rotten government.

But what of the federal government’s response to this? They are the senior equity partner here. They are not some passive partner in this project; there are hundreds of millions of dollars at stake in this program which has been put up by the federal taxpayer and for which they are accountable. They are the custodians of $572 million of federal taxpayers’ borrowed money which is at risk in this program. The response of the Labor senator for the Northern Territory was: “The SIHIP team are doing an incredibly good job,” …

That was the response of the government senator for the Northern Territory in relation to what I have just exposed here and spoken about in this place today. She said, ‘I think they’re doing a great job.’ They are doing a great job when they go out there and buy Hiluxes and let them go out for a little drive, when they pay people $71,000 to do nothing or have 70 per cent of fees just go in waste and mismanagement—this is apparently a ‘great job’. It is a bit like she was saying: ‘There’s nothing to see here. You don’t have to look.’ It reminded me a bit of Richo the other night talking about tape recordings in New South Wales—it was a case of: ‘There’s nothing to see here. We don’t need to look here. You can look somewhere else.’ And that is what Senator Crossin was doing in relation to her assessment of the scheme.

But what of the minister who sits opposite me here today, the Minister for Families, Housing, Community Services and Indigenous Affairs? I refer to the subsequent articles that appeared in the Australian again which reported on her response to all of this. Remember that we are now in September and this program was announced in April. Deadlines have passed on numerous occasions and still, after all of this time, not one house has been built in this program. I will again refer to what former minister Alison Anderson was reported as saying in this article. She said:

“I warned her that she had to watch her money and it’s obvious she didn’t,” …

“I think she’s been warned and she didn’t keep an eye on her money and for her to say, ‘I’ll keep a close eye on it now’ just isn’t good enough.”

The article goes on to say:

Ms Macklin yesterday warned—here it was: a stern warning, all this time later—the NT government that if it did not improve its performance—well, that would not be hard given where it is now—in the management of SIHIP Canberra would take over the project. Ms Macklin moved to embed commonwealth officials within SIHIP teams …

So they have sent the bureaucrats up there and it is all going to be well—the bureaucracy is going to cure the bureaucracy in the Northern Territory; that is the mission that they have been sent up to do. So, rather than taking responsibility for this and going and fixing this thing, she has sent an envoy from the bureaucracy to go and embed themselves in the Northern Territory bureaucracy. This is the answer.
So basically what the minister has said here is: ‘I’m going to warn you strongly. And if you do this again, you know what might happen? I could well warn you again. In fact I may even write a very stern letter to the Northern Territory government.’ So they had better watch out up there in the Northern Territory because the minister is on the charge—she is embedding officials and she could very well warn them again if they do not move forward and actually do something in sorting out this program, which has been an absolute disgrace and an absolute tragedy in terms of what is happening.

One of the points I would make on this is that what the government is trying to do here is what it has instructed its backbenchers to do in relation to programs when things go wrong. When things go wrong, whether it is the ‘Julia Gillard school halls program’ or whether it is this program, whose fault is it? Is it the fault of those who sit on these benches here in front of us? Is it their fault? Is it about their accountability and is it their responsibility? No, we are going to blame the states and we are going to blame the territories—that is their job. But I thought we were going to end the blame game after the last election. Apparently we were going to end the blame game. But, no, the instruction, the message they have sent their cyborgs to run out to the doorstep interviews with every morning—they go out there and repeat the lines—is: ‘No, don’t look at us. We just spend the money. We just borrow the money, spend the money and hand the money over. We are actually accountable for the money, but don’t look at us when all of this goes wrong.’

Perhaps the government is going to accuse us of nitpicking—maybe we are nitpicking with a $570 million program. When it comes to this program and all the other programs we have pursued in this place, where we have highlighted example after example after example of waste, mismanagement and reckless spending which is going to drive up interest rates, there are plenty of nits to pick with this government. They are over every single program they have got their hands on—because their spending is completely and utterly out of control. I would say about this program: the intention of getting Indigenous Australians into quality housing is an admirable one—so admirable that we supported this funding. That is why we are so annoyed about the failure to deliver. We want to see these homes built and we want to see the conditions of Indigenous Australians improved in this country. We are more than sorry that this has happened because we want to see these things actually translated to action on the ground.

One of the most upsetting things I have seen with this program is that it has meant Indigenous Australians losing faith in the Northern Territory intervention. This was a promise that sat at the heart of this intervention that enabled us to move forward and make sure the children were getting fed, getting looked after and getting health checks. The faith of Indigenous Australians in this program has now been shattered by the absolute incompetence of this government to follow through on its core promise. For that, probably more than anything else, the government should hang their heads in shame. They have absolutely trashed the intervention through their incompetence and failure to deliver this program. (Time expired)

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (5.07 pm)—I appreciate the opportunity to speak on this issue in the House because if there is one thing I do agree with the member for Cook about it is that this whole issue of getting housing right is absolutely critical to closing the gap. That is why we are determined to make sure that we not only build more houses, rebuild
houses and upgrade houses but also implement a major program of reform.

As I have made very clear in this House over the last few weeks, as part of this program, which is called SIHIP in the Northern Territory, and as part of the National Partnership Agreement on Remote Indigenous Housing, we are, with the Northern Territory government, determined to deliver on the commitments that we have made. We will see 750 new homes built, we will see 230 rebuilds of homes and, just as importantly, we will see 2,500 refurbishments of houses in remote parts of the Northern Territory. All of this is scheduled to be done by the end of 2013, which was the date for the original program.

As we roll out what is an unprecedented level of activity in the Northern Territory, I want to make it clear, as I have previously made clear in this House, that new houses have continued to be built: 102 houses have been constructed in the Northern Territory since December 2007 while we have been getting the new SIHIP underway. So 102 houses have been built over the period since the last election in remote parts of the Northern Territory. This compares to 94 houses built in remote parts of the Northern Territory in 2004-05, 51 houses in 2005-06 and 64 houses in 2006-07. They are the facts. We have been building, as these figures demonstrate, more than the previous government did in its last three years while simultaneously setting up a major new program which will double pre-existing construction outcomes in this area.

We do intend to deliver this with major reforms and it is true that it can be very tough going to deliver these major program reforms. Nevertheless, I am determined to make sure that we address the bottlenecks and to make sure that we get the program meeting its targets. That is why I sent a senior official from my department to work with her Northern Territory counterpart to forensically examine the program and report to me on the changes that needed to be made. She and her counterpart in the Northern Territory did an excellent piece of work for both governments and the review found that the SIHIP design is in fact sound. It also found that the program targets that have been set of 750 new homes, 230 rebuilds and 2,500 refurbishments can and will be met.

Like everyone concerned in this area, I have been wanting to make sure that we make better progress and the findings that this program has been delayed for around three months have been of particular concern to me. But the review that was done by senior officials of the SIHIP highlights that the previous Australian government housing program, called the National Aboriginal Health Strategy, actually took an average of 19 months from the initial visit to the community to the start of construction. I think this demonstrates that getting these very large programs underway does unfortunately take a considerable period of time.

The other area that I was particularly concerned about was the findings of the review that the governance of SIHIP was overly bureaucratic. I have already taken urgent action to address these concerns and to get the program back on track. We have already taken action to reduce the administrative costs of the program from 11.4 per cent to eight per cent. I have taken what is the very unusual step of insisting on a stronger and more hands-on role for the Australian government in the delivery of the program. This, too, was recommended by the review. We have put a very senior Commonwealth officer into the Northern Territory, and a senior officer will remain in the management team to make sure that the targets that we have set are delivered and that the housing program does what it is supposed to do. We are also going to take
another unusual step and put Commonwealth officers into the three alliance teams.

Unlike what was said in the contribution earlier, work has in fact started, and did start in May, in Groote Eylandt, in Nguiu in the Tiwi Islands, and in Tennant Creek. In fact, on the Tiwi Islands some refurbishments have now been completed and work is continuing on the next lot of houses. On Groote Eylandt the first refurbishments have also been handed back, and work on the next 75 refurbishments, across Groote Eylandt and Bickerton Island, is currently underway.

I have had a chance to see the work underway in Tennant Creek myself. I think there are eight currently occupied houses that are in the process of being rebuilt, and 78 homes will be substantially rebuilt over the next 18 months. Those will include houses that were previously uninhabitable. Just imagine what that actually means for the people concerned, in real, live activity in these houses: it means that we are going to have new kitchens in these houses so that families can cook healthy meals for their children, and new bathrooms, where their children can be bathed. These may not be things that are highlighted by the opposition, unfortunately, but they are very important to the health and wellbeing of the families concerned.

There will be 230 rebuilds and, together with the construction of 750 new homes in remote parts of the Northern Territory, that will add very significantly to the housing stock and make a significant impact on the terrible overcrowding that we found ourselves confronting when we came to government. Unfortunately, we have not heard any responsibility taken by those opposite for this terrible level of overcrowding. The program will also capitalise on the significant opportunities to completely rebuild and make functional houses that we have to acknowledge are currently unfit for occupation. These rebuilds—and I think this is an important thing for us all to focus on—will be able to be done at around half the cost of constructing a new home.

So we are delivering now. I acknowledge there has been a delay—a delay that has been very frustrating for everybody concerned—but I am pleased to say that work is now underway and we intend to increase the pace at which this work happens. Of course, to overcome many, many years of neglect—a very long period of neglect—we have had to not only make the commitment that we have made in the Northern Territory but increase the commitment to remote Indigenous housing right across the remote parts of Australia. The government has allocated $5.5 billion over the next 10 years.

This is an unprecedented level of investment, and one of the major reforms that we are insisting on is security of tenure, to protect the assets that this level of investment will produce and, just as importantly, to make sure that, over time, the ongoing repairs and maintenance are done. Secure tenure is central to our Indigenous housing policy. This should not be surprising. It underpins public and private housing markets right across the country. Just going into a community, building a house and then leaving the rest to fate has not worked and will not work.

In the past we have seen an absence of secure tenure, and we have seen millions of dollars poured into Indigenous housing, with abysmal results, because of a lack of responsibility for future repairs and maintenance, let alone a responsibility for collecting the rent. The facts are that in many cases these houses are now unlivable. Asset life spans were cut short and tenants were the losers. This is really why I am insisting on secure tenure, just as we do in the cities and towns. In those cities and towns, of course, mostly
we require freehold. In these remote Indigenous communities, we are insisting on a lease agreement so it is very clear that governments have the legal right to go into a property to carry out repairs and maintenance, and also to make sure that the tenants have rights but also responsibilities.

Now in the Northern Territory we have long-term leases signed in the Tiwi Islands, Groote Eylandt, Tennant Creek in the town camps, Wadeye, Gunbalanya and Maningrida. The long-term lease in Galiwinku will be finalised very shortly, and I have just recently been advised that the traditional owners at Ngukurr have indicated their interest in signing a long-term lease. So we do now have many Aboriginal communities demonstrating their willingness to grant leases so we can not only build houses but make sure there is a long-term responsibility by governments to maintain those houses. In the Alice Springs town camps I am seeking to finalise 40-year leases. It is the case, I am sorry to say, that the previous government walked away from these town camps, claiming that a solution was important but too difficult. I am pleased to say that in the APY lands in South Australia we have signed 50-year leases and funds have now been allocated to make sure that housing can be built. We have got each of the other relevant state governments signing up to the necessity of secure tenure, to guarantee that that responsibility will be there for many years to come.

We have committed to these major reforms because we know just how important housing is if we are to close the gap. We want to not only build houses, rebuild houses and upgrade existing houses; we intend to deliver it with these major reforms, with the delivery of secure tenure and also with proper tenancy management to extend the life span of houses and to make sure that Indigenous tenants are guaranteed access to repairs and maintenance. We also intend to deliver opportunities for Indigenous people to get decent levels of employment. We have demonstrated our commitment to step in at an early stage to make sure that we get programs administered by the states and territories back on track. We are committed to meeting our targets, both in SIHIP and the national partnership on remote Indigenous housing. We are committed to making sure that the living standards of Indigenous people across Australia, especially in remote Australia, are progressively improved. We intend to do this, working with Indigenous people, because we are committed to closing the gap.

Mr ABBOTT (Warringah) (5.22 pm)—In last year’s historic apology to the Indigenous people of this country, the key commitment for the future was the establishment of nothing less than a war cabinet to address the problem of housing. It was not business as usual. It was not just another government program. It was something as dramatic as a war cabinet to address this crisis. At the time of the intervention, we were told by the NT government that there were no fewer than 4,000 houses missing in the Aboriginal communities of the Northern Territory. So, having promised on this great day in the life of our country, this historic day for all of us, a war cabinet to address, amongst other things, the 4,000 missing houses in the Northern Territory, what did we get? We got the Strategic Indigenous Housing and Infrastructure Program to give, it was said, 750 new houses, 230 rebuilt houses and 2,500 renovated houses for the cost of $670 million.

So we had the apology in February and we had the strategic housing program announced in, I think, September last year. One year later, what do we have? Not a single new house has been built. According to a private briefing by a senior officer of the Northern Territory housing department, about a half a
dozen slabs at most have been laid. Already, $45 million has been spent, and nothing of substance has been done. I will tell you what has happened, though: a very fine Aboriginal person, a great servant of her people and her country, Alison Anderson, has resigned from the Northern Territory government. This is what she said:

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

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

She went on to say:

I want to tell you what is wrong at the heart of the Labor government. It is not so much the weak ministers, the constant fighting or the worry about the interests of the party and its friends. It is Labor’s problem with truth.

The Minister for Families, Housing, Community Services and Indigenous Affairs, who just spoke, is a person of goodwill. She is a person of decency and goodwill. But she knew that there were problems, because she was warned by none other than her own parliamentary secretary, Senator Ursula Stephens. Senator Stephens warned:

… that the construction sector had likened the scheme to a “shoddy defence procurement model”, which was likely to lead to the “insidious” alliances between contractors that sparked a royal commission in NSW over high-level corruption in public tenders.

Senator Stephens also predicted:

… it would inflate the cost of housing in remote communities and was unlikely to deliver a single house before 2011, or to meet its target of 20 per cent of indigenous jobs in construction.

Senator Stephens said many months later that her ‘concerns had been addressed’ and she ‘had not had any cause to raise further issues with Ms Macklin’. Senator Stephens, to her credit, raised the problem; Minister Macklin, to her discredit, dismissed the problem—and Senator Stephens, to her discredit, has accepted that falsehood from her senior colleague.

What disappointed me so much about the speech that we just heard from the minister was this: confronted with a social disaster of horrific magnitude and confronted with these kinds of concerns from her own colleagues, did we hear any urgency in her speech? Was there any note of real anxiety in her speech? Did she tell us about all of the things that she was personally doing to make things different? No. There was the complacent assumption that sending a bureaucrat to the Territory was going to make it all come right. This was the speech of a public servant—not of a real public servant but of a bureaucrat. It was not the speech of a leader. I will bet that those words that were read out to this parliament in such a desultory fashion had been drafted for her by the bureaucrats who have led her to the predicament which she is now in and which is leaving the Aboriginal people of the Northern Territory in such a sad situation.

Again, I am not questioning the minister’s goodwill; I am questioning the competence with which this program is being administered. I am not trying to make a partisan political point here. I accept that all of us have failed over the years in this area. But there was a promise, concurrent with the apology, that things would be different. It is just that today, and since, there has been no evidence of anything other than business as usual on the ground. I am raising these matters not because I want to make a fine moral fellow of myself but because I want to mitigate the
unfolding disaster and I want us all to learn from the mistakes of the past and the present.

The fundamental problem is that this government has gone into this program with a whole bunch of conflicting objectives. The short-term objective of getting houses built has been radically undermined by the long-term objectives of consulting with local people and getting the title right. We have to get the title right but, by going about it the way she has, the minister has guaranteed that, in the process, we do not get the housing right. We have unhoused people because this minister is worrying about too many objectives at once. Get them housed and then worry about the title. That would be the best way to proceed.

Then we saw a program that was structurally unsound—six layers of management and the private sector engaged without a specific job to do. Is it any wonder that the private sector are now padding out the payments for their work with, according to the same senior official of the Northern Territory housing department, a 20 per cent mark-up for profit and 20 per cent mark-up for ‘corporate overheads’—whatever that is. So at least 40 per cent of this money, even on the briefing of the Northern Territory housing department, is not going to deliver houses on the ground.

So the current situation is that we have a Commonwealth officer embedded but no idea of what difference these Commonwealth officers are making or what their precise role is. We have the promise from the minister that administrative costs will be reduced from 11 per cent to eight per cent but no statement as to why they were so high when this thing was put into place and no explanation as to how we can have more bureaucrats put into the system and the program and at the same time cut the administrative costs. We have had housing costs go up from $350,000 per new house to $450,000 per new house. To cover these new houses at their higher costs, we have had the infrastructure component ripped out of the program, so there will be no adequate sewerage, roads or water for these new houses. I still think that, on the most optimistic possible assumptions, they are $50 million short, at least.

I will tell you what will not happen: we will not get the promised houses, we will not get them built any time soon and we certainly will not get them built for the $670 million. The opposition is going to return to this. This is too important to be just business as usual in this parliament. We will keep the closest possible eye on this program. Someone deserves to be held to account for these failures. It is not all the minister’s fault, but she is the person with the political carriage of this program and she must make it right.

Mr SNOWDON (Lingiari—Minister for Indigenous Health, Rural and Regional Health and Regional Service Delivery) (5.32 pm)—I was enthralled by the shadow minister’s contribution, for a number of reasons, one of which is the patronising way he speaks about the Minister for Families, Housing, Community Services and Indigenous Affairs. I think this is a very disingenuous approach to the issues. There is also a failure to admit or accept any responsibility for the failures of the Howard government over 11 years to do anything about this social disaster of horrific magnitude, as he described it.

Let us be very clear about it. In 1996, John Howard became Prime Minister. In 2007, what did we have? Did we have a dedicated housing program which would address the issues which are now the subject of this discussion? No, we had a periodic arrangement where annually the Commonwealth government would provide moneys to the Northern Territory government for hous-
On their best year—their very best year, 2004-05—they delivered 94 houses and in 2006 as few as 51 houses. So what the hell were they doing over that 11-year period? If it is such a big problem, why wasn’t it a problem then? The reason why we have the problem now is the failure of previous governments, particularly over the period of the Howard government, to do anything substantial about Indigenous health, Indigenous housing or Indigenous education. And that is a matter of public record. There can be no doubt about it. I have been in this parliament off and on for 22 years—and I have forever been talking about the issue of housing and the need to address issues of abject poverty in Aboriginal communities, to address the issues of the social determinants of health: employment, education and housing.

During the Howard years it was no different. What did we get? We got Mal Brough marching into the Northern Territory like some jackboot colonel, making pronouncements about what we should be doing about housing in the Northern Territory and then, interestingly, picking on Wadeye and saying, ‘This is a disaster.’ And to that extent he was correct. It was a social disaster. It remains a social disaster in the context of housing. There are 20 or 30 people to a house. So what did he say? He said, ‘Well, I’m going to build some houses in Wadeye.’ So he spent $21 million in two communities near Wadeye—Wudapuli and Nama—for the purpose of housing. He built 24 houses. That is an average cost of $875,000. What did he say when he commenced this process? How much was it going to cost to build these houses? It was supposed to cost $300,000. So the cost blew out from $300,000 to an average cost per house of $875,000. Who, I wonder, accepted responsibility for that? Did we hear in the halls of the then government arguments for the minister to be held responsible for that cost? We heard no such thing. In fact, he stood in this place defending his position day in and day out. And that is the problem. It is very easy to cast the stones and very easy not to accept any responsibility. And that is the problem: a failure by respective governments to accept real responsibility for addressing the needs of Indigenous housing.

Significantly, in September 2007 the then Minister Brough signed an MOU on Indigenous housing with the Northern Territory government. As part of that MOU there was this:

The Australian Government will have no further responsibility for the delivery of Indigenous housing in the municipal essential infrastructure services in the Northern Territory from 1 July 2008. So whilst making a heap of money available in 2007, henceforth after 1 July 2008 the Commonwealth was to accept no responsibility for Indigenous housing in municipal essential infrastructure services in the Northern Territory. Now does that sound like a plan? Or does that sound like a great abrogation of responsibility? It was an abrogation of responsibility. The previous government was prepared to walk away from its responsibilities to maintain and improve housing, with no performance indicators and no accountability checks.

In stark contrast, this government, as the minister has said, has taken the matter extremely seriously. It secured a major remote Indigenous housing agreement with the states and the Northern Territory, which—rightly so—is groundbreaking in both its quantum and its underlying reform framework, with $5.5 billion over 10 years. There is no doubt that, if you look at the program which is proposed and is being put in place in the Northern Territory, there have been issues. Unlike the opposition, the minister has confronted those issues, as she should. She has had a review of the housing program.
in place in the Northern Territory, as she properly should. She has not tried to shift responsibility. She has accepted her responsibility as minister by making sure that changes have to be made. And these changes will be made.

Despite the protestations of the shadow minister I am absolutely confident that we will see the 750 new houses, 230 rebuilt houses, and 2,500 refurbishments. They are sadly needed. I would hope that we could see the need—just once—for a bipartisan approach to developing strategic options for the future. Instead of trying to throw stones across the corridors here about the performance of the government and the terms of the housing program, reflect a little on your own performance. Come to an understanding that you were abysmal failures and then ask: ‘How can we move ahead together? How can we work with you to make sure we all get the outcomes that this nation needs for its Indigenous communities? How can we work with you to make sure that we can properly close the gap in life expectancy between Indigenous and non-Indigenous Australians?’

Let me remind you, Mr Deputy Speaker—lovely bloke that you are!—that in fact that gap is around 11 years for men. Think about it, and the chronic overcrowding that exists in many communities. Just put yourself in the place of a parent when there are 20 or 25 filled in a home and you are expected to provide good nutrition, good home care, to set a good example and to provide a capacity to do school work. How can it be? So we cannot just look at housing on its own. We have to understand its really dramatic importance if we are properly to address the issues to do with poverty, including the prospects of people to get a decent education and the possibilities of kids getting healthy, because they have a direct impact. If we cannot address those issues then we are going to continue to put bandaids over sores which should be prevented in the first instance by doing our jobs collectively in this parliament. We can do it, if we are prepared to work together.

I do not think that blaming one another is very smart. We know that the Commonwealth is working cooperatively with each state and territory government to try to make a material difference to closing the gap. I would hope—just hope—that the opposition will see its way clear to say: ‘This is a damn good thing. At last we have got a government that is prepared to make agreements with state and territory governments on how to improve the outcomes for Indigenous Australians.’ (Time expired)

Mr RAMSEY (Grey) (5.42 pm)—The 18 months since the election of the Rudd government and its commitment through the apology to Aboriginal Australia could be summed up in one old adage: talk is cheap. When we gathered here last year in a show of bipartisanship for the apology, and the Prime Minister pledged to ‘close the gap’, I inwardly asked myself what the future would be like. What would this commitment mean? Well, so far, not that much.

A lot has been said about the gross inefficiency of the housing program in the Northern Territory, the $672 million program which is now expected to deliver less than 300 houses, the administrators given jobs with nothing to do, the new Hi Luxes, and the building supervisors with nothing to supervise. In short, it is a disaster—another disaster of management to go with the Building the Education Revolution, Grocery-Watch, Fuelwatch, and shortly, I suspect, by the National Broadband Network about which I spoke in this place yesterday.

As the member for Grey, I represent all of South Australia’s remote Aboriginal population. In particular, though, when we talk about government commitments to housing, I represent the APY Lands. The government
has made a commitment in this part of the world to $25 million worth of housing projects in Mimili and Amata. I can report to the House that, as of today, there is no more to show for these commitments than with the housing program in the Northern Territory. Despite the agreements reach with the APY Council in August last year—more than 12 months ago—not one new house has been built under the program. Housing has been erected on the lands, not in the nominated communities, but rather at Indulkana. I believe some are about to be erected in Fregon. The great irony here is that these houses are funded under the previous government’s building program.

None of the goodwill of the apology expressed by the Prime Minister at the time has yet hit the ground in these communities. Last year, preceding the minister’s announcement in August, there was much public grandstanding both by the state and federal ministers, effectively holding a gun at the head of the APY council over the granting of 50-year leases. I might add at this stage that I do support those leases. However, the council did give ground at that time and agreed to the leases. But since that time I have to report that disillusionment has been growing with the fact that there has been no action. The government has made commitments to the construction of the houses and has made commitments that this construction will provide jobs for Aboriginal people: a 20 per cent employment target. We shall see, because unless there are jobs, and unless there is opportunity for the Anangu, the Aboriginal people, to participate in the real economy, with real jobs for those who live on the lands, their lives will eventually be destroyed by the welfare cycle—much of which has been written about by Noel Pearson, Mal Brough, Warren Mundine, the good member for Warringah, Tony Abbott, and others.

The houses proposed to be built by this program will also be destroyed by the depressing circle of life which is powered by this welfare cycle: low educational outcomes, appalling health, erosion of traditional values, alcohol and drug dependence and—worst of all—the violence visited upon the most vulnerable. If the government can ever get its act together, if it can deliver the real worth and actually get the houses on the ground at value rate, it will help, but it is only part of the jigsaw. At the same time, children must attend school, and on this issue the government has failed to take responsibility for rolling one of the great success stories of the intervention, that is, income management, into South Australia.

I was in Alice Springs recently to meet with the NPY Women’s Council and was left in no doubt of their unequivocal support for income management. It is a better outcome for families, children and women. Some of these women had originally opposed income management; now they are its strongest supporters. So as we hear the stories of the government considering rolling back on the intervention, let me advise on behalf of these women: do not roll back, roll out. Take the intervention over state borders and into the rest of the communities that have the same issues as the Northern Territory. As I said, the success of any housing project and the longevity of any project will be governed by other issues in these communities. True success will be achieved by strengthening governance structures, by insisting on educational outcomes that are the norm in the rest of Australia, by having nil tolerance to violence and abuse and, very importantly, by ensuring we have trained Aboriginal tradesmen at the end of the project who are not just capable of servicing the local communities but capable of competing in the outside world. (Time expired)
Mr HALE (Solomon) (5.47 pm)—I acknowledge the member for putting this forward because this is a very serious matter of public importance—the building of the houses in Aboriginal communities. I have lived in the Northern Territory for 35 years and I have lived in the Aboriginal communities at Maningrida and Katherine, and they are dear to my heart.

The minister came in here today and acknowledged that there have been problems. The member for Warringah also acknowledged that both sides of politics have had time to get these things right and that we have failed Indigenous people in this country. I do not like the premise of bringing back the apology as a way of having a go at the government over housing, because the apology reset the relationship between Indigenous and non-Indigenous Australia. Sure, it is about bridging the gap—on that day we did not close the gap, but we have got programs in place. We did not build a house, but we have got programs in place for that. The former Prime Minister refused to apologise to the Stolen Generations and to Indigenous Australia; our Prime Minister did.

That was the starting point; that was the point where we reset the relationship between Indigenous and non-Indigenous Australia. Now it is about delivering and, as the minister said, there have been problems with this program. Is it good enough that there has been wastage in the administration? Of course it is not; nobody comes into this place and says that we should be spending more on the administration of the program. It is about getting houses on the ground. The minister touched on the secure tenure—that is very important. An unprecedented amount of taxpayers’ money is going into Indigenous communities: $720 million. If we are spending that money, we need to be accountable to the Australian people; we need to make sure that those land leases are sorted out so that there is accountability within the communities when it comes to looking after the houses and maintaining them.

I did not hear one single thing from the opposition with regard to how they would do something better in this program. We heard from the shadow minister that money had been taken out of Indigenous communities over the years of the Howard government—not put in; it had been taken out. When the need was at its greatest, instead of putting money in, they were taking money out of Indigenous communities. We heard that on 1 July 2008 that was the end of it; there was not going to be any more.

Their record does not look any better than the record of the government at the current time, but they are in denial. It was one of those things that they were going to do in their 13th year, like climate change. They were going to address climate change in their 13th year; they were going to address a lot of things in their 13th year, but they did not get the opportunity to address them. I am very happy that this has been put forward, because I can say on the public record that it comes down to one word, and that is ‘accountability’—and not only from the federal government. We have put the money up and it is up to the Northern Territory government to make sure that they deliver this program into the Aboriginal communities.

There is also a responsibility here for the people who are building in these communities to put an honest step of goodwill forward in training Indigenous people to get the benefits out of their training and the building of these houses. It comes down to that bit of goodwill across party lines at federal, state and territory levels, as well as from the builders. It then comes back onto the people within the communities themselves. They have got to have the pride in their community, which I know they do have. I have been
to a lot of Aboriginal communities and I have had a lot to do with Indigenous people, and there is a lot of pride in their communities. They have had enough of listening to federal and state governments argue and bicker over Aboriginal issues for the last 100-odd years. It is time that we actually delivered on these programs.

As the minister said, the review has been done. There is strong evidence that it can work. The commissioner is working with the three alliances. That is very important. Things are starting to roll forward. The secure tenders have been at the forefront of this. I have spoken to the minister about the communities in my electorate. I have five. I look forward to continuing to engage with her as to when I can get houses built in my electorate as well. But we are not going to achieve anything if we continually blame across the chamber. There needs to be a bipartisan approach to making sure that this is delivered, and it has to be accountable across both the federal and the Territory government as well as the communities and the builders who are building the houses.

The DEPUTY SPEAKER (Mr S Sidebottom)—I thank the member for his contribution.

Mr KATTER (Kennedy) (5.52 pm)—In rising to speak on this matter of public importance, I speak as a person who built close to 2,000 Aboriginal houses. It has pained me greatly in this place—after 15 years—that a person of Aboriginal descent on Aboriginal land in Australia still cannot own their own home. The previous speaker spoke about pride. There is no pride there if you cannot own your own home.

The DEPUTY SPEAKER (Mr S Sidebottom)—Order! The time for this discussion has expired. Thank you.

NATIVE TITLE AMENDMENT BILL 2009
ACIS ADMINISTRATION AMENDMENT BILL 2009

Returned from the Senate
Messages received from the Senate returning the bills without amendment or request.

AUTOMOTIVE TRANSFORMATION SCHEME BILL 2009

Consideration of Senate Message
Bill returned from the Senate with an amendment.

Ordered that the amendment be considered immediately.

Senate’s amendment—
(1) Clause 27A, page 18 (lines 9 to 18), omit the clause, substitute:

27A Automotive Transformation Scheme report

(1) As soon as practicable after 30 June each year, commencing 30 June 2012, the Secretary must prepare and give to the Minister a report, detailing:

(a) the amount of capped and uncapped assistance paid to each ATS participant under the Automotive Transformation Scheme during the 12 month period ending on 31 March in that year; and

(b) the progress of the Australian automotive industry towards achieving economic sustainability, environmental outcomes and workforce skills development.

(2) The Minister must cause a copy of the report to be laid before each House of the Parliament by 31 July that year.

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (5.54 pm)—I move:
That the amendment be disagreed to.

The government earlier amended the Automotive Transformation Scheme Bill 2009 in the House of Representatives to address concerns over the transparency and accountability of the scheme. This government’s amendment strikes an appropriate balance between transparency and openness for the taxpayer and the protection of commercially sensitive information for the automotive industry.

The Senate amendment does not adequately consider the detrimental effect that disclosing individual payments would have on the entire automotive industry. The Australian automotive industry is highly integrated. The Senate amendment has the potential to distort commercial negotiations and to compromise future investment decisions. The Senate amendment could disadvantage smaller Australian based component manufacturers.

The industry advises that the Senate amendment could compromise the decision-making process within parent companies with respect to future investment and research and development activities within Australia. It could disadvantage the ability of Australian vehicle manufacturers to compete for large-scale projects with other subsidiaries located all over the globe. The Senate amendment may also have the unintended consequence of discouraging investment and innovation, especially within the supply chain.

The Rudd government is committed to openness and transparency, and that is why the ATS regulations will allow the publication of individual assistance, subject to the minister’s discretion. This will replicate the reporting provision currently in section 115A of the ACIS Administration Act 1999. The Senate amendment also requires the tabling of a separate report on the details of assistance provided under the scheme. The department’s annual report is the appropriate mechanism for disclosing the total amount of capped and uncapped assistance under the ATS and the industry’s progress in meeting the object of the bill.

Mr IAN MACFARLANE (Groom) (5.56 pm)—Having listened to the Minister representing the Minister for Innovation, Industry, Science and Research, I am none the wiser as to why the government will not accept the amendment moved in the Senate. I have not had the opportunity to be briefed by the department on this matter, but, to my way of understanding, the level of transparency being requested by this amendment is no different to that which already exists in other government schemes and other government grants as they are applied. By way of example, the export market development grants have provision for the release of this information; the textile, clothing and footwear grants also have provision for total transparency in terms of the grants provided; and the commercial ready grants—over $1 billion in innovation grants, which of course those who sit opposite put the axe through in their last budget—also had full transparency provisions. I am therefore unconvinced of the government’s opposition to and argument for opposing this amendment.

It seems only fair to me that, if $3 billion worth of taxpayers’ money is being provided, there be some level of transparency—not at the minister’s discretion, because we have seen with Building the Education Revolution the enormous waste of money that is going on there. One point seven billion dollars, more than half of this scheme, has just been wasted in a cost overrun. The government needs to be brought to account, not at its discretion. Through the Automotive Transformation Scheme Bill 2009 there should be a requirement for transparency. It is only fair and reasonable to request that. We do not
know what the government is trying to hide. It is always prepared to announce grants of any description that it makes to the automotive industry. At times, even when those grants are questionable, they go out with much fanfare and celebration. So we believe, as does the Senate in its amendment, that there should be transparency in this legislation and full disclosure.

**Dr Emerson** (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (5.58 pm)—I will try, though it may be in vain, to convince the shadow minister as to the wisdom of the government’s position on this matter and point out that the provisions that are in the legislation that went to the Senate actually replicate the reporting provisions currently in section 115A of the ACIS Administration Act 1999.

**Mr Ian Macfarlane**—The world does move on.

**Dr Emerson**—Well, who was in government in 1999? I would remind members of the House that the coalition was in government in 1999. It is fascinating that the coalition regarded this as a perfectly reasonable position in 1999 but in opposition, opportunistically, they are seeking another course of action. It is again a situation where they did not practise what they now preach. I just want to share with the minister a statement—

**Mr Ian Macfarlane**—Shadow minister.

**Dr Emerson**—The shadow minister; thank you—of the Federation of Automotive Products Manufacturers. I preface this statement with these remarks, and that is that we do not have to accept the advice of every industry association—

**Mr Ian Macfarlane**—A fine industry association.

**Dr Emerson**—The shadow minister has confirmed that they are a fine industry association. Their view on this matter is headed in these terms: ‘Opposition urged not to obstruct vital automotive legislation.’ From this fine industry association, as the shadow minister has indicated, comes a plea: please do not obstruct this legislation. It says:

The Federation of Automotive Product Manufacturers calls on the Federal Opposition to pass without delay the Automotive Transformation Scheme legislation so that component manufacturers can move forward with confidence in implementing the key elements of the Federal Government New Car Plan for a Greener Future.

It goes on to say that the amendments proposed by the federal opposition are unworkable. It says they would require commercially sensitive information from motor vehicle producers, the component sector, the tooling sector and service providers to be made public and therefore restrict vital innovation and R&D. It says:

Now is not the time to be undermining commercial decision-making processes and investment decisions. The Senate must not hold to ransom the thousands of jobs in the automotive component sector.

That is from, in the shadow minister’s own words, a fine industry association. On this occasion I would urge the shadow minister, if he is not interested in the advice of the government on this matter, to consider very carefully the advice of the industry association, which he describes as a very fine one. So, in the absence of the shadow minister seeking to make a further contribution on this—

**Mr Ian Macfarlane**—I will.

**Dr Emerson**—I am quite happy to facilitate the fact that he now seems to have been inspired, so let the inspiration flow. You never know your luck in the big city: we might actually hear from him that they have
changed their mind. But I am not holding my breath.

Mr IAN MACFARLANE (Groom) (6.02 pm)—I was only going to speak once on this but I do like things that are said in this House to be correct. It is part of what we are here for. There is a fundamental difference between this scheme as it applies now and as it applied in 1999. You need to be careful, Minister, when you draw those comparisons that you draw them accurately. It was a duty concession scheme in 1999. It is now an outright grant scheme, and there is a fundamental difference. The opposition has every right to ask for these amendments to be carried.

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (6.03 pm)—I can assure the shadow minister that as a former shadow minister for innovation, industry, trade and tourism I do well understand the ACIS arrangements that were put in place by the previous government. The transparency provisions in this bill are the same as those that were in the legislation that was brought forward by the previous coalition government. My faint hope having been dashed by the shadow minister’s comments that he has indeed not changed his mind, it is obvious that we are heading for a division.

Question put:
That the motion (Dr Emerson’s) be agreed to.

The House divided. [6.08 pm]

(The Deputy Speaker—Mr S Sidebottom)

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<thead>
<tr>
<th>Ayes</th>
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AYES

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

NOES

Abbott, A.J. Andrews, K.J.
Baldwin, R.C. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Briggs, J.E. Broadbent, R.
Ciobo, S.M. Cobb, J.K.
Costello, P.H. Coulton, M.
Dutton, P.C. Farmer, P.F.
Forrest, J.A. Gash, J.
Georgiou, P. Haase, B.W.
Hartley, L. Hawke, A.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. Hunt, G.A.
Dr Emerson (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (6.12 pm)—I present the reasons for the House disagreeing to the Senate amendment and I move:

That the reasons be adopted.

Question agreed to.

TELECOMMUNICATIONS LEGISLATION AMENDMENT (COMPETITION AND CONSUMER SAFEGUARDS) BILL 2009

First Reading

Bill and explanatory memorandum presented by Mr Albanese.

Bill read a first time.

Second Reading

Mr Albanese (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (6.13 pm)—I move:

That this bill be now read a second time.

The government has embarked upon an ambitious program to fundamentally transform Australia’s telecommunications industry in the interest of all Australians.

The National Broadband Network (NBN) is the largest nation building investment in Australia’s history.

The establishment of the NBN will fundamentally transform the competitive dynamics of the communications sector in this country. NBN Co. will be a wholesale only telecommunications provider with open access arrangements. This represents a nationally significant and long overdue micro-economic reform that will drive future growth, productivity and innovation across all sectors of the economy.

Just as the roads, railways and electricity networks of the 20th century laid the foundations for future human interaction and economic progress, the NBN will transform Australia’s economy into and beyond the 21st century. The well-recognised potential of high-speed broadband to drive future productivity growth, innovative applications and our future international competitiveness means the NBN is vital to Australia’s long-term economic and social prosperity.

As transformative as the NBN initiative is, it is a detailed and complex project. During the eight-year rollout of the NBN, the existing telecommunications regulatory regime remains critical to the delivery of affordable, high-quality services to businesses and consumers. Telecommunications services are a vital input to the daily functioning and activity in modern societies. The reforms being introduced today are required to address longstanding and widespread concerns that the existing telecommunications regulatory regime is failing Australian consumers and businesses. On a range of measures of price, quality of services and availability, Australia continually trails key international competitors.
At the time of the announcement of the National Broadband Network the government gave a commitment to the people of Australia that we would reform the existing telecommunications regulatory regime to improve this situation.

The response to our request for views on the need for reform was overwhelming. Over 130 submissions were received in response to the ‘National Broadband Network: Regulatory Reform for 21st Century Broadband’ discussion paper that the Australian government released on 7 April 2009. The submissions supported reform of the existing telecommunications regime to:

- improve competition
- strengthen consumer safeguards, and
- remove redundant red tape.

The Telecommunications Legislation Amendment (Competition and Consumer Safeguards) Bill 2009 is designed to reshape regulation in the telecommunications sector in the interests of consumers, business and the economy more broadly. It is also designed to position the telecommunications industry to make a smooth transition to the NBN environment as the new network is rolled out. The measures will provide the flexibility for Telstra to choose its future path and streamline the regulatory framework to enhance competition and better protect consumers.

**I Vertical and Horizontal Separation**

The first element of this reform program will focus on the current structure of the telecommunications sector.

Telstra is one of the most highly integrated telecommunications companies in the world across a range of telecommunications platforms. Telstra owns the only fixed-line copper network that connects almost every house, as well as the largest cable network, half of the largest pay TV provider and the largest mobile phone network. Partly because of this integration, it has been able to maintain a dominant position in virtually all aspects of the market, despite more than 10 years of open competition. It is the government’s view that Telstra’s high level of integration has hindered the development of effective competition in the sector, and has contributed to Australia continually lagging behind other developed economies on the availability, price and quality of telecommunications services.

While significant structural reform has occurred in other key infrastructure industries such as electricity, gas and aviation, previous governments of both persuasions have failed to adequately address the underlying structural problems in the Australian telecommunications sector.

The bulk of the current telecommunications regulatory regime was introduced in 1997. Over 10 years later, the government believes that the failure to address the issue of Telstra’s level of integration has meant that current regulation has failed to promote effective competition.

The measures included in this legislation will finally correct the mistakes of the past, when opportunities to undertake structural reform in the telecommunications sector were missed or avoided.

Our commitment to a wholesale-only model for the NBN will deliver structural reform in the industry in the longer term. However, the government considers it vital to ensure that, during the transition to the NBN, the existing regulatory regime generates outcomes in the interest of consumers and businesses.

The ambitious reform program set out in this bill is designed to promote more effective competition in the sector by addressing the underlying incentives Telstra has as a highly integrated company to favour its own
retail businesses. The government therefore proposes in this bill to require the functional separation of Telstra, unless Telstra voluntarily submits an enforceable undertaking to structurally separate to the ACCC. The minister will provide guidance to the ACCC on the matters it would need to take into account when considering whether to accept a structural separation undertaking.

Functional separation is a regulatory tool that has been used successfully in other countries such as the UK and New Zealand, and is being considered by the European Commission, to address the underlying incentives that fixed-line incumbents have to favour their own retail businesses.

This bill proposes implementing a functional separation regime by altering the Telecommunications Act 1997 to require that:

- Telstra conducts its network operations and wholesale functions at arm’s length from the rest of Telstra;
- Telstra provides equivalent price and non-price terms to its retail business and non-Telstra wholesale customers; and
- this equivalence of treatment is made transparent to the regulator and competitors via strong internal governance structures.

The government’s clear preference is for these structural issues to be addressed on a voluntary basis. That is why the bill provides that the functional separation requirements will not operate if Telstra volunteers to structurally separate.

The government retains an open mind on the best model for structural separation as we transition to the NBN.

It may, but does not need to, involve the creation of a new company by Telstra and the transfer of its fixed-line assets to that new company.

Alternatively, it may involve Telstra progressively migrating its fixed line traffic to the NBN over an agreed period of time and under set regulatory arrangements and for it to sell or cease to use its fixed line assets on an agreed basis. This approach will ultimately lead to a national outcome where there is a wholesale only network not controlled by any retail company—in other words, full structural separation in time. Such a negotiated outcome would be consistent with the wholesale only, open access market structure to be delivered through the National Broadband Network.

The government has commenced constructive discussions with Telstra on how NBN Co. and Telstra could work collaboratively towards the NBN. We believe that we can work towards achieving a solution in the national interest that also meets the interests of Telstra and its shareholders.

In addition to addressing the vertical integration of Telstra the government is introducing measures to address Telstra’s horizontal integration.

Telstra’s level of horizontal integration across the different delivery platforms—copper, cable and mobile—is in contrast to many countries where there are restrictions on incumbents from owning both cable and traditional fixed line telephone networks. Unlike Australia, in a range of countries the fixed line incumbent does not also own the largest mobile carrier as measured by market share.

The government intends to correct the unique market structure in Australia by introducing a set of measures designed to promote competition across the various telecommunications platforms while providing Telstra with the flexibility to choose its future path.

The proposed amendments will prevent Telstra from acquiring specified bands of
spectrum which could be used for advanced wireless broadband services unless it structurally separates, divests its Hybrid Fibre Coaxial cable network and divests its interests in Foxtel. The legislation provides scope for the minister to remove the requirements around the cable network and Foxtel if he or she is satisfied that Telstra’s structural separation undertaking is sufficient to address concerns about the degree of Telstra’s power in telecommunications markets.

These reforms are not without cost. However, international precedents where governments have made reforms to the underlying market structure indicate that the benefits will outweigh the costs. The proposed reforms are critical to help reshape the telecommunications market and increase opportunity for innovation and employment growth at all levels in the sector. This will benefit all Australian consumers, businesses, including in rural and regional Australia, and the economy more broadly.

II Part XIC and XIB of the Trade Practices Act

The second element of this bill will reform the telecommunications access regime and the way in which anticompetitive conduct is dealt with by the regulator.

To compete effectively in this industry and provide services to consumers, companies need access to bottleneck services on fair and reasonable terms. Part XIC of the Trade Practices Act 1974 provides a regulated telecommunications access regime to ensure competitors can access these services. However, the operation of this regime has long been problematic. Access seekers have been frustrated by constant delays and disputes. More than 150 access disputes have been lodged with the ACCC in relation to telecommunications compared to a total of only three disputes across other regulated industries.

In order to correct this clear imbalance, it is necessary to reform the telecommunications access regime to make the process more streamlined and less vulnerable to opportunistic procedural delays. This will provide greater certainty to both access providers and access seekers. Submissions to the recent public consultation process on regulatory reform were strongly in favour of changing the access regime to achieve this outcome.

This bill will amend part XIC to require the ACCC to:

- set upfront pricing, terms and conditions for declared services for three to five years;
- make binding rules of conduct in relation to the service, allowing immediate remedies for breaches to be applied; and
- determine fixed principles to apply beyond the duration of the access determination.

Further, to simplify the access regime and deliver greater regulatory certainty there will be no merits review of regulatory decisions made by the ACCC under part XIC. The scope for exemptions from access obligations and access undertakings will be reduced.

The government is also proposing to amend part XIB of the Trade Practices Act 1974 to ensure the ACCC is able to act quickly on breaches of competition law and prevent unnecessary detriment to the market. To facilitate this, the requirement for the ACCC to consult with a party prior to issuing a competition notice will be removed. The ACCC will continue to have the opportunity to argue its case in court and a court finding of anticompetitive conduct will still be required before penalties are applied. In addition, the reforms to part XIB will include clarification
that the competition notice regime applies to content services, such as subscription television services, delivered by carriers and carriage service providers.

### III Consumer safeguards

The government is committed to ensuring that consumers are protected and service standards are maintained at a high level during the transition to the NBN.

Currently there are a number of consumer safeguards in place to protect consumers.

- The universal service obligation, known as the USO, has the objective of ensuring standard telephone and payphone services are accessible to all Australians on an equitable basis.
- The customer service guarantee, known as the CSG, requires telephone companies to meet minimum performance requirements or to pay compensation when these requirements are not met.
- Priority assistance arrangements require the highest level of telephone service practicable to residential consumers who have a diagnosed, life-threatening medical condition with a high risk of rapid deterioration.

Submissions to the USO Review, the Regional Telecommunications Independent Review Committee, and the recent consultation paper on regulatory reform, indicate that the existing consumer access arrangements require strengthening.

Voice telephony services are increasingly being delivered using a range of technologies such as fibre-optic cable or radiocommunications. It is critical for consumers and the economy that these new delivery modes continue to support reliable and good-quality telephone calls.

The introduction of new technologies and changes in the market are challenging the effectiveness and relevance of consumer safeguards. There is evidence over the last several years that standards of service delivery are falling, with compliance reporting increasingly showing that the industry is failing to meet the CSG requirements, preferring to pay customers compensation rather than to meet mandated repair time frames.

In addition, current USO requirements on Telstra are opaque and imprecise, and need to be revised.

To address these matters the government is introducing a number of significant changes to strengthen existing consumer safeguards now to better protect consumers' access to basic voice services as we transition to a new communications environment. The bill also contains measures to improve the effectiveness of the regulating body, the Australian Communications and Media Authority (known as the ACMA).

The USO will be improved to include a legislated requirement for Telstra to supply on request a basic service at specified standards. This will include connection and repair periods, reliability requirements and performance benchmarks.

Telstra will also be required to provide payphones in accordance with criteria specified by the government, and for the ACMA to have the power to direct whether payphones can be removed. Mandatory performance benchmarks in relation to the delivery of universal services, backed up with civil penalties, will encourage improved compliance. These measures will provide greater certainty and clarity for both consumers and Telstra.

To arrest the decline in telecommunications service quality standards, minimum performance benchmarks will be put in place for the CSG. These benchmarks will be backed up with civil penalties and infringement notices imposing fines for non-compliance.
New time frames for connections and repair will apply to Telstra and other wholesale providers to assist retail providers meet their CSG benchmarks. This is intended to reduce the scope for retail providers to blame non-compliance on poor service from the network provider.

However, provisions for exempting services from the CSG will remain in place to avoid stifling innovation and customer choice, but only with the customer’s express agreement. This will make it easier for providers to offer new and low priced services that may better meet the needs of some consumers. Services supplied in fulfilment of the USO will not be exempt from the CSG. A customer’s agreement to waive their CSG rights will not be able to be deemed, for example, through a standard form of agreement under part 23 of the Telecommunications Act.

To assist people with life-threatening illnesses, all providers will be required to either offer a priority assistance service to customers or inform them of providers from whom they can purchase such a service. The legislation does not change the existing obligation on Telstra to provide a priority assistance service.

As was announced in March 2009, this legislation will provide the ACMA with the power to issue additional infringement notices. This will enable the ACMA to take strong and swift regulatory action without delay, greatly improving the effectiveness of telecommunications regulation.

In the interests of consumers getting access to 21st-century broadband, the government is considering future USO arrangements further.

Once the detailed operating arrangements for the NBN have been settled, the government will consider the broader range of issues associated with the delivery of universal access in an NBN environment.

IV Removal of red tape

The final element of the package is for the removal of red tape.

The government is committed to reducing red tape and eliminating regulation where the need for it no longer exists. This is consistent with larger commitments to address impediments to Australia’s long-term productivity growth. The government has decided that as part of these regulatory reforms it will implement a number of red-tape removal measures.

- It will exempt carriers with annual revenues of less than $25 million from having to pay an annual carrier licence charge, or having to contribute to the universal service levy or the national relay service.
- It will reduce reporting requirements under the CSG and priority assistance so long as performance benchmarks are being met.
- Once functional separation is in place or Telstra has submitted an enforceable undertaking acceptable to the ACCC to structurally separate, unnecessary accounting and operational separation requirements will be repealed.
- The licence condition that requires Telstra to provide technical assistance to enable customers to achieve 19.2 kilobits per second internet services will be abolished.

Measures to implement the annual carrier licence charges exemption for small carriers, the reduced reporting requirements, and the removal of a Telstra licence condition are not included in this bill. These decisions will be given effect through subordinate legislative instruments under existing legislative powers.
V Conclusion

The wide-ranging package of reforms implemented by this bill is intended to address the problems we find across the whole Australian telecommunications sector. They represent the most significant reforms to the telecommunications legislative framework since 1997.

They vary in scale from subtle adjustments to dramatic restructuring of the status quo, and implementing them will have a transformative effect on competition and service provision. The task of undertaking difficult, bold but necessary reform in Australia’s long-term national interest is one which this government embraces wholeheartedly.

No-one should underestimate the government’s commitment to our policy objectives in this area. This bill is the first step, and other legislation can and will be introduced as necessary. I commend this bill to the House.

Debate (on motion by Mrs May) adjourned.

LEAVE OF ABSENCE

Mr ALBANESE (Grayndler—Leader of the House) (6.37 pm)—I move:

That leave of absence for the remainder of the current period of sittings be given to Ms A. L. Ellis and Mr Neville on the ground of parliamentary business overseas.

Question agreed to.

CORPORATIONS LEGISLATION AMENDMENT (FINANCIAL SERVICES MODERNISATION) BILL 2009

Report from Main Committee

Bill returned from Main Committee with amendments; certified copy of the bill and schedule of amendments presented.

Ordered that this bill be considered immediately.

Main Committee’s amendments—

1. Schedule 1, page 8 (after line 30), after item 11, insert:

11A After subsection 911A(5)

Insert:

(5A) Despite paragraph (2)(b), the regulations may provide that the exemption under that paragraph does not apply in relation to:

(a) a particular financial product or a particular kind of financial product; or

(b) a particular financial product or a particular kind of financial product that is issued, varied or disposed of by a particular person, or a particular kind of person.

2. Schedule 1, item 12, page 9 (before line 5), before section 985E, insert:

985EA Application of this Subdivision

This Subdivision applies to a financial services licensee (the provider) in relation to:

(a) the issuing of a margin lending facility to a retail client; or

(b) the increasing of the limit of a margin lending facility that was issued to a retail client.

3. Schedule 1, item 12, page 9 (line 7), omit “A financial services licensee (the provider)”, substitute “The provider”.

4. Schedule 1, item 12, page 9 (lines 8 to 10), omit paragraphs 985E(1)(a) and (b), substitute:

(a) issue the margin lending facility to the retail client; or

(b) increase the limit of the margin lending facility that was issued to the retail client;

5. Schedule 1, item 12, page 12 (line 32), after “critical day”, insert “referred to in subsection 985E(1)”.

6. Schedule 2, page 19 (lines 4 to 11), omit items 1 and 2, substitute:

1 Subsection 5(1)
Insert:

*traditional trustee company services*

has the same meaning as in Chapter 5D of the Corporations Act.

2 Subsection 5(1)

Insert:

*trustee company* has the same meaning as in Chapter 5D of the Corporations Act.

2A Subsection 5(1)

Insert:

*trust property*, in relation to a trustee company, means property that is or was held by the trustee company as trustee.

(7) Schedule 2, page 19 (after line 24), after item 3, insert:

3A Subsection 12CC(5)

After “financial products”, insert “or financial services”.

(8) Schedule 2, page 19, after proposed item 3A, insert:

3B Division 4 of Part 3 (heading)

Repeal the heading, substitute:

_12Division 4—Requirements to disclose information_

(9) Schedule 2, page 19, after proposed item 3B, insert:

3C Section 40

After “section 41”, insert “or 42”.

3D At the end of paragraph 40(c)

Add:

(iii) an alleged or suspected contravention, by a trustee company, of a law of the Commonwealth, or of a State or Territory, being a contravention that involves fraud or dishonesty and that relates to trust property; or

(10) Schedule 2, page 19, after proposed item 3D, insert:

3E After section 41

Insert:

42 Acquisitions and disposals of trust property by trustee companies

(1) ASIC may require a trustee company to disclose to it, in relation to an acquisition or disposal of trust property by the trustee company, all or any of the following:

(a) the name of:

(i) the person from or through whom the trust property was acquired; or

(ii) the person to or through whom the trust property was disposed;

(b) whether the acquisition or disposal was effected on the instructions of another person, and the nature of any such instructions;

(c) the names of the beneficiaries of the trust.

Note: Failure to comply with a requirement made under this subsection is an offence (see section 63).

(2) Information required to be disclosed under this section need only be disclosed to the extent to which it is known to the person required to make the disclosure.

Note: In criminal proceedings, a defendant bears an evidential burden in relation to the matters in subsection (2).

(3) An offence under subsection 63(2) relating to subsection (1) of this section is an offence of strict liability.

Note: For strict liability, see section 6.1 of the Criminal Code.

(11) Schedule 2, page 19, after proposed item 3E, insert:

3F After section 43

Insert:

44 Exercise of certain powers of ASIC in relation to trust property acquired or disposed of by trustee company

(1) This section applies if ASIC considers that a contravention of a law of the Commonwealth, or of a State or Territory, may have been committed by a
trustee company, being a contravention that involves fraud or dishonesty and that relates to trust property.

(2) ASIC may require a director, secretary or senior manager of the trustee company to disclose to ASIC information of which he or she is aware and that may have affected an acquisition or disposal of trust property by the trustee company.

Note: Failure to comply with a requirement made under this subsection is an offence (see section 63).

(3) If ASIC believes on reasonable grounds that a person can give information about particular matters, being any or all of the following:

(a) an acquisition or disposal of trust property by the trustee company;
(b) the financial position of the trustee company;
(c) an audit of, or a report of an auditor about, accounts or records of the trustee company;

ASIC may require the person to disclose to it the information that the person has about those particular matters.

Note: Failure to comply with a requirement made under this subsection is an offence (see section 63).

(4) An offence under subsection 63(2) relating to subsection (2) or (3) of this section is an offence of strict liability.

Note: For strict liability, see section 6.1 of the Criminal Code.

(5) ASIC must not exercise a power conferred by subsection (2) or (3) except for the purpose of investigating the possible contravention referred to in subsection (1).

(12) Schedule 2, page 19, after proposed item 3F, insert:

3G Subsection 63(2)

Omit “section 41 or 43”, substitute “section 41, 42, 43 or 44”.

(13) Schedule 2, page 19, after proposed item 3G insert:

3H After paragraph 71(b)

Insert:

or (c) trust property acquired or disposed of by a trustee company;

(14) Schedule 2, page 19, after proposed item 3H, insert:

3J After subsection 73(1)

Insert:

(1A) If paragraph 71(c) applies, ASIC may make one or more of the following:

(a) an order restraining a specified person from disposing of any interest in specified trust property;
(b) an order restraining a specified person from acquiring any interest in specified trust property;
(c) an order directing a body corporate not to pay, except in the course of winding up, a sum due from the body corporate in respect of specified trust property;
(d) an order directing a body corporate not to register the transfer or transmission of specified trust property.

Note: The heading to section 73 is altered by inserting “and trust property” after “financial products”.

3K Subsections 73(2) and (3)

After “subsection (1)”, insert “or (1A)”. 

The DEPUTY SPEAKER (Hon. JE Moylan)—The question is that the amendments be agreed to.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr MARLES (Corio—Parliamentary Secretary for Innovation and Industry) (6.39 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

COMMITTEES
Electoral Matters Committee
Membership
The DEPUTY SPEAKER (Hon. JE Moylan)—Mr Speaker has received a message from the Senate informing the House that Senator Hutchins has been discharged from the Joint Standing Committee on Electoral Matters and that Senator Feeney has been appointed a member of the committee.

FREEDOM OF INFORMATION (REMOVAL OF CONCLUSIVE CERTIFICATES AND OTHER MEASURES) BILL 2008

Second Reading
Debate resumed from 14 September, on motion by Mr Byrne:
That this bill be now read a second time.

Mr MELHAM (Banks) (6.40 pm)—I spoke on the Freedom of Information (Removal of Conclusive Certificates and Other Measures) Bill 2008 last night in the limited time that was available to me. I quoted extensively from the explanatory memorandum, which details the purpose of the bill. I do not propose to go there again, but I think it would be worth while to point out a few things in the time that I have remaining. The number of FOI requests in Australia has risen from 30,788 in 1996-97. It rose throughout 2004-05 and 2005-06 and then dropped in 2006-07 to 38,787, declining again to 29,019 in 2007-08. I am advised that the vast majority, 85 per cent, of FOI requests are personal, with Centrelink, the Department of Immigration and Citizenship and the Department of Veterans’ Affairs receiving the highest number of requests. That comes from the Senate committee report.

I cite those figures to show that this legislation is important legislation and that what we do counts. What we have in this legislation is, overall, a proposal for greater transparency in governance, whilst seeking to strike a balance between the public’s right of access to government information and legitimate kinds of protection in the national interest, so the AAT will obviously play a greater role. The important thing is that people are entitled to challenge in relation to FOI matters and to have them properly and independently determined. When it comes to court matters on national security, ministers can make determinations and courts are not able to have all the material in front of them, even in cases where someone’s liberty is at stake. Great injustice can be done in those matters.

I remember the Ananda Marga case from when I was a solicitor in the legal aid system. There were arguments about what, if anything, was not disclosed in court proceedings, and that brought a cloud over those proceedings. In relation to FOI, if government can maintain legitimate claims of protection in the national interest without just making a declaration that cannot be examined, that is a good thing. It is important that in our system, where there is more and more power to the executive and more and more power in fewer people’s hands, the public and the press are able to test some of that decision making and what has gone on behind it. So I am a great advocate of opening up in terms of freedom of information. The government is not going to stop here. Matters have been brought forward by the former Special Minister of State, Senator John Faulkner, and I know he and Senator Ludwig want to progress the FOI situation, and that is something that should attract bipartisan support.

Having been here for 20 years, I have less confidence in getting behind certain deci-
sions than I did 20 years ago, and I think FOI is an important tool. I do not believe that means getting access to cabinet discussions and cabinet decisions. They are in a separate category. But there are many decisions made that affect people's lives—in immigration, for instance—that need to be fully accessed and fully scrutinised. They do not necessarily involve national security decisions, although we recently had an instance where Mamdouh Habib took government to court, and he lost. But I am now thinking in general terms, for example in the issuing of passports and whether people are allowed to get a passport to go overseas. Those decisions should, in my opinion, be able to be scrutinised to the fullest degree without an overarching national interest defence in terms of disclosure of that decision making. That is what, in the past, I think ministers have relied on. I am not saying that this legislation necessarily overcomes the deficiencies that I am talking about, but I do think that it is a step in the right direction and that is why I support this legislation.

I actually believe in a vigorous public service, but if we have better freedom of information legislation I do not believe in the yellow sticker going on a file so the yellow sticker can be pulled off the file if it is subject to an FOI request or if it is subject to scrutiny. Let us not kid ourselves; history shows that. What I expect and what I require of a forceful independent public service is for them to record their decisions in full so that, if there is an FOI request, the matter can be properly looked at. The Prime Minister gave a speech within the last little while where he talked about the need for an independent and fierce public service giving advice, and I applaud that. But I think that goes hand in hand with FOI. That was a speech to the heads of agencies and members of the SES in 2008 about reinvigorating the Westminster tradition of an independent public service with merit based selection processes and continuity of employment when governments change—which is something I believe in.

I think there is nothing worse than the American system, because there is not continuity of employment. It is like these contracts. People tend to make less courageous decisions because their contract is coming up or, if there is a change with continuity of government, it is a bit of a problem. I noticed that the Australian Public Service Commissioner, Lynelle Briggs, also gave a forceful outline of the objectives in an article in the journal of the Institute of Public Administration. That is where I see the FOI coming in, with an independent, courageous public service. Then, if there is a request, let it be looked at on its merits by the AAT—do not just invoke national interest provisions or other provisions that have been invoked in the past that have, quite frankly, been used to stultify some legitimate requests, because it only taints the situation.

There is a balance. I am not standing here tonight arguing for people to have an unfettered look at their files. I think there are appropriate circumstances, and we can have proper principles that apply before access is given. But in terms of conclusive certificates, that is really what this legislation is about—abolishing them, but, of course, it is not just an abolition. There are some principles that apply because there are some limitations on getting access.

There is not much more I want to say. I do applaud the government. I know these things can take time and people can say, 'Why wasn't it done yesterday?' That is a problem with a change of government. This was part of our platform, we are implementing it; the former government in effect reneged when it came to the recommendations of the Australian Law Reform Commission and the Ad-
Mr OAKESHOTT (Lyne) (6.51 pm)—I will be brief and just take the opportunity to put on the record my views with regard to open government and FOI legislation. Before I do, can I say to the previous speaker, the member for Banks, that that was one of the more considered contributions that I have heard in this place in the last 12 months. If there were to be a book written—and oh, what a bestseller it would be—on speeches in this parliament, I would certainly hope that speech would be in there. It was a considered contribution on where freedom of information legislation is today, and I think it shows 20 years of experience in this place and as much kicked the executive as supported it. For that, the member for Banks should be congratulated.

My view on FOI reform and open government is that it is important—that government is stronger if it adopts such principles. Whilst, as I mentioned previously, it is important to strike a balance, the devolving of information into the public arena is a sign of strength, not weakness. It is a sign of good government, not bad. While I certainly take this opportunity to endorse this Freedom of Information (Removal of Conclusive Certificates and Other Measures) Bill 2008 [2009], I would also say that it is only a baby step in the reform process. This has been floating around since 1996 and the ALRC open government reports. We have seen private members bills put up by Democrats senators such as Andrew Murray. We have seen various prime ministers and ministers talk about the importance of open, transparent government and FOI reform. I hope this is not just simply the latest chapter of talking the talk—that what we are seeing is the walking of the walk. So, while I pat the government and the executive on the back for this bill, I would hope they recognise that this is a minor step towards the necessary major reform needed in FOI legislation.

Removing these conclusive certificates is a sensible and long-overdue step in providing better and stronger access to government. I do highlight the fact, though, that we have some great challenges ahead of us. These challenges were first identified in the 1996 Australian Law Reform Commission report, and we are still waiting for a government to bite the bullet and address them in full. It should be of concern to everyone that we are seeing a decrease in FOI applications. The 2007-08 FOI annual report showed requests as being down 71 per cent, down from 81 per
cent the previous year, whilst the proportion of requests taking longer than three months has doubled. So there are flaws in the process. I know from various constituents on the mid-north coast of New South Wales that there is an enormous baulking from the general community in regard to the expense of FOI applications. I would hope that government addresses that and addresses it soon. If this is genuinely about the general public getting access to government, this expense needs to be addressed as it is one of the broader community’s huge concerns.

From my point of view, I see the current system as being a tool of opposition. They seem to be able to afford the FOI process and know it better than the general community. The question is therefore whether it is really an exercise of open and transparent government or whether it is just a tool with which the opposition can whack the government over the head—regardless of who is in opposition and who is in government. I hope that we can be serious and build a better system, one that is affordable to and manageable by the general population. At the moment we do not have an easy process that is able to be worked through by the person off the street.

So I certainly hope that what we are seeing here tonight is one step of many in regard to FOI reform. This has been around for a long time. When a side in this place takes over the government benches it is easy to drop the ball on some of these issues which can be difficult for executive, and government generally, to manage. I hope that the government can build a system that creates greater transparency and openness. I hope that the language we have heard from this government over the last 12 months and election commitments that were made leading into the 2007 election will stick. I hope that this government does not forget what it is like not to be in government. As good as this bill is, I hope that we see a commitment to FOI reform on a broader scale. So I certainly support this, but I take the opportunity to urge the government forward on more general FOI reform.

Mr DREYFUS (Isaacs) (6.57 pm)—I am very pleased to rise in support of the Freedom of Information (Removal of Conclusive Certificates and Other Measures) Bill 2008 [2009]. This legislation is a precursor to much larger reforms to the freedom of information system in this country, reforms which are a commitment of this government and the details of which were announced by the Special Minister of State, then Senator Faulkner, in March this year. Of the reforms contained in this bill, the most important is the removal of the conclusive certificates procedure. As I have indicated, these were all commitments made at the last election. Many of them are based on a now quite dated joint report of the Australian Law Reform Commission and the Administrative Review Council in 1996, entitled Open government: a slow train coming, which was regrettably ignored by the former government. What this bill represents is the first step in the most substantial set of reforms to the freedom of information system since the legislation was introduced in 1982. I am looking forward to the legislation containing the much larger set, the further reforms, that have been foreshadowed by the Special Minister of State.

I would like briefly to detail those further reforms that are coming. They are the subject of an exposure draft of the legislation. Appropriately, the whole process of considering the changes to the freedom of information legislation is being conducted with complete openness, and the reforms include establishing two new statutory provisions, those of the Information Commissioner and the FOI Commissioner, and bringing them together with the Privacy Commissioner in a new office of the Information Commissioner. And in terms of freedom of information, the in-
tention of that new office is to promote a culture of pro-disclosure right across the government.

The new Information Commissioner will have the power to conduct merits based reviews of freedom of information decisions by agencies and to use alternative dispute resolution tools. There will be a new information publication scheme requiring agencies to proactively disclose more information to the public, and the Information Commissioner will be given a key role in assisting agencies and monitoring their compliance with the scheme. There is to be a reduction to 20 years of the 30-year rule that is found in the Archives Act for access to all documents and a reduction of the present access period to cabinet notebooks from 50 years to 30 years. There will be important changes to the fee regime, including the abolition of all freedom of information application fees, the abolition of all charges for a person seeking access to their own information, a charge-free first hour in the decision-making period for all FOI requests and, for not-for-profit organisations and journalists, a charge-free first five hours in the decision-making period. There is a proposal to introduce a single, clear pro-disclosure public interest test, ensuring that factors which are presently in the legislation and have been part of considering the public interest under the legislation since it was introduced in 1982, like embarrassment to the government or causing confusion and unnecessary debate, can longer be relied on to withhold access to documents. A very important proposed change is an extension of the freedom of information regime to cover documents that are held by service providers contracted to government—it will not simply be primary government agencies. A strong new objects clause which emphasises that information held by government is a national resource will be introduced in the Freedom of Information Act. That will reinforce the aim of the Freedom of Information Act, which is to give the whole of the Australian community access to information that is held by the government.

The bill that is presently before the House, which is the first stage of very extensive reforms to freedom of information, does away with a feature that has been in the freedom of information regime since 1982. It is a much criticised procedure which enables—although it has not been used since we came to government—a minister and, in the case of certain documents, the Secretary of the Department of Prime Minister and Cabinet to issue a certificate which puts beyond reach documents that are sought for release under the Freedom of Information Act. That is why the word ‘conclusive’ is used to describe this form of certificate. There is no merits review available to the withholding that is effected by the conclusive certificate, as is the case for any claim for exemption under the act. If documents are claimed to be exempt, there is the right of a full merits review in the Commonwealth Administrative Appeals Tribunal in which the tribunal member, who may sometimes be a Federal Court judge or on other occasions a non-judicial member of the AAT, stands in the shoes of the administrative decision maker who has refused access to documents and decides afresh, based on evidence that is called before the tribunal, whether or not the exemption that has been claimed by the government agency as a basis for withholding the documents is in fact made out. The conclusive certificate procedure puts documents entirely beyond the reach of that merits review and limits the scope for appeal against, or review of, that conclusive certificate to a review that examines only whether or not there were reasonable grounds for the making of the certificate in the first place.

The 1996 report Open government: a slow train coming by the Australian Law Reform
Commission and the Administrative Review Council recommended almost complete abolition of the conclusive certificate power as long ago as 1996, but rather than act on that recommendation or on any of the other recommendations for reform the former government did nothing and indeed continued to use the conclusive certificate procedure to prevent documents from being released when they were asked for under the Freedom of Information Act. The case that probably brought this most to public notice was a decision of the High Court, McKinnon v Secretary, Department of the Treasury. Michael McKinnon is a very senior News Ltd journalist who made a request for documents. I am going to mention what the documents were, because that will set the background for an examination of how the conclusive certificate issued by the then Treasurer, the member for Higgins, came to be used on that occasion. Mr McKinnon made a request for material relating to bracket creep in the federal income tax system and made a further request for material relating to the first home owners scheme. You might think that, being subjects of importance, documents held by the federal government surrounding both those issues would be quintessentially documents that should be released in order to enable informed and appropriate debate. The grounds on which the former Treasurer issued his conclusive certificate are set out in the judgments of the High Court in McKinnon v Secretary, Department of the Treasury, and I will come to those in a moment. But the decision in the High Court, which followed appeals in the Administrative Appeals Tribunal and, subsequently, the full Federal Court of Australia, was concerned with looking at what process was to be followed by the Administrative Appeals Tribunal when it was asked to review the issue of a conclusive certificate by a government minister.

The High Court makes clear in the majority judgments in McKinnon v Secretary, Department of the Treasury—and there was a strong dissent written by Chief Justice Gleeson and Justice Kirby in a joint judgment about this—that, provided there was at least one ground upon which it was possible for the certificate to be issued, then that was sufficient and would put the issue of a certificate beyond review. Chief Justice Gleeson and Justice Kirby said that one ground would not necessarily be sufficient and suggested in their dissenting judgment that a more considered process was necessary. But, as it stands, the law of Australia, as determined by the High Court of Australia, is that conclusive certificates are almost unable to be reviewed because it is not very likely that a conclusive certificate issued by a minister in this country is not going to be able to be justified on at least one ground—thus, in effect, putting it beyond review.

The Freedom of Information Act 1982 says on its face that it is a scheme which is intended to create a right to information for the citizens of this country. The right for a minister to simply step in and put a document beyond reach that might otherwise be available for release is really a feature that should have no part to play in a scheme intended to create a general right to information.

When one looks at the kinds of reasons given by the former Treasurer for determining that a document should not be available, I suggest that they demonstrate the former government had very little trust in the ability of the Australian people to sort the wheat from the chaff and to sort out what is going on in any particular document. The thrust of the former Treasurer’s reasons was that the release of the documents might cause confusion and that the documents would probably not be readily understood. I will go to some of those reasons provided because they dem-
onstrate an attitude to freedom of information that is the opposite of the attitude that one should expect to see. For example, one of the grounds is:
Officers should be able freely to do in written form what they could otherwise do orally, in circumstances where any oral communication would remain confidential. Such written communications relating to decision-making and policy formulation processes ensure that a proper record is maintained of the considerations taken into account. If they were to be released for public scrutiny, officers may in the future feel reluctant to make a written record, to the detriment of those processes and the public record.

There are a few others in a similar vein, but that argument has been described by an English judge as ‘the tired, old frankness and candour argument’. It is an argument that could be raised every time a document is sought for release and would, if it were to be applied generally, mean that no documents would ever be released because, it was being suggested, it would not be in the public interest because it might in future inhibit public servants from writing anything down. Stripped away, that is what the former Treasurer was saying there.

Other reasons advanced by the former Treasurer show very little trust in the ability of the Australian people to sort out what is going on. Another of the grounds is:
The release of the material would tend to be misleading or confusing in view of its provisional nature, as it may be taken wrongly to represent a final position (which it was not intended to do) and ultimately may not have been used or have been overtaken by subsequent events or further drafts.

Another one in a similar vein states:
The release of documents that are intended for a specific audience familiar with the technical terms and jargon used, has the potential for public misunderstanding in that the contents of the documents could be misinterpreted.

All of that amounts to simply saying: ‘We don’t trust the Australian people to be able to work out what a government document was intended for. We think that there is going to be confusion in debate if we release them.’

All of the reasons advanced in the judgment of the High Court in the McKinnon case as to why the former Treasurer issued the conclusive certificate are reasons that could be used against any release of information at any time. They demonstrate that on the part of the former government there was no real commitment to openness let alone a commitment to debate. We on this side of the House share the attitude expressed by Abraham Lincoln:
Let the people know the facts, and the country will be safe.

We have a commitment to open government. We have a commitment to transparency in government. It is being demonstrated by this first stage of very substantial reforms to the freedom of information system.

Another step taken by the Special Minister of State was to write to all agency heads indicating the appropriate approach to be taken in relation to freedom of information matters. It was a very direct encouragement to all agency heads to take what I think is right to describe as a pro-disclosure approach when considering the freedom of information requests that they receive. In other words, even in advance of the introduction of the reforms to the freedom of information system that have been foreshadowed, the Special Minister of State was making it very clear that this government is expecting the culture of freedom of information to begin to change. I will quote from the letter that the then Special Minister of State, Senator Faulkner, sent in April of this year to all agency heads. Having described the reforms that are coming and that are contained in the exposure draft, Senator Faulkner said:
These reforms, although important, will not deliver the openness and transparency so essential to accountability and to a robust democracy, unless FOI decision-makers embrace the disposition towards disclosure which informs the FOI Act reforms.

In anticipation of these reforms, the Government is asking secretaries and agency heads to take a lead role in facilitating the Government’s policy objective of enhancing a culture of disclosure across agencies. This includes making it clear to FOI decision makers in your department or agency that the starting point for considering FOI requests should be a presumption in favour of giving access to documents.

Senator Faulkner went on to say that he is not suggesting that every single document that is requested has to be released but indicating in the clearest possible terms that what the government is looking for is a pro-disclosure approach.

I should mention that the bill, which of course comes to us having passed the Senate, was the subject of a lengthy report by the Senate Standing Committee on Finance and Public Administration. The committee recommended that the legislation be passed. Indeed, this bill met with a great deal of approving comment. Submissions made to the committee, while raising some issues about other aspects of the legislation, congratulated the government for moving to abolish conclusive certificates—indeed, moving to carry out the commitment that the government took to the last election.

I want to mention the remaining matter of the somewhat extraordinary claims we have heard from members of the opposition both in the other place and here. Perhaps it is best to mention Senator Brandis’s claim that:

The coalition’s commitment to open, responsible government is well known.

I would say that one only has to look at the conduct of the former government in the continuing use of conclusive certificates and in not acting on very clear recommendations and calls for reform of freedom of information over its 11½ years in office to see that, far from having a commitment to open and responsible government, the coalition has demonstrated the reverse. McKinnon is a case directly in point, where the government thought it appropriate to take all the way to the High Court the defence of its refusal to release documents concerned with bracket creep and documents concerned with the first home owners scheme. (Time expired)

Mr Byrne (Holt—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade) (7.17 pm)—I thank those on both sides of the House who have contributed to the debate, particularly the member for Isaacs. The Freedom of Information (Removal of Conclusive Certificates and Other Measures) Bill 2008 delivers on the government’s election commitment to remove the powers to issue conclusive certificates under the Freedom of Information Act 1982—the FOI Act—and the Archives Act 1983.

Currently, if a conclusive certificate is issued the Administrative Appeals Tribunal cannot undertake a full reconsideration of a decision to claim an exemption. The passage of this bill will ensure that all exemption decisions under the FOI Act and the Archives Act will be subject to full external merits review. The removal of the certificates power will therefore enhance public confidence in decisions about access to government information.

The removal of the power to issue conclusive certificates does not mean information that should be protected against disclosure will be released. Where an exemption claim properly applies to a document, the document will not need to be disclosed. A number of measures in the bill will introduce procedural requirements to be observed by the
AAT in the conduct of the review proceedings for particularly sensitive documents—namely, documents whose release could damage national security, defence or international relations or would disclose confidential foreign government information or cabinet information. These measures do not affect substantive rights of access to documents or to records; rather, they are safeguards for the protection of particularly sensitive information in the conduct of AAT proceedings.

Under existing provisions in the FOI Act, intelligence agencies and the Inspector-General of Intelligence and Security are wholly excluded from the operation of the act, and documents in the hands of the agencies are excluded if they originated with or were received from an intelligence agency or the Inspector-General of Intelligence and Security. The bill will in the same way exempt these classes of documents from the operation of the FOI Act when held by ministers. It would be anomalous to treat intelligence agency documents differently when they were held by a minister.

Since this bill was introduced into the parliament, the government has released, as the member for Isaacs stated, draft legislation for public comment to fulfil the rest of its election commitments on FOI reform. The draft legislation together with this bill comprises the most significant overhaul of the FOI Act since its commencement in 1982. The government intends to introduce this legislation into the parliament shortly.

While the repeal of the power to issue conclusive certificates is just one initiative amongst many in the government’s broader FOI reform package, it is an important step in making government more open, more accountable and more transparent.

Question agreed to.

Bill read a second time.

Third Reading

Mr BYRNE (Holt—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade) (7.21 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ASIAN DEVELOPMENT BANK (ADDITIONAL SUBSCRIPTION) BILL 2009

Second Reading

Debate resumed from 13 August, on motion by Mr Swan:

That this bill be now read a second time.

Mr HOCKEY (North Sydney (7.22 pm)—To the crowded galleries I say thank you for coming along to listen to this address on the Asian Development Bank (Additional Subscription) Bill 2009! The coalition supports this bill. The bill proposes to allow the government to increase the number of shares that Australia holds in the bank. The ADB is raising capital and has offered its members the opportunity to increase their shareholdings. On 2 April 2009, the G20 leaders meeting agreed to a 200 per cent general capital increase for the bank as part of its US$850 billion commitment to support growth in developing countries. On 29 April 2009, the ADB Board of Governors resolved to raise capital by allowing its members to increase their shareholdings. The board’s aim is to triple the ADB’s capital, which they will achieve if all their members take up all the shares on offer. Members can buy additional shares in proportion to their current subscriptions. Australia currently owns 5.7 per cent of the total number of shares. As such, we are entitled to buy just over 409,000 additional shares: 16,379 paid-in shares and 393,101 callable shares. In layman’s terms, paid-in shares are normal shares—the stake in the
Callable shares service security for the ADB’s borrowing on world capital markets. The bank has never drawn on its callable capital and is not likely to do so.

In the 2009-10 budget the government announced it would purchase US$197.6 million, the equivalent of A$241 million, of additional shares in the bank over 10 years and draw on US$5.6 billion, the equivalent of A$6.8 billion, of callable shares. The additional shares are a capital measure in the 2009-10 budget and do not impact on the underlying cash or fiscal balance. The additional callable shares appeared in the statement of risk as a contingent liability.

This bill will continue Australia’s very important work with the ADB to develop our region. The ADB was established way back in 1966—well before the minister at the table, the Minister for Early Childhood Education, Childcare and Youth, was born and in the year after I was born. The ADB is an international development institution which works to foster economic growth and cooperation in the Asia-Pacific region. It works with its members to develop them on both an individual level and as a group of interconnected nations. Australia was one of the original 31 members of the bank along with the United States, Japan, New Zealand, China, Canada, Germany and the United Kingdom. There are now 67 members both inside and outside the region, including Brunei, the Cook Islands, Portugal and Luxembourg.

To digress for a moment, I recall attending an AGM of the Asian Development Bank in Manila in maybe 1999 or 2000, which was quite an experience. I learned a lot about the ADB and the good work it does in different parts of the region. It does work with individual countries, the private sector and nongovernment organisations and it uses its AAA credit rating to finance projects in agriculture, education, health, law, governance, transport and communications. The ADB funds training programs in public policy, water management, transborder animal disease control, customs and quarantine, and ADB consultants provide technical advice on important energy projects, road construction and attempts to deal with severe air pollution in different parts of Asia. ADB loans are also made available for infrastructure, while grants allow education and immunisation to take place.

I think the House will be interested to hear about some of the ADB’s projects. One example of its worthwhile projects is a public policy training program in Cambodia, Laos and Vietnam. These three Asian countries have moved from planned economies to market oriented economies in the past two decades. How ironic it is that this current government wants to take us back to a planned economy from a market oriented economy, whereas the ADB is actually funding the movement from planned economies to market oriented economies. However, that is one of the reasons why we are supporting this bill. The ADB supports the transition of those three key countries with US$17.8 million for training programs for senior civil service officials.

Another example is HIV prevention. As we know, the countries in South-East Asia are improving their transport infrastructure and, while this is good news for trade, it brings with it social and health issues such as the spread of HIV. The ADB has provided US$6 million to tackle this problem. Recently, I was in Africa and witnessed first-hand how severe the impact of HIV is in Tanzania, Uganda and Botswana—throughout the entire African region. One of the reasons that it is spreading so quickly throughout Africa, and why it has already spread so quickly, is improved transportation between countries. In Tanzania, I met a fam-
family whose members were all HIV infected. That was in Arusha, which is regarded as the middle point, the meeting point, of Africa. Tanzania, I think, has seven countries on its borders and it is a horrific problem.

I must say I am digressing a bit, but the West has some responsibility in this. Some of the feedback I got was that, in an attempt to provide birth control measures in Africa, the West provided, for example, condoms that were out of date. That was as part of a so-called aid project. All that did was to completely undermine any confidence locals had in the quality of contraception. Obviously it made the spread of HIV worse by removing any confidence in the prophylactics that were offered. So the ADB’s work is very important in our region and if we can do some heavy lifting in our region then we will be doing good work.

As a third example, there was another health project to prevent and control avian influenza. We all remember the pandemics of the last few years, including of course bird flu. The ADB is providing US$25 million to fight the spread of the H5N1 virus among birds and to improve the region’s preparedness to tackle human influenza outbreaks. Obviously we have fears about the upcoming northern winter.

So there are a number of reasons why the coalition supports this bill. First of all, Australia plays an important role in providing both funding and expertise for the bank’s projects. The majority of the bank’s contracts are awarded through an international tender system which is open to companies and individuals from any member country. In 2008 Australia’s contracts for goods and services were worth $3½ million and contracts for consulting services were worth $32½ million. There are a number of Australian companies which have worked with the ADB in recent years, including HSBC Bank Australia, Flinders University, Sinclair Knight Merz and the Australian ITA Consortium. Australia has also recently co-financed projects in the areas of road assessment management in Cambodia, HIV-AIDS prevention in Papua New Guinea and hydro-electricity in Laos. As at 31 December 2008 there were 49 Australian professionals working at the ADB.

When the coalition was in government we made significant contributions to Australia’s place in the Asia-Pacific region. The most noteworthy economic contribution of the Howard government to our region was our action during the Asian financial crisis of 1997. We were one of the first countries to offer assistance to countries in distress in Asia, and Australia as a result became an important regional player. We provided $3 billion of currency swaps and loan facilities to South Korea, Thailand and Indonesia through the ADB. By doing so we were able to engage these countries in the economical reform that has helped them to develop.

The Howard government acknowledged that the Asia-Pacific region is integral to Australia’s future. We recognised that its development directly affected us as a nation in a number of ways, including, of course, in trade and security. The coalition government successfully managed regional partnerships during the very difficult move to independence by East Timor in 1999. We managed through that difficult period to maintain and in fact improve our relationship with Indonesia, our closest neighbour. We successfully maintained our relationship with China, a most important trading partner. I think that has been lost in a lot of the debate recently. Japan is unquestionably our most important trading partner, but that does not mean that we should in any way exclude the emergence of China or the emerging relationships with others in the region. We successfully identified one of those with the growing international trade associated with India, an emerg-
The Howard government recognised when the coalition was in office that it is in everyone’s interest to support development to combat structural challenges like corruption, terrorism and so on. The coalition still believe that—we believed it in government and we believe it today. That is why we are supporting this bill. I think it should be noted that today is in fact the first anniversary of the collapse of Lehman Brothers. I was fully expecting a debate in this place today initiated by the Treasurer in relation to that matter, but obviously the Treasurer has given up debating me these days. So I would just make this point, because this ADB bill, just to satisfy the government members at the table, is a direct result of the global financial crisis so I am perfectly in order—

Mr McMullan—It’s close enough, Joe.

Mr HOCKEY—Yes, it is close enough. I would just say this: the coalition recognises that what has occurred in international markets over the last 18 months to two years has been very significant—significant for businesses around the world, significant for credit flows and significant for major developed economies.

But there is a debate, and there will be for many years, about why Australia came through the global financial crisis in significantly better shape than so many other countries. I want to lay down the five reasons why the coalition believe we came through. Even the RBA minutes today reveal that the RBA board is uncertain about any one particular factor but knows that an aggregate of factors actually had an impact. There are five key factors, from our perspective, that have helped to deliver Australia through the global financial crisis.

The first reason was that Australia went into the economic downturn in far better shape than almost any other developed country in the world. We did so because of strong economic management by the previous coalition government, whether the Labor Party in government today recognises it or not. They selectively cited President Obama’s speech today. When I read that speech I noted that
President Obama said that he inherited a budget with a $1 trillion deficit. He walked into the White House and he had a budget with a $1 trillion dollar deficit. The current Australian government walked into office and not only had no government debt—none at all compared to the massive debt of Japan, Italy, France, the United States and a range of others—but what they inherited was $45 billion of cash in the bank. They also inherited an economy that was growing at over four per cent. They were so alarmed by the speed of the economy and by the impact on inflation that they declared war on inflation at the beginning of last year. They declared war on inflation and in doing so claimed that the Australian economy was growing too fast as the global credit crisis was spreading beyond the gates of Wall Street into the broader financial markets in early 2008. They had four per cent growth, $45 billion in the bank and four per cent unemployment—the lowest unemployment rate since the seventies, to the best of my memory. The government inherited that. That was the first reason we came through.

The second reason was that we had no obvious massive financial collapse. The most significant financial collapse was that of Babcock & Brown, which I think—and I will stand corrected—had a market cap at one stage of tens of billions of dollars but was not a collapse on the scale of Lehman Brothers. Australian financial institutions were not at the level of distress of AIG, Merrill Lynch, Fannie Mae, Freddie Mac, Wachovia or any of a number of financial institutions that even President Obama identified today. One of the reasons Australian financial institutions did not have those massive collapses was that we undertook in government the initiatives that President Obama identified in his speech today are essential for America to deliver in order to get reform: one single regulator of financial institutions for prudential supervision and one corporate regulator. In our case, it was the creation of APRA and ASIC, which were set up by the coalition government. We had the Financial Services Reform Act. Senator Conroy, who was the shadow financial services minister when I was the financial services minister introducing that bill, made my life merry hell in the Senate. But, in fact, we put in place the very best consumer protection legislation in the world through the FSR Act. I put that through this parliament. It was so good that other countries came to us to copy the legislation, because not only was it a piece of legislation that brought together a single conduct and disclosure regime for all financial products but it was also technology and distribution neutral in that, whether the sale of a financial product was done through an agent, over the phone, face to face or over the internet, the same conduct and disclosure regime existed. Not having the same regime was one of the reasons the subprime crisis got out of hand in the United States. So the second reason was that we had no financial crisis.

The third reason was that in Australia, on the one hand, we are very lucky that we have a large number of Australians who have variable home loan rates. As the RBA identified, changes to the cash rate by the Reserve Bank flow through dramatically quickly in Australia because of what they call the transmission rate. That transmission rate delivered a huge windfall to Australian households in the form of a 425 basis point cut in the cash rate by the Reserve Bank in a very short period of time. The Treasurer today, rather sloppily, did not know what that meant for households. But you do not want to hold the Treasurer to account on his figures or facts! But I do note that Australian households will feel a similar impact when interest rates rise. This is one of the things we need to bear in mind. The Reserve Bank moved quickly on
that transmission impact, and the coalition is on record as saying the Reserve Bank got it desperately wrong at the beginning of last year increasing rates at a time when credit was becoming harder to access in the United States. We kept warning as the Reserve Bank was increasing rates, and we were criticised by the government. But we were right and history has proved us right. The Reserve Bank got it wrong at the beginning of last year, but they were being egged on by a government that had declared war on inflation. Having said that, I will give praise to the Reserve Bank for its actions at the end of last year, which delivered a significant and immediate benefit to Australian households. That was the third reason—interest rates.

The fourth reason was trade. This government inherited favourable terms of trade and, as of today, they are more favourable than they were on the day the coalition government lost office. Even today, the terms of trade, as revealed in the national accounts, are more favourable to the government than they were on the day the Howard government lost office. I will give credit to the Hawke government, because we are prepared to give credit to the other side of politics when they do things right. When the Hawke government floated the Australian dollar back in 1983 it received bipartisan support at the time, but it was a hard decision. I have read a number of books about that and about how hard it was. But great credit to Bob Hawke, who, I might say, was a damn fine Australian Prime Minister—and he is a good bloke—because it was a hard decision but the right decision. And the benefit of that flowed through most obviously when the Australian dollar went from near parity with the US dollar to around 60c at exactly the right time for Australian exports, which helped to deliver some stability of income to Australian resource companies and exporters at a crucial time. Exports made a huge difference.

When you listen to Societe Generale, which, sadly, are no longer in Australia—they left Australia last year—and to their analysts in Hong Kong or elsewhere, or even read about them in the Economist magazine, they all refer to the fact that China’s massive stimulus package has helped Australia through this economic downturn. There is no doubt about that. But exports to China, particularly iron ore, have had a massive fiscal stimulus and, I might add, a monetary stimulus, in the sense of a massive easing of credit access. That has made the difference.

The fifth factor—one of five—was government spending. We are not going to pretend that government spending did not have any impact. That would be pathetic. When you have the government throwing $52 billion in stimulus packages into the economy but really adding another $54 billion in new spending announcements, taking it to well over $100 billion since the 2008 budget, of course it will have an impact. The question is: what have we got for it? That is what the coalition is asking. We believe the government has spent too much money. Moreover, not only has the government spent too much money, it is spending too much money into the future—in fact, into 2013. The government said in the budget papers that it had a debt repayment plan. The opposition criticised that plan as lacking credibility, because it was projecting that, after 2011, it would have six consecutive years of above-trend growth, followed by a number of years of trend growth. We said that it was too ambitious.

And today the Treasurer was seen running away from his own forecasts in the budget. I would think the Treasurer should know better than to stand up and shout abuse across the chamber when, in fact, we asked a simple
question: whether he stands by his budget papers. It is a simple question. It is obviously quite a weak person who is not prepared to stand up and defend his own budget papers four months after they are delivered. And it is a weak person, in the form of the Treasurer, who is not prepared to be upfront, direct and honest with the Australian people in this chamber where, if he lies, he loses his job. The Treasurer feels it is okay for him to go outside and lie, but the reason why he does not answer any questions in here, like a weak Quasimodo avoiding any scrutiny, is that he does not know the answers. A simple question requires an appropriate, accurate and timely answer and that is all we ask for.

We need to know what the real impact is, because the lag impact of the government’s stimulus spending is the massive debt and the upward pressure it will put on interest rates. The Treasurer conceded today that cheap money will no longer be available. But I tell you what: it does not help if the government is borrowing almost $1 billion a week, in competition with the private sector. That does not help; it puts upward pressure on interest rates. We had the Minister for Finance and Deregulation, who prides himself on being a knowledgeable man, saying that the crowding out theory in relation to the public sector’s borrowings versus the private sector’s borrowing was complete rubbish. He said that earlier this year when I was in a debate with him. I could not believe my ears.

The government have an assumption that there is unlimited capital around the world that will invest in Australia. But they do not realise that we are but a small fraction of the world economy and so much of international investment is weighted on the size of an economy. Australia has always been a borrower from the rest of the world. Since Arthur Phillip set up camp, Australia has borrowed from the rest of the world. We have funded so much of our development with borrowed money from overseas. During the housing booms there were the Wizard home loans, the Oz loans. A lot of money from overseas funded that. If we are funding ourselves by borrowing from overseas for the private sector but also the 800-pound gorilla—the federal government—now enters into the market in a very aggressive way to spend money on things that are not going to lead to long-term productivity gains for Australia then all Australians will pay a heavy price.

That is why the opposition take a reasonable approach to the debate about spending and the global financial crisis. That is why we have identified five reasons why Australia came through it. All wisdom and knowledge does not reside on one side of the House. But, certainly, if one government, spending so much money, believes that it is beyond questioning and it is not even prepared to give reasonable answers then the Australian people can rightly say that they are being robbed of true democracy.
As the Treasurer has already said, Australia has much to gain by increasing its support for the Asian Development Bank. We should support it in the way that this bill outlines, because it is the right thing to do. It is what good international citizens do, particularly in a time of crisis. It is also profoundly in our national interest. It is in Australia’s national interest to live in a peaceful and prosperous region. One of the significant contributors to a peaceful and prosperous Asia-Pacific is the Asian Development Bank. Australia has been closely associated with it. Australia has been one of its biggest shareholders since its establishment—and continues, and should continue, to be so.

This bill will increase our capital contribution to the ADB to $228 million over 10 years. While this represents a small fraction of our overseas development assistance budget, it is a significant and important investment in Australia’s national interest and it is one which we have room to make because of the government’s commitment to increase the aid budget—and I will come back to that in a moment. This capital increase also demonstrates the Australian government’s willingness to be a global leader on issues related to development. It enables us to fulfil our commitment, made at the G20 summit in April this year, to a 200 per cent general increase for the bank. This demonstrates not only our commitment to the ADB but also our commitment to development assistance in general and development assistance in our region in particular.

We have the undoubted capacity to fund this measure because this government came to office with, and has reflected in its budgets, a commitment to increase the aid budget to 0.5 per cent of gross national income by 2015—and we are on track to do so. This generates additional resources for the fight against poverty in our region and in the wider world. It is an important part of the government’s strategy of international engagement, and it is the direction in which almost every modern economy is going. We came to office with a depressingly low ODA to gross national income percentage—0.3 per cent. We have now raised it back to a level which it has not been at for a long time, and we will get it, as the budget papers outline, on track towards 0.5 per cent by 2015.

In the face of the global recession, the work of the Asian Development Bank is of vital importance. The ADB’s own research estimates that, for every one per cent contraction in regional GDP, 21 million people will be forced back into poverty—21 million people. The global financial crisis makes the task of achieving the Millennium Development Goals significantly harder because, globally, the financial crisis which is affecting the living standards of people in developed countries is forcing people in developing countries back into poverty. That is not an advocacy to despair and say that the goals which the global community set for itself at the turn of the century to halve poverty by 2015 and the other millennium goals are too hard; it really encourages us to recommit and to work harder for the achievement of those goals. Even before the global recession, the Australian government recognised that the Asian Development Bank needed a capital increase. Australia had been a strong and early supporter of a capital increase of 100 per cent; however, in the face of the global recession, it became apparent that that was not sufficient and that a capital increase of 200 per cent was needed due to increased demand for loans by middle-income countries.

Let me explain how this capital increase is going to work. We are talking about big numbers here but the economics of it is actually quite straightforward. For the capital increase, Australia will contribute $228 million of paid-in capital over 10 years from
2010-11. This paid-in capital supports the Asian Development Bank’s lending to middle-income countries through its ordinary capital resources lending arm. This enhances the capital base, and the bank uses that capital base and its AAA rating to raise money at low rates on capital markets, which then enables it to on-lend, particularly through that account, to middle-income countries.

In our region and around the world—but in relation to the ADB in our region—there are very many starkly poor people in middle-income countries. Of course, we all see countries where poverty itself is the prevailing reality. But even in countries with the lowest of low incomes and in middle-income countries in Asia there are large numbers of extremely poor people, and assistance is needed to lift those people out of poverty. Much of the progress that we have made in reducing global poverty since 2000 has been in the middle-income countries—in China, in India and in Vietnam—where progress has been made substantially and effectively to lift many people out of poverty, but there are still many people left. There is a long way to go.

Without a capital increase the ADB would have had to limit its lending to middle-income countries to less than $4 billion from 2010 onwards. This capital increase will allow the ADB to provide additional funding of up to US$8 billion to crisis affected middle-income countries. The increase will also allow the ADB to provide additional money, on top of its normal lending facilities, for trade financing, loan guarantees and the provision of social safety nets and to governments under fiscal stress due to the global recession.

Recent data published by the ADB details the extent of the damage done by the global recession, particularly to the medium-sized export-oriented economies which have driven growth in the Asia-Pacific. This data also shows that construction and manufacturing industries in the Asia-Pacific have been hit by the global recession. These industries generally employ unskilled and semiskilled labour, and the slowing of these industries in the region has hurt the groups of workers that are the most vulnerable. In particular, evidence shows that women have been disproportionately affected by the global recession due to manufacturing industries in the Asia-Pacific responding to decreased demand. This is not some esoteric or remote piece of high finance; it affects real people facing real crises and the real risk of poverty.

This capital increase will allow the ADB to continue its crucial role in poverty reduction, by meeting the capital needs of the developing world. It will allow the ADB to finance more bank recapitalisations, more infrastructure, more social services, more trade and more debt rollover. It will support the growth of stable and effective governments across the region, which in turn will be able to provide more effective services to their citizens; because, for all the assistance that Australia, other bilateral donors and multilateral development banks like the ADB provide, ultimately success depends on the governments, the people, the NGOs, the companies and the other organisations in the developing countries. So strengthening their governments and their capacity to provide effective services is crucial.

The capital increase to the ADB will allow it to better support the growth of industries in our region, thereby generating additional trade and supporting jobs in the region and developing countries—and, ultimately, of course, generating export opportunities for Australia. That is why it is in our national interest. It is not the key reason that we do it; the key reason that we do it is that it is good international citizenship and sound international management. But it does, by enhanc-
ing the peace and prosperity of the region, serve our national interest.

This is a role played broadly by the development banks around the world, and Australia has developed and is developing more relationships with those development banks. We have, of course, been a long-term member of the Asian Development Bank. We have been a long-term member of the International Bank for Reconstruction and Development in the broader World Bank Group, and we have recently reaffirmed our membership of the European Bank for Reconstruction and Development. I was a strong supporter of our original membership of the European bank. In latter years of our opposition I came to the view that this bank—at least Australia’s participation in it—had outlived its usefulness. It appeared that eastern Europe was emerging from the crisis, from the collapse of the Soviet Union and the end of the Cold War, and that that special measure was, if still necessary, not an appropriate priority for Australia. But circumstances have changed, and I think the appropriate policy response has changed as a consequence. It is now clear that at least some of the countries of the former Soviet Union and some of the countries of eastern Europe are suffering severely as a result of the global recession.

The Prime Minister has spoken about the fact that these are some of the places the consequences are most severe. So the government has recommitted to membership of the European Bank for Reconstruction and Development. We were not, when we came to office, committed to doing that, but we have announced that we will, and in my view that is a correct decision. It would not have been my view a few years ago, in the middle of the boom, but at this time I think it is the appropriate decision, and I think it will be the appropriate decision for many years to come. Australia is not a member of the other two regional development banks—the African Development Bank or the Inter-American Development Bank—but we are in discussions with both about ways we can work together to fight poverty in Africa and in Latin America and the Caribbean. I expect that in the months ahead we will be in a position to announce initiatives that we are taking jointly with the African Development Bank and the Inter-American Development Bank.

So those multilateral development banks have a major role to play in leading the world out of this global recession, led by the World Bank but in our region very strongly and importantly supported by the Asian Development Bank. That is why this capital increase is so important. Its significance to Australia is shown in recent trade data which re-emphasised the importance of Asian trade to the Australian economy. Plainly, the more we assist our region now in recovering from the global recession, the greater the rewards for Australia. The capital increase is an investment in our region, and Australia as a nation will see real returns.

I am pleased to advise the House that the Australian government has very recently, in the last few days, signed a 15-year agency level partnership framework for development with the Asian Development Bank. We have had a memorandum of understanding with them since 1990; this agreement replaces that MOU. The framework’s main objective is to work together in the Asia-Pacific, emphasising a strong ADB presence in the Pacific and donor coordination via the 2009 Cairns compact. I would just like to thank the Asian Development Bank. I know that at the Pacific Island Forum in Cairns there were some difficult issues for the bank related to the implementation of the Cairns compact and donor coordination in the Pacific. We had some very hard discussions with the bank. I understand their concerns, and we
greatly appreciated the statement of support for the Cairns compact made by Vice-President Larry Greenwood of the Asian Development Bank. We welcome that support and we look forward to working with the ADB in the implementation of the compact.

The framework is also designed to promote greater aid effectiveness, particularly through harmonisation and coordination between the ADB and Australia. We are, for example, working together through the so-called PRIF, the Pacific Region Infrastructure Facility, of which the members are Australia, New Zealand, the ADB and the World Bank. We hope to see other major donors in the region join soon in a manner that will enable more efficient and effective implementation of infrastructure decisions in the region. We work together under this framework to build awareness of the outcomes of the partnership by promoting greater visibility of Australia’s multilateral aid activities and improving the quality of the engagement between Australia and the ADB.

The framework builds on a strong foundation of cooperation between the ADB and Australia in a number of areas of international development assistance. We are for example in close discussion with them about major Mekong transport infrastructure initiatives. We are discussing with the ADB and the government of Vietnam some possible initiatives which I think, if it all comes to fruition, will be very important.

As the shadow minister referred to previously, we have an active engagement with the Asian Development Bank in the area of HIV/AIDS prevention and control in Cambodia, Laos and Vietnam, and in Papua New Guinea. Australia has provided $3.5 million towards a project to contain the spread of HIV in Papua New Guinea in conjunction with the ADB, New Zealand and, of course, the government of Papua New Guinea. It was a project which sought to stabilise the prevalence of HIV/AIDS in PNG by 2020 through education and improving health infrastructure and services. Specifically, the Australian contribution has contracted a not-for-profit company to market and distribute condoms on a country-wide basis.

So, around the region we are working very closely with the Asian Development Bank and we welcome their increased engagement in the Pacific. We work particularly with them in the major countries in Asia and we expect—as a consequence of this capital increase—that we will be able to work with them even more. At a time of global financial crisis our capacity to work with this bank is very important. It is important in the context of broader development assistance strategy focused on the achievement of the Millennium Development Goals.

This bill is part of that process of Australia committing resources to assist the global fight against poverty. In 2000 Australia joined other countries in committing to the Millennium Development Goals. These goals aim to halve extreme poverty by 2015. They are a bold statement of what we want to achieve in the first quarter of the 21st century and this government has lifted the profile of those MDGs within our aid budget and we intend to continue to do so. They are a practical and measurable scoresheet against which we can track our successes and our shortcomings.

It would be foolish to underestimate the task we face, because 900 million people around the world will go to sleep hungry tonight. Twenty-five thousand children will die today from preventable disease. Tomorrow, 1.4 billion people will be forced to survive on less than US$1.25 for the day—more than two-thirds of them women and children. There is a very big task, but sometimes I think we place too much emphasis on the
task and not enough on the progress. We have made substantial progress.

In the last 25 years we have seen 500 million fewer people living in poverty despite rapid growth in the global population. Real incomes in the developing world have more than doubled. Child mortality has halved and life expectancy has increased by more than five years. In the last decade, deaths from measles in Africa have fallen by 90 per cent. Overall, girls now have the same participation rate in primary and secondary schooling as boys. The number of children in developing countries out of school has dropped by 28 million.

The global recession has hampered our progress towards the MDGs but we should not let it weaken our commitment to them. It is imperative that we continue to focus both on the challenge and the progress. A key part of our mobilising of resources to meet the challenge of achieving Millennium Development Goals is the G20 decision to support increased resources for the multilateral development banks. It is in that context that I am delighted to have the opportunity to commend this bill to the House.

Mrs MOYLAN (Pearce) (8.11 pm)—This week’s Micah Challenge’s fourth annual Voices for Justice event has been under way in Parliament House and it is therefore very timely to have the opportunity to speak on the Asian Development Bank (Additional Subscription) Bill 2009, which gives the Treasurer authority for Australia to subscribe to additional shares in the capital stock of the Asian Development Bank, and for related purposes, including authority to issue promissory notes to the bank. As the detail of this bill has been well canvassed by the previous two speakers, I do not intend to revisit that.

On this year’s brochure, the Micah Challenge poses the question: what if you could change the world? It explains that the Micah Challenge is a global movement of Christians which aims to deepen engagement with the poor and to integrate social justice as an essential part of faith. Those involved in the Micah Challenge have been engaged in urging governments to fulfil their commitments to the millennium goals to halve poverty by 2015. The millennium goals targeted eight basic needs. They include: eradicating extreme poverty and hunger, achieving universal primary education; promoting gender equality and empowering women; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria and other diseases; ensuring environmental sustainability; and constructing a global partnership for development.

It is now late in 2009, which is the halfway mark and, since the world has made a commitment to the millennium goals, mortality rates for children under five have fallen, there has been progress in achieving the education goals, there has been progress on the goal to eradicate diseases such as malaria, and according to the Asian Development Bank the absolute number of poor fell from 900 million in 1990 to about 600 million today. So there has been progress. But here we are, at the halfway mark of the timeframe to achieve the Millennium Development Goals, and we are still a long way from fully achieving those goals.

This is no time for complacency. According to the Asian Development Bank’s website, an estimated 1.7 billion people—more than half of developing Asia’s population—still live on less than $2 a day. The Asia and Pacific region is home to two-thirds of the world’s poor. Growth in the region has often been inequitable, threatening social harmony, and has put great pressure on the environment.

Over the years that I have been in this place, I have been privileged to travel to
some of the developing countries in our re-
gion and have seen firsthand the work car-
rried out through AusAID and non-
government agencies as a result of Austra-
lia’s commitment to making poverty history.

The member for North Sydney spoke
about some of the achievements of the How-
ard government, and I am pleased to say that
there is a strong bipartisan approach to
achieving the millennium goals. I think that
everyone supports that objective. But during
the time we were in government we were
tested with the Asian financial crisis and also
with the terrible tsunami which devastated
many of our neighbouring countries in Asia.
The government was very responsive and
very generous with funding and assistance
after both of those events which just added to
the terrible poverty and suffering. So it
should be that we offer that kind of aid to our
near neighbours, because poverty is a terrible
condition. It leaves men, women and chil-
dren open to exploitation in the worst possi-
bile ways. It reduces lifespan as well as qual-
ity of life, and the abject suffering is heart-
wrenching, to say the least.

My outlook on many things has dramati-
cally changed since I came to this place and
since I have had the opportunity to see first-
hand some of the terrible conditions in which
people live in our region. I suppose those
changes were brought about after visiting
children who were orphaned through HIV-
AIDS in Africa—one of the continents on the
Indian Ocean which is close to my home
state of Western Australia. HIV-AIDS has
produced 12 million orphan children. I have
come face to face with victims of the child
sex trade and have seen the devastating im-
pact it has on young children, continuing
through their adult years—if they manage to
reach adult age. I have met children who go
to school in two-hour shifts because there are
neither teachers nor school buildings to al-
low students to have a full education. I have
met children whose one meal a day was sup-
plied through the World Food Program,
funded by the Australian government. I have
seen the squalid living conditions in the
shantytowns of Africa and Asia, where hu-
man health was compromised because of a
lack of sewerage, clean water and the sort of
facilities that we take for granted. In the
worst of these circumstances, health care is a
hit-and-miss affair. In one instance, primary
care was being delivered by student doctors
who volunteered their weekends to deliver
healthcare services. That was in one of the
shantytowns that I visited.

On many occasions, I have marvelled at
the quiet dignity of people living in such
conditions and I have witnessed firsthand the
triumph of the human spirit over adversity.
The fact is, though, there can be no hope for
peace or for the alleviation of poverty until
we work together to eliminate the conditions
that create poverty and ensure that all people
have access to a decent standard of living.

There are the obvious things that can be
done, such as delivering food aid and estab-
lishing health programs to combat the spread
of HIV-AIDS and other chronic diseases—
and I might say that diabetes comes into that.
I was pleased a couple of years ago when the
UN made diabetes a priority, because it
causes terrible devastation and just adds to
the poverty. If you have one person who is
suffering from the worst that that disease has
to offer then another person has to stay home
and care for them.

The Australian government has been en-
gaged in facilitating better governance pro-
grams as well as delivering the aid programs.
These programs are very important in those
countries in our neighbourhood that have
struggled to rebuild after devastating con-
icts. This is fundamental to addressing pov-
erty. The establishment of democratic forms
of governance, including the independence
of the judiciary and the rule of law, are basic
building blocks that are pivotal to maximising the growth and development of a country and to achieving poverty reduction. Poor separation of powers and corruption robs a nation of its capacity to build and rebuild for the benefit of all, and abuse of power and corruption increase the risk of terrible things happening in those countries. We only have to look at countries like Darfur in our recent history to see the terrible problems that come through internal conflict and a lack of proper governance, separation of powers and application of the rule of law.

Also compromising the achievements of the millennium goals are the twin challenges of the recent global financial crisis and climate change. The global financial is the second such crisis we have seen, and this particular global financial crisis is perhaps going to have the biggest impact on developing countries. It hits them hard through reduced labour market opportunities and through government budget measures which, if the past is anything to go by, target social services, health and education for savings in difficult financial times. These cutbacks in essential services have always disproportionately impacted on women and children. The work of the Asian Development Bank, and Australia’s participation in particular, is critical, and it is pleasing that this bill has bipartisan support.

The Asian Development Bank was originally established in 1966 as an international development institution, and in 1999 the bank adopted poverty reduction as its overarching goal and announced its poverty reduction strategy. The strategy relies on three pillars. The first is pro-poor, sustainable economic growth, the second is inclusive social development and the third is good governance. These goals were reviewed in 2004 to take into account the Millennium Development Goals, and a broader, more comprehensive approach to poverty reduction was embraced. Partnerships and capacity building with an emphasis on managing for development results became key objectives.

Prior to the global financial collapse, many of the countries in our region were experiencing rapid growth, requiring the Asian Development Bank to rethink its strategic course, and this has resulted in a long-term strategy, called Strategy 2020, adopted in 2008, which will assist in delivering more innovative approaches to shaping the region’s future. It will always be necessary, though, to examine the operation of the Asian Development Bank, because events are moving very fast. It was pleasing to hear that the shadow Treasurer, the member for North Sydney, had attended one of the annual general meetings of the bank, because if we are to carry out our responsibilities here, we need to ensure that the commitment we have made to that bank is meaningful and that it is achieving what we all hope it will achieve.

There have been some criticisms of the operation of the bank. Oxfam expressed some concerns, saying in a general statement about development banks:

Operating at a global and international level, these banks have funded projects that have undermined people’s human rights and have had detrimental outcomes for poor and marginalised communities.

And, in a report released in 2008, Oxfam was critical of the operation of the Greater Mekong Subregion Program initiated by the Asian Development Bank. The report said, in part:

… there is significant evidence to indicate that for many who are the poorest in Mekong countries, life has actually become harder. In fact, one of the ADB’s own studies showed that in Laos, the level of poverty for these people had either stayed the same or become worse.

It went on to say:
While there is some debate about whether poverty is increasing or decreasing, there is no debate that rapid economic growth has led to greater inequality within all the Mekong countries. The gap between rich and poor has grown enormously. Perhaps most disturbingly, this gap has increasingly developed along ethnic lines—it is the region’s many ethnic minority groups who are being left behind at the bottom of the social ladder. This trend has serious implications for how society develops in Mekong countries.

The Asian Development Bank Institute did release a paper after that, entitled *Transport infrastructure and trade facilitation in the Greater Mekong Subregion*. I was pleased to see that they gave recognition to:

The gains from improvements in transport and trade facilitation—

being tempered by—

the potential negative impacts of improved transport networks in the region. These impacts include:

1. Increasing income disparities (international, regional, and ethnic)
2. A deterioration in regional economy in some areas and countries along the border crossing routes
3. Spread of HIV and AIDS, avian flu, and other infectious diseases
4. Human and drug trafficking, a potential spread of terrorism
5. Deterioration of traffic safety.

I think the member for North Sydney mentioned some of these. So it is not all a rosy picture.

In 2007 there was a paper presented to the International Forum on inclusive growth and ‘poverty reduction in the New Asia and Pacific’ by Michael Walton of the Centre for Policy Research in New Delhi, India and the Kennedy School of Government in Harvard University. He highlighted some of the challenges the Asian Development Bank faces in the next decade or so. I do not have time to go into that presentation in any detail, but I would commend it to anyone who is interested in the operation of the Asian Development Bank. In part, he said that:

- In poorer countries, this will often involve continued support to central governments in the provision of infrastructure and social services.
- However, in emerging market countries, this will increasingly involve a mix of financial and knowledge-related services that tackle the more complex challenges of inclusion of lagging regions or groups in both social and economic development, developing comprehensive mechanisms for managing security, financial inclusion, and the management of environmental concerns.

Growth and development does not always equate to poverty reduction—and I think this is the message that Michael Walton was trying to drive home—unless attention is paid to inclusive growth. He cautioned that there are:

… a whole series of complex challenges around inclusion that are both of great intrinsic importance for the well-being of relatively deprived groups in the region, and need to be tackled to assure the sustainability of long-term growth.

These are the challenges that I believe the Asian Development Bank is aware of.

This is a bill worthy of support as Australia can play an important part in providing both funding and expertise to aid the work of the bank. I know that constituents sometimes ask questions about taxpayer money being allocated for such purposes, and when they are having difficulty accessing services in their own communities I suppose we can all have some sympathy for their expressions of disquiet over aid programs. However, that is why we in this place have an obligation to explain why Australia’s involvement in assisting developing nations in our region is important and why we need to ensure that our investment in aid funding is properly...
acquitted and achieves the objective of alleviating poverty.

As I outlined earlier, seeing firsthand the work of Australians abroad and meeting some of those who are the beneficiaries of that work, I have no doubt about the important role we can play in ensuring that a reasonable contribution is made to alleviating poverty in developing countries within our region. Apart from a desire to redress the awful human suffering in some of these nations, there are practical reasons for aid. Such reasons include arresting the spread of infection and disease, eradicating trafficking in people and illicit drugs, and promoting peaceful coexistence with our neighbours. A wealthy country like Australia should be able to do better than make the international aid target of 0.7 per cent of gross national income only aspirational. We should make it a reality.

In conclusion, I applaud the work of those involved in the Micah Challenge and the Voices for Justice campaign conducted in Parliament House yesterday and today. In particular, I pay tribute to the people from Pearce who made the long journey to Canberra to speak out about the need to step up our campaign to end poverty. Mr Martin Bent, Ms Jackie Knight and Ms Rosanne Logie travelled from Perth to meet with me and others.

Debate interrupted.

**ADJOURNMENT**

The DEPUTY SPEAKER (Ms AE Burke)—Order! It being 8.30 pm, I propose the question:

That the House do now adjourn.

**Nuclear Energy**

Mr JOHNSON (Ryan) (8.30 pm)—Energy security is unquestionably one of the greatest political and economic policy challenges of our times. As the world’s population increases and global prosperity expands, the demand for affordable, reliable and sustainable energy will be even more challenging for national leaders to deliver. Whether it is to meet the lifestyle needs of the so-called developed middle-class or to empower microfinance entrepreneurs in developing economies, never before has the thirst for energy been so intense. Today’s mass consumerism across demographics, genders, professions and borders only adds to the insatiable demand for energy. We all know that how the world’s chief business executives and national leaders deliver on these pressing demands will shape human lives as well as commercial hubs. The need to address climate change and conserve the environment only adds to the need for a global solution.

As the member for Ryan, it is my absolute belief that we must do more to explore and develop a wide range of alternative and renewable forms of energy. This is something that I have spoken about previously in the House, and I will certainly continue to do so on behalf of the people of Ryan that I have the great privilege to represent in the House of Representatives. The time has come to be absolutely innovative and visionary on ethanol, solar, tidal and wind power and also on power involving green roofs and algae, and, in particular, the time has come to be visionary and proactive on nuclear. That is what I want to talk about tonight because I am sure that the vast majority of Australians, including the vast majority of the constituents of Ryan, properly educated, properly advised, properly informed and properly briefed, will be very receptive to nuclear as a form of energy that can sustain economic growth as well as play a part in the basket of solutions for the environmental challenges that we have.

I want to take the House to a speech that a very significant figure in the union movement and on the Labor side of politics, Paul
Howes, the National Secretary of the Australian Workers Union, made several weeks ago. On 18 August 2009, he showed courage and leadership when he talked about the power of nuclear in the basket of energy solutions. His speech was worth commending, and I want to do that tonight by quoting some of his very insightful and compelling words. He said:

But my aim tonight is to also raise the potential - long recognised by many other countries - for nuclear energy to supply Australia’s future domestic energy needs and to have this debate with urgency, and with the most up-to-date information to hand.

A domestic nuclear industry could potentially be up and running within ten to fifteen years, but despite a rising level of community acceptance according to a number of recent surveys, with constraints to be addressed regarding safety, waste, proliferation and the risk of diversion, of this worthwhile idea, some Governments, overtly at least, are against it.

My question to the Bligh government in the state of Queensland is: are you for it or not? My question to the Rudd government here in Canberra is: are you for nuclear or not? Certainly, Mr Paul Howes is showing leadership and vision and he is putting the national interest first, ahead of party politics.

In this country we have enormous potential to export our uranium resources to the world. Some 16 countries already rely on nuclear energy to supply at least one-quarter of their total electricity. There are some 440 nuclear power generation plants worldwide, with 52 planned or under construction, producing approximately 16 per cent of global electricity energy generation. We are not talking about something small here; we are talking about something substantial. Prime Minister Rudd said that climate change is the greatest moral challenge to this country, the greatest moral threat to our time. Mr Rudd, I say to you: use your power; use your influence. Let us not be dills. Let us get on the side of Mr Paul Howes, who said: We would be dills not to seize it.

He was talking about the opportunity, of course.

So, Mr Rudd and Deputy Prime Minister Gillard, let us not be ostriches and bury our heads in the sand, because, like it or not, in the years ahead this country will become a country that has power generated from nuclear capacity. (Time expired)

Budget

Ms JACKSON (Hasluck) (8.35 pm)—Tonight I want to congratulate the Rudd government, especially the Minister for Families, Housing, Community Services and Indigenous Affairs, for the pension reforms that will take effect from next week. Australia’s 3.3 million pensioners, disability pensioners, carers, wife pensioners and veteran income support recipients will benefit from increases in their pension payment. The 16,622 pensioners in my electorate of Hasluck are included in that number.

The Australian pension is 100 years old this year. When it was introduced, 65,500 people were eligible for it and it was the princely sum of 10 shillings a week. The average life expectancy at the time was close to 65 years of age. Frankly, it was a safety net introduced by a Labor government, and people were not expected to claim it for very long. Nowadays, there are over 3 million eligible pensioners, and the average life expectancy for men is 82 years of age and for women is 86 years of age. There has also been valid criticism that it is tough to live on the pension, a fact that my age pension parents, Fred and Val Jackson, do not hesitate to remind me of on a regular basis, and I am sure they have brought it to the attention of their local member, the honourable member for Cowan. I have to say it is especially tough for single pensioners.
Pension reform was required. These reforms are long overdue. Last year, the Rudd government initiated a significant review, the Harmer review, into the adequacy of our hundred-year-old pension system. The review found that the single rate pension was inadequate and that the ratio of full rate payments between single and couple pensioners needed to be lifted from 60 per cent to between 64 and 67 per cent. Even in these difficult global financial circumstances, the Rudd government is responding to these concerns and to those findings. The government is providing a significant increase—$65.00 per fortnight for full rate single, disability and carer pensioners and $20.30 per fortnight for full rate couple pensioners combined. This lifts the proportion of the couple pension going to single pensioners to 66.33 per cent. To ensure the pension remains at adequate levels, the government has also legislated a new benchmark of 27.7 per cent of male average weekly earnings for singles—up from 25 per cent—as well as implementing an additional cost of living measure to ensure a more appropriate indexation of pensions for the future.

Every Australian knows that one day they may need to rely on a pension. A strong safety net is needed now and into the future. The global recession highlights the importance of this. We are also faced with an ageing population—a demographic change I personally find reassuring! That demographic change means that the costs of pensions today will double as a share of GDP by 2050. To ensure the pension continues to provide a strong safety net and remains sustainable, the government is making reforms now, including gradually lifting the age pension qualifying age from 65 to 67 from 2017 and increasing the income taper test from 40 per cent to 50 per cent. Both these reforms reflect the Harmer report’s findings.

Prior to the current sitting fortnight, I had the pleasure of hosting over 900 seniors at four separate seminars in my electorate where we offered information on the changes to the pension. I was ably assisted in this task by a team of very competent Centrelink officers, in particular Hillary Godde, Rod Sinclair and Annette Sinclair. I should say I was also ably assisted by my staff. I want to record my appreciation for their professional and entertaining presentation, especially Hillary, and their willingness to stay behind and answer many individual questions. I expect a lot of additional work was generated for them to follow up. My office received terrific feedback about the information sessions. Many of the participants expressed their appreciation for the information supplied. My office was overwhelmed at the large response from constituents to the forums. We had to turn hundreds away when our venues reached capacity. We encouraged them to attend the information sessions conducted by Centrelink.

The reform package improves the adequacy of the pension system, makes its operation simpler and more responsive to pensioner needs and secures its long-term sustainability. (Time expired)

Water Safety

Mr SIMPKINS (Cowan) (8.40 pm)—As a community Keep Watch ambassador for the Royal Life Saving Society Australia, I want to take this opportunity to speak of the need for better water safety for not only children but also all other Australians. I take this opportunity because on Monday, 14 September, the national drowning report was released by the society. It is a tragedy that, in the 12 months to 30 June, 302 Australians drowned. Sadly, that constitutes 41 more than in the previous year.

When we speak of drowning, often we think of children in swimming pools.
Clearly, while it is the responsibility of all adults to maintain supervision of children in swimming pools, it is also important to examine the detail of the drowning figures for each location in order to exercise vigilance across the higher risk areas. A breakdown of the figures is as follows: 76 drownings in rivers; 67 in oceans or harbours; 26 in lakes, dams or lagoons; 67 on beaches; 41 in swimming pools; 12 in bathtubs or spas; and 13 in other locations. What these figures suggest is the need for adults to be vigilant when children are involved in water activities or when they are anywhere near water such as rivers and other locations.

I want to look at the issue of rivers. Of the 76 deaths, eight were children under 14 years of age and 18 were those over 65 years old. A fifth of those total drownings in rivers came from cars being driven through flooded roads. Deaths in rivers have occurred after swimming, falling in, driving across flooded bridges or culverts, falling from watercraft, jumping in and, most tragically of all, failed rescue attempts. The advice of the Royal Life Saving Society Australia is to never drive through flooding.

The two other big areas of concern are open water locations such as harbours and oceans, and beaches, where 67 drowned in each category. In these categories, the age groups most represented were the 25- to 34-year-olds, the 35- to 44-year-olds and the 45- to 54-year-olds. In looking through the report, it would appear that a lack of regard for the risks involved is a factor. With regard to the ocean and harbour category, the society recommends the wearing of a life jacket. With regard to the beach category, the society advises us to enjoy the beach with friends.

In speaking about water safety at beaches, I would make the point that one of my favourite TV shows is *Bondi Rescue*, where the professional lifeguards are shown undertaking their duties at Bondi Beach in Sydney. It continues to amaze me the number of people who ignore the signs and just go straight into the dangerous water at the south end of Bondi. In the mid-1980s when I was posted to Sydney in the AFP, I undertook my bronze medallion at North Bondi life saving club. I recall clearly the dangerous currents and rips that almost always existed at the south end, and it was well marked even then. Yet it seems clear that tourists and migrants seem to fall foul of the conditions and lack familiarity with the risks involved.

I would also say that we cannot ever ignore or be complacent about the risks involved with alcohol consumption. We know that young Australian men are very often drinkers and also take more risks than young women. A case in point from the mid-1990s involving rivers was when I was with a rowing club in Brisbane when I was in the Army. It was reported that two young men drowned after drinking too much alcohol when they tried to swim across the river at St Lucia at night. In heading out for a training session the next morning, we were told to look out for bodies.

I would now like to speak of the 32 drowning deaths of young children. The figure is tragic but it is not greater than the five-year average. With respect to those 32 deaths, the overwhelming location of those tragic deaths was in swimming pools, where there were 19 deaths. This was followed by five deaths in lakes, dams or lagoons. This bears out the enduring requirement and duty of parents and every adult to maintain supervision of children. It is also right for parents to learn resuscitation, particularly when they have pools, spas, dams or bodies of water near their home. Pools and spas must be fenced in accordance with local government by-laws and other government standards. Safe and fenced areas should be provided for
children on farms, as dams and other water storage options cannot be fenced. The other duty of parents is to make sure preparatory water skills of children are developed in water familiarisation and water confidence training.

The number of deaths in Australia by drowning is avoidable and we must work hard to reduce and eliminate them. Adults in this country must have respect for the risks involved with swimming and other water activities, and respect and due regard to dangerous or changing conditions in the various locations in order to keep themselves safe but also to look after children in those locations. Alcohol, overconfidence and ignorance do not mix. Lack of parental supervision is not and will never be acceptable.

I acknowledge the great work of the Royal Life Saving Society Australia and its Chief Executive Officer, Rob Bradley, in partnership with sponsors PoolWerx and its Chief Executive Officer, John O’Brien, and Uncle Tobys, to reduce drowning deaths in Australia.

Fremantle Electorate: Sustainability

Ms PARKE (Fremantle) (8.45 pm)—I am pleased to have this opportunity to speak about the considerable headway that is being made towards urban sustainability in my electorate of Fremantle. I can say that, from the many households that have committed in some way to reducing their carbon footprint, non-recyclable waste and water use, to the schools, businesses and local governments that are striving to become carbon neutral and more efficient in their use of power and water, the sustainability movement is strong and growing stronger all the time as people and communities join this effort.

Last Sunday, four private homes in the suburbs of Hilton and Hamilton Hill were opened to the public as part of Sustainable Homes Day. In Hamilton Hill, Adam Peck and Amy Warne have retrofitted their 1950s brick and tile house with a 1.1-kilowatt solar power system, a 14,000-litre rainwater rank, roof insulation, a solar pergola and shade-cloth and a greywater system. The surrounding gardens form the heart of the property. A front garden with predominantly native plants, which attracts various native fauna, is now no longer watered, while the rear yard provides much of the family’s food and also harbours chooks and compost bins.

The Greenhill family of Hilton built a new passive solar home on a rear block in 2000. The double brick house was designed and placed to suit the site and local conditions. It is insulated and, except for a small gas heater that is used ‘to take the chill off after a week of cloudy winter days’, requires no heating or cooling due to its solar passive qualities. The property’s garden ‘rooms’ include deciduous trees and vines that provide shade in the summer and allow winter light to filter into the home. A mandala style vegetable plot is enhanced by a chicken enclosure that rotates to the fallow plot for the purpose of fertilisation, and there are several fruit and citrus plantings.

The Greenhill and Peck-Warne households are among a group of local residents that this year have established the fledgling Hilton Harvest Community Garden project, which plans to develop a true community garden that will provide not only fresh, edible sustenance but also the emotional connections that are much needed in this rapidly-changing community. We have an award-winning community village in Hamilton Hill, called Pinakarri, which is forging a clear path to a new, socially inclusive and environmentally sensitive way of living in an urban environment.

The business sector is also contributing to the community-wide sustainability effort. The nation’s largest wholesale supplier of
solar panels, Sungrid, is in Fremantle and, while it currently imports those panels, it is considering a manufacturing capacity, which may also be located in the electorate. I hope that proves to be the case. In South Fremantle, Quickstep will use the government’s $2.626 million Climate Ready grant to develop carbon fibre parts for use in land and marine vehicles in order to derive significant fuel efficiency gains. Carnegie Corporation’s wave power technology project in North Fremantle is close to the point of being ready to proceed with a large-scale pilot using its CETO technology.

Last month I participated in judging the City of Cockburn’s annual Sustainability Awards. The awards have served to showcase efforts already being made by all community sectors across the city—from individuals and community groups to schools and large and small businesses—and to encourage greater participation in sustainability initiatives.

At the same time, the City of Fremantle has made a commitment to becoming the second local government in Australia, and the first in Western Australia, to achieve carbon-neutral status. While the city has had a number of carbon reduction programs in place for more than a decade, this year the climate change crisis compelled the city to take more urgent action. From the time of the resolution, on 25 March 2009, measures were put in place that allowed the city to reach its goal of becoming carbon neutral by 1 July. In February, the city’s successful application for $174,000 to install solar hot-water units and photovoltaic cells on council buildings was among the first dozen announced in the very first grant of the Commonwealth government’s Regional and Local Community Infrastructure Program. Earlier this month, further RLCIP funding covered the $160,000 cost of solar panels that now adorn the city’s Fremantle Leisure Centre, making it the state’s biggest photovoltaic grid connected farm. These panels generate enough power for 10 homes on an average day. Since June, all parking revenue in the city has been used to buy green power.

Taking such action and seeing the goal achieved in such a short time is testament to the achievability of sustainable living, given the will. It is certainly clear that Fremantle is engaged at a very high level in the challenge of climate change and the pursuit of urban sustainability. With more than two-thirds of Australians now living in major cities, it is critical that we continue to support the drive towards and encourage further innovation in urban sustainability.

Tillegra Dam Proposal

Mr BALDWIN (Paterson) (8.50 pm)—I rise to address the issue of the proposed Tillegra Dam in my electorate of Paterson. Whilst I understand that this is a state issue, it is an issue of much contention amongst my constituents and, as their elected representative, I feel it necessary and important to state my informed views for the public record and to arrest false assumptions made about my position on the issue.

The rationale offered by the New South Wales government in November 2006 was that the $477 million Tillegra Dam would deliver a secure and sustainable water supply for residents of the Lower Hunter and Central Coast. It concerns me that this announcement was made the day of the arrest of former New South Wales Minister for Aboriginal Affairs and Swansea MP Milton Orkopoulos on child sex and drug charges. Many, including Sally Corbett, spokeswoman for the No Tillegra Dam Group, believe the announcement was used as a ‘public diversion’ from the very serious nature of the charges laid on Mr Orkopoulos.

The Hunter Water Corporation has staunchly argued that the dam is vital for the
long-term water security of the Hunter. Though now an ardent supporter of the project, Hunter Water itself categorically rejected the necessity of Tillegra not too long ago. Hunter Water’s 2003 Integrated Water Resource Plan asserted that the region would not need a new water source within the next 30 years. The plan also indicated that:

… building a new dam at Tillegra would be far less cost effective than many demand management and water conservation initiatives.

A report commissioned by the Wilderness Society and produced by the Institute for Sustainable Futures at the University of Technology Sydney states that future Hunter populations are highly unlikely to need the capacity of the proposed 450-megalitre Tillegra Dam. Study author and sustainability expert Stuart White found the region’s present water supply had been shown already to have high levels of drought security. Professor White said:

Hunter Water estimates that there is only a one in a million chance of supplies falling to critical levels in any given year. This means that if the Tillegra Dam is being built for drought security, it is being built for an event that is predicted to occur only once in a million years.

The finding is at odds with Hunter Water’s most recent position, which argues that the dam is needed to drought-proof the region from the effects of climate change over coming decades. I have met with a large number of residents who are genuinely concerned about the devastating impacts that the proposed dam will have on the township of Dungog and on the surrounding farmland. I have also received letters and phone calls from individuals, families, business owners, farmers and retirees who are convinced that, if the proposed dam is built, it could spell the destruction of farmland and the Williams River. The proposed dam will flood 20 square kilometres of productive farmland and ruin healthy free-flowing rivers in the area. The $477 million dam is not only expensive but I believe unnecessary, as well as socially and environmentally damaging.

For generations, people in the Dungog area have relied upon farming as their livelihood. I hold grave reservations for the future prosperity of these working farms given the known and unforeseen repercussions that a dam of this magnitude would have on the Dungog ecosystem and local economy. I believe that if the dam is to go ahead it will detract from the natural habitat of the region—in particular, jeopardize the Williams River. A key report, released by Hunter Water on 10 September 2009, outlines the environmental assessment report for the proposed dam. The Williams River is home to the iconic platypus, the long-necked turtle, a variety of fish and mussel species, as well as the endangered spotted-tail quoll, the brush-tailed phascogale and the grey-headed flying fox. Damming the river would be detrimental to the health of these animals.

Finally, I am concerned that the ratepayers in Newcastle, Lake Macquarie, Maitland, Cessnock and Port Stephens will be paying for the dam through increased charges for water. The New South Wales government have stated that they will not be paying for the dam; thus payment will be placed on the ratepayers who will receive little or no benefit from the water in the dam at all.

It seems difficult to justify the construction of the proposed Tillegra Dam, given that numerous reports have stated that there is no shortage of water in the Hunter and that the plans have not yet received environmental approval, therefore putting at risk native flora and fauna in the area as well as proper functioning of the Williams River. The majority of residents in the greater Hunter oppose the dam as it will increase their water rates and put at risk a strong tradition of farming practices in the Dungog shire. On
the basis of all of the information provided to me, I cannot support the construction of the Tillegra Dam and the financial imposition on the constituents of my region.

Sri Lanka

Mr ZAPPIA (Makin) (8.55 pm)—On 9 September, I attended with several other MPs and senators a meeting with a delegation of the Ceylon Tamil Association of South Australia, who briefed MPs and senators on the current situation in Sri Lanka and, in particular, on the terrible conditions being endured by many Tamils presently being held in camps. I understand that the Minister for Foreign Affairs, Stephen Smith, also met with some 20 representatives of the Tamil community earlier this week.

This year saw the end of decades of civil war in Sri Lanka—a civil war that, according to reports provided to me by Tamil association members, was horrific to say the least. It claimed the lives of thousands of children, women and elderly people, with some reports claiming that up to 120,000 innocent civilians were killed in the conflict. What was equally concerning was that international observers and journalists were being denied access to conflict areas and camps and had been prevented from observing or reporting on the atrocities being committed.

When the conflict came to an end in May it was hoped that the suffering would also come to an end and that some semblance of normality would be restored for the Tamil people. From the presentation to parliamentarians last week, which included a video clip of some of the campsites, that does not appear to be the case. For people in those camps the suffering continues. I understand that there are some 250,000, and perhaps even more, Tamil people currently held in cramped, unsanitary camps with inadequate food, clean water or medical aid. What is equally concerning are reports that aid that has been offered or provided by international aid agencies is being blocked or frustrated by the Sri Lankan government. The fate of many of the people in these camps is at a perilous stage because the deteriorating conditions within the camps will become much worse as the rains from the monsoon season arrive. Disease will set in in the already unsanitary camps, and there is a very real likelihood that the camps will be flooded.

In all conflicts there are contradictory accounts of events, and only those caught in the conflict know the truth of what is happening. I am not going to stand here and pass judgment on who is right or wrong in this conflict, but from what has been presented to me, and what was presented last week, there are sufficient credible sources of information that raise real concerns about the level of human rights abuse that has occurred, and continues to occur, in Sri Lanka. I welcome the statement by the foreign minister of the increase in aid being provided by the Australian government—an increase in aid to $35 million in the 2009-10 financial year, with a further $2 million being provided for landmine clearance and a further $5 million being provided to help with resettling some of the Sri Lankan people. However, what is just as important is the unrestricted access into all areas for journalists and international aid workers. This will allow independent assessments of need to be made so that the assistance that is being offered can in fact be delivered by the various international governments and aid agencies that are there wanting to assist but are being prevented from doing so. If they could go into those relevant areas, they could then make assessments and determine what other level of assistance can and should be provided by the whole international community, including Australia, so as to ensure that basic human rights, freedom and dignity are restored to
the innocent victims of this conflict, who have already suffered enough.

Question agreed to.

House adjourned at 8.59 pm

NOTICES

The following notices were given:

Ms Gillard to present a Bill for an Act to amend the law relating to long service leave, and for related purposes.

Mr McClelland to present a Bill for an Act to amend various Acts relating to the enforcement of the criminal law, and for other purposes.

Mr McClelland to present a Bill for an Act to amend the Telecommunications (Interception and Access) Act 1979, and for related purposes.

Ms Kate Ellis to present a Bill for an Act to amend the Australian Sports Anti-Doping Authority Act 2006, and for related purposes.

Ms Macklin to present a Bill for an Act to amend the law relating to family assistance, and for related purposes.

Mr Brendan O’Connor to present a Bill for an Act to amend the Customs Act 1901, and for related purposes.

Mr Briggs to move:

That the House:

(1) notes that:

(a) the young people detained in the Megill Youth Training Centre in South Australia are being held in degrading conditions; and

(b) in the assessment of Australia’s United Nations Youth Representative, Mr Chris Varney, this represents a breach of the United Nations Convention on the Rights of a Child;

(2) recognises that:

(a) in 2006, the South Australian Labor Government acknowledged that the centre was in need of replacement as it breached modern building codes and occu-

pational health and safety requirements; and

(b) the South Australian Government is yet to keep its election promise; and

(3) calls on the Federal Youth Minister to intervene in this urgent matter and ensure that a new centre is built as promised by the South Australian Labor Government.

Mr Hunt to move:

That the inclusion of ecological communities in the list of threatened ecological communities (Lowland Native Grasslands of Tasmania), made on 18 June 2009 under section 181 of the Environment Protection and Biodiversity Conservation Act 1999, be disallowed.
QUESTIONS IN WRITING

**Chifley Electorate: Blacktown Hospital Magnetic Resonance Imaging Machine**  
*(Question No. 870)*

Mr Price asked the Minister for Health and Ageing, in writing, on 11 August 2009:

(1) On what date was a Magnetic Resonance Imaging (MRI) machine provided to Blacktown Hospital.

(2) On average, how many (a) days per week is the MRI machine available for use, and (b) patient scans are performed using the MRI machine per day.

(3) How does the usage of the MRI machine at Blacktown Hospital compare to that of the MRI machines at Nepean and Westmead hospitals.

(4) Are MRI scans safer for patients than Computed Tomography scans and x-rays; if so, how.

(5) What is the cost to the patient of having (a) an MRI scan at Blacktown Hospital; and (b) a typical privately provided MRI scan; and is she able to provide an estimate of the cost saving to patients.

(6) Has the Blacktown-Mt Druitt Hospital Radiography Department developed an open access approach, including for the use of the MRI machine, and how does this benefit hospital patients and those referred to the hospital for an MRI scan.

(7) Has the utilisation of the MRI machine at Blacktown Hospital met her and her department’s expectations; if so, why; if not, why not.

Ms Roxon—The answer to the honourable member’s question is as follows:

(1) Medicare eligibility was provided to the Magnetic Resonance Imaging (MRI) unit at Blacktown Hospital on 29 June 2007. The Australian Government did not provide the actual MRI unit to Blacktown Hospital.

(2) (a) Under the Health Insurance (Diagnostic Imaging Services Table) Regulations 2008 the MRI unit at the Blacktown Hospital must be available for use at a minimum from 9am to 5pm Monday to Friday (excluding public holidays) for routine services, except for periods reasonably required for necessary maintenance, repairs and upgrades. The unit must also be available for use at all times for emergency services, except for periods reasonably required for necessary maintenance, repairs and upgrades. 

(b) The Australian Government does not have data on the total number of scans performed which would include scans which did not attract a Medicare rebate.

(3) As with the previous answer, the Australian Government does not have data on the total number of scans performed on individual MRI units.

(4) Unlike X-ray and Computed Tomography (CT) scans, MRI does not use ionising radiation. Medical practitioners determine the most appropriate and clinically relevant diagnostic imaging service for each patient.

(5) (a) Under the Health Insurance (Diagnostic Imaging Services Table) Regulations 2008 all Medicare-eligible scans performed on the Blacktown Hospital MRI unit must be bulk-billed.

(b) The Government does not have information about MRI scans which do not attract a Medicare rebate. It is therefore not possible to provide an estimate of the cost implications for patients.

(6) The Government does not collect this information.

(7) The MRI unit at Blacktown Hospital has met both my Department’s and my own expectations as we believe it is meeting the requirements set out in the Health Insurance (Diagnostic Imaging Services Table) Regulations 2008 for its Medicare eligibility.
Gold Coast: Point of Entry

(Question No. 874)

Mr Robert asked the Minister for Home Affairs, in writing, on 11 August 2009:

(1) What criteria would the Government use to determine whether the Gold Coast should be recognised as a ‘point of entry’ for Customs to provide declaration and clearance.

(2) What consideration is being given for both the Australian Quarantine and Inspection Service and Australian Customs and Border Protection Service to be based at the Gold Coast for port of clearance purposes.

(3) What consideration is being given for establishing a quarantine area at the Gold Coast.

(4) What criteria would the Government use to classify the Gold Coast as a ‘safe haven’ for boating purposes.

Mr Brendan O’Connor—The answer to the honourable member’s question is as follows:

(1) For the Gold Coast to be used as a point of entry into Australia from overseas, it would need to be designated as a boarding station for the purposes of section 60 of the Customs Act 1901. Potential boarding stations are assessed on a case by case basis. The Australian Customs and Border Protection Service (Customs and Border Protection) would require the provision of facilities to carry out their regulatory and enforcement functions, such as 24 hour, seven days a week access, security, accommodation and other services. The Australian Quarantine and Inspection Service (AQIS) has separate requirements relating to the management of quarantine risks which much also be met for a point of entry to be designated for quarantine purposes. While the authority to designate boarding stations lies with the Chief Executive Officer of Customs and Border Protection, approval is contingent on all border agencies’ requirements being met.

(2) Customs and Border Protection and AQIS are not currently considering the establishment of port services based at the Gold Coast. Customs and Border Protection officers based in Brisbane do provide inwards clearance service on the request of owners or agents of arriving vessels at nominated points in the Gold Coast area. This also requires approval from the AQIS. Customs and Border Protection can, and does, provide outward clearance services for overseas departing vessels from the Gold Coast area. This does not require AQIS approval.

(3) AQIS is not currently considering the establishment of port services based at the Gold Coast.

(4) The Customs Act 1901 section 58 states, “The master of a ship or the pilot of any aircraft shall not bring his or her ship or aircraft to a place other than a port or airport unless from stress of weather or other reasonable cause”. This section provides for a vessel to arrive at any port “safe haven” should the need arise due to weather or other emergency situation.

Applications can be made under section 20AA of the Quarantine Act 1908 for vessels to arrive at ports other than a ‘first port’ subject to any specified conditions.

National Binge Drinking Strategy

(Question No. 886)

Mr Haase asked the Minister for Health and Ageing, in writing, on 11 August 2009:

In respect of correspondence from the Hon. Mark Butler MP dated 15 July 2009 concerning the revenue created by the increase in excise on ready-to-drink alcohol products, which are part of the National Binge Drinking Strategy introduced by the Government in March 2008:

(1) Is it a fact that the Government received $492.34 million in revenue up to 30 June 2009, since the increase in Alcopops excise; if so, how does she plan to spend the total revenue.
(2) Will she allocate a portion of the revenue in part (1) to DrinkWise to promote the responsible use of alcohol; if so, what (a) sum will be allocated, and (b) rigorous measures of scrutiny will be implemented.

(3) What sum of money does the Government intend to spend on strategies to reduce alcohol consumption among Australian people, particularly young and Indigenous Australians.

(4) Do her strategies to encourage moderate alcohol consumption include the banning of alcohol advertising and the removal of sporting sponsorships by the alcohol industry.


Ms Roxon—The answer to the honourable member’s question is as follows:

(1) Yes. The monies collected under the measure form part of consolidated revenue. A significant portion of this revenue will help support the government’s preventative health agenda (see Question 3 below).

(2) The Government does not intend to provide funding to the alcohol industry body Drinkwise.

(3) The Government is making significant investments to help reduce the incidence of risky drinking, particularly among young and Indigenous Australians. These include:

- $872 million for the Council of Australian Governments Preventive Health National Partnership Agreement – the single largest investment ever by an Australian Government in preventative health;
- $53.5 million for the National Binge Drinking Strategy announced by the Government in March 2008 comprising:
  - $14.4 million for community-level initiatives to confront the culture of binge drinking, particularly in sporting organisations;
  - $19.1 million for the Early Intervention Pilot Program, to intervene earlier to assist young people and ensure that they assume personal responsibility for their binge drinking; and
  - $20 million for advertising that confronts young people with the costs and consequences of binge drinking;
- an additional $50 million to tackle binge drinking agreed between the Government, the Australian Greens, and Senator Xenophon comprising:
  - $25 million for a fund to provide sponsorship for sporting and cultural organisations and other community activities, as an alternative to sponsorship from alcohol companies;
  - $20 million for community level initiatives to tackle binge drinking; and
  - $5 million to enhance telephone counselling services and alcohol referrals with an expansion of existing social marketing campaigns;
- $29.6 million in 2009-10, through the Aboriginal and Torres Strait Islander Substance Use Program, to support 119 Aboriginal and Torres Strait Islander substance use services across Australia;
- $29.1 million in 2009-10 for drug and alcohol treatment and rehabilitation services for Indigenous communities, particularly in remote areas, through two Council of Australian Governments measures;
- in the Northern Territory, an additional $2.6 million in 2009-10 for the continuation of existing alcohol and other drug workforce and services through the 2009 Closing the Gap - Indigenous Health and Related Services measure, and the Expanding Health Service Delivery Initiative; and

QUESTIONS IN WRITING
approximately $1 million per annum under the Capacity Building in Indigenous Communities Initiative to improve the capacity of Indigenous communities to address problems relating to the misuse of alcohol and other drugs.

(4) The Government is considering the recommendations of the National Preventative Health Taskforce in relation to these matters. In addition, the Council of Australian Governments will be considering a report from the Ministerial Council on Drug Strategy on options to address binge drinking, which includes key proposals in relation to alcohol advertising.

(5) This question should be directed to the Deputy Prime Minister, Minister for Employment and Workplace Relations, Minister for Education, and Minister for Social Inclusion, the Hon. Julia Gillard MP.

Small Business Payments

(Question Nos 896 to 919 Interim)

Mr Ciobo asked the Prime Minister and other ministers, in writing, on 12 August 2009:

(1) From 1 July 2008 to 30 June 2009:
   (a) how many and what percentage of payments made by the Minister’s department to small businesses were not made within (i) 30, and (ii) 60 days of receipt of the goods or services invoice; and
   (b) what was the average time lapsed between invoice received and payments made by the Minister’s department to small businesses.

(2) From 1 July 2008 to 30 June 2009:
   (a) how many and what percentage of small businesses claimed interest charges from the Minister’s department on accounts not paid within 30 days; and
   (b) what was the total cost of interest paid to small businesses by the Minister’s department.

Mr Rudd—On behalf of all ministers, the answer to the honourable member’s question is as follows:

As the information sought by the honorable member will not be available to departments in a consolidated form until November 2009, I consider it would be an unreasonable diversion of resources to provide the requested information at this time.

Neqtar Australia Pty Ltd, SDS Beverages Pty Ltd and Neqtar Wines Pty Ltd

(Question No. 949)

Mr Forrest asked the Treasurer, in writing, on 13 August 2009:

(1) Will he investigate the circumstances leading to the collapse of associated companies Neqtar Australia (ABN 32 119 786 408), SDS Beverages (ABN 85 115 465 631) and in particular, Neqtar Wines (ABN 23 119 786 373) which were placed in liquidation on 29 July 2009, and which are currently being liquidated by insolvency administrators Bent and Cougle (appointed by receivers and managers Price Waterhouse and Coopers).

(2) Will he advise what protection or compensation might be available to those wine grape grower/suppliers who have not been paid a combined $3.8 million for their grapes and fruit pulp following the collapse of the above companies.

(3) Is there any protection or compensation available for Australian businesses or individuals caught up in the collapse of an overseas bank, including subsequent actions, such as governments calling in loans (as occurred in Iceland by its government in June 2009 when it called in loans made by Neqtar’s insolvent banker, Landsbanki).
(4) Can he reveal the ownership structure of Neqtar Australia and its links with United Kingdom (UK) company HwCg, evidently the parent company of Neqtar UK, Neqtar Australia, SDS Beverages and Neqtar Wines.

(5) Can he advise if HwCg and Neqtar UK are also in receivership.

(6) Can he advise the options available to creditors, suppliers and employees professionally associated with any of the above companies, if these companies are found to be trading while insolvent, or caused by, a circumstance when loans are called in by government authority.

Mr Swan—The answer to the honourable member’s question is as follows:

(1) Australian Securities and Investments Commission (ASIC) records indicate that, Neqtar Australia Pty Ltd, SDS Beverages Pty Ltd and Neqtar Wines Pty Ltd were placed into voluntary liquidation on 24 July 2009. Receivers and managers have previously been appointed to all of the companies on 16 June 2009.

It is the role of the liquidators appointed to the companies to investigate the affairs of the companies and to determine what actions might be taken to recover funds for the benefit of unsecured creditors. This necessarily involves an examination of the circumstances leading to the failure of company and an assessment of whether any breaches of duty by persons associated with the company contributed to its failure.

External administrators – in this case both the liquidators and receivers - are required to report to ASIC any possible breaches of the law by officers and directors of companies to which they have been appointed. On the basis of the external administrator’s reports, ASIC will determine what regulatory action, if any, is appropriate. Given their contents, external administrators’ reports are not made publicly available. It is also not the practice of ASIC to comment on any current investigations that may be taking place in respect of matters raised in a report.

(2) While I have the greatest sympathy for those suffering loss as a result of the failure of these companies - or as a result of any business failure, it is not the role of the Government to provide compensation for commercial losses arising out of business failures.

Exposure to counter-party risk is an inherent aspect of commerce in a free market economy. Vendors are primarily responsible for managing that risk; and for making their own arrangement for insuring against that risk, if they wish to do so.

Australia has a modern and robust insolvency regime which seeks to minimise the impact of business failure upon shareholders, creditors, employees and other parties who have dealt with failed businesses. There is, of course, only so much that can be done to reduce the losses that members of these groups might suffer when a company is placed into liquidation.

Corporate law aims to ensure that companies conduct their businesses honestly and responsibly and meet their commitments to their shareholders and creditors. Company directors are subject to statutory and common law duties in the performance of their functions, including the duty to exercise their powers in good faith, for a proper purpose and in the best interests of the company as a whole. If breaches of those duties result in a person suffering financial loss, the Corporations Act 2001 provides that those committing the breaches may potentially be liable to pay compensation to those affected.

(3) Where a foreign bank has a branch that operates in Australia then, in the event of its failure, section 11F of the Banking Act 1959 provides that the assets of any authorised deposit taking institution in Australia must be made available to meet its liabilities in Australia in priority to all other liabilities of the institution. The Cross-Border Insolvency Regulations 2008 explicitly excludes authorised deposit taking institutions from the operation of the Cross-Border Insolvency Act 2008, thereby preserving the effect of these rules in respect of any actions by a foreign insolvency representative. A foreign authorised deposit taking institution may also be subject to the Large Deposit Guarantee.
However, a foreign bank that does not operate in Australia is not subject to Australian prudential regulation. The protections that may exist for the customers of such a bank would depend upon the applicable foreign law.

(4) ASIC records indicate that both Neqtar Australia and SDS Beverages are wholly owned subsidiaries of the United Kingdom company Neqtar Ltd. Neqtar Wines is a wholly owned subsidiary of Neqtar Australia. Neqtar Australia, SDS Beverages and Neqtar Wines all had the same directors. The investigation of any other possible legal arrangements between entities associated with the companies in liquidation is the responsibility of the liquidators appointed to the failed companies. Any creditors adversely affected by the collapse of these companies should direct any queries regarding such matters directly to the liquidators. While creditors may have a legitimate interest in otherwise private information obtained through the investigations of a liquidator; such information does not become publicly available merely due to the liquidation of the companies.

(5) HWCG Limited and Neqtar Ltd are companies registered in the United Kingdom and the information regarding their status is publicly available via search of the UK register, www.companieshouse.gov.uk. A search conducted on 1 September 2009 indicated that HWCG Limited was in Administration but that Neqtar Ltd remained Active.

(6) A director of a company may become personally liable for the debts incurred by the company at any time when the company was insolvent and there are reasonable grounds for the director to suspect that the company was insolvent. In addition to becoming liable for debts incurred by the company, a director may become subject to pecuniary penalties and disqualification. The director may, in certain cases, also become liable to criminal prosecution for failing to prevent the company from incurring debts while insolvent.

It is primarily the role of a liquidator to determine whether a company has been engaged in insolvent trading. However, in certain circumstances, affected creditors may take direct action. Creditors should contact the liquidator in first instance to discuss the outcomes of any investigations regarding the possibility of insolvent trading having taken place and any proposed actions by the liquidator. If a creditor wishes to initiate their own direct action, they should seek their own legal advice.

External administrators are required to refer any possible insolvent trading to ASIC. ASIC administers the Assetless Administration Fund which may, upon application by the liquidator, provide financial assistance to carry out investigations into insolvent trading. Not all administrations are funded. Funding is limited to matters in which ASIC is satisfied there is a genuine possibility of enforcement action arising from an investigation and report.

Any dispute between the companies and any other party it has transacted with prior to liquidation is a matter for the liquidators, who have taken over control of the companies and who are obliged to act in the best interests of unsecured creditors. This would include any dispute between the company and its former financiers.