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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 Whips—Mr Michael Andrew Johnson MP and Ms Nola Bethwyn Marino MP

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

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## Members of the House of Representatives

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### 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

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

Leader of the Opposition  
The Hon. Malcolm Turnbull MP

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

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

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

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

Shadow Treasurer  
The Hon. Joe Hockey MP

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

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

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

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

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

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

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

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

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

Shadow Minister for Defence  
Senator the Hon. David Johnston

Shadow Attorney-General  
Senator the Hon. George Brandis SC

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

Shadow Minister for Employment and Workplace Relations  
Mr Michael Keenan MP

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

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

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

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

Shadow Assistant Treasurer
The Hon. Tony Smith MP

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

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

Shadow Minister for Housing and Local Government
Mr Scott Morrison

Shadow Minister for Ageing
Mrs Margaret May MP

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

Shadow Minister for Veterans’ Affairs
Mrs Louise Markus MP

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

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

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

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

Shadow Parliamentary Secretary for Roads and Transport
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development
Mr John Forrest MP

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

Shadow Parliamentary Secretary for Energy and Resources
Mr Barry Haase MP

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

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

Shadow Parliamentary Secretary for Health Administration
Senator Mathias Cormann

Shadow Parliamentary Secretary for Defence
The Hon. Peter Lindsay MP

Shadow Parliamentary Secretary for Education
Senator the Hon. Brett Mason

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

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

Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate
Senator Concetta Fierravanti-Wells
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Wednesday, 16 September 2009

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

STANDING ORDERS

Mr PYNE (Sturt—Manager of Opposition Business) (9.01 am)—I seek leave to move:

That standing order 104 (Answers) be omitted with a view to substituting the following standing order:

“104. Answers
An answer:
(a) must be directly relevant to the question; and
(b) during Question Time, must not exceed a period of four minutes, excluding time for points of order and other interruptions.”

Leave not granted.

Mr PYNE—I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Sturt from moving the following motion: That standing order 104 (Answers) be omitted with a view to substituting the following standing order:

“104. Answers
An answer:
(a) must be directly relevant to the question; and
(b) during Question Time, must not exceed a period of four minutes, excluding time for points of order and other interruptions.”

This government has broken the parliamentary compact that allows opposition members—

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (9.02 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.06 am]

(The Speaker—Mr Harry Jenkins)

Ayes.......... 76
Noes.......... 61
Majority....... 15

AYES

Adams, D.G.H. Albanel, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.E.
Byrne, A.M. Butler, M.C.
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.
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.
Livermore, K.F. Macklin, J.L.
Marles, R.D. McClelland, R.B.
McKew, M. McMullan, R.F.
Melham, D. Murphy, J.
Neal, B.J. Neumann, S.K.
O'Connor, B.P. Owens, J.
Parke, M. Perrett, O.D.
Plibersek, T. Price, L.R.S.
Raguse, B.B. Rea, K.M.
Ripoll, B.F. Rishworth, A.L.
Saffin, J.A. Shorten, W.R.
Sidebottom, S. Smith, S.F.
Sullivan, J. Swan, W.M.
Symon, M. Tanner, L.
Thomson, C. Thomson, K.J.
Trevor, C. Turnour, J.P.
Vamvakinou, M. Zappia, A.

NOES

Abbott, A.J. Andrews, K.J.
Baldwin, R.C. Billson, B.F.
Bishop, B.K. Bishop, J.J.
Question agreed to.

The SPEAKER—Is the motion seconded?

Mr HOCKEY (North Sydney (9.10 am)—I second the motion and just ask that Labor keep their election promises.

Mr ALBANESE (Grayndler—Leader of the House) (9.10 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.11 am]

(The Speaker—Mr Harry Jenkins)
Wednesday, 16 September 2009

CHAMBER

Costello, P.H.     Coulton, M.     Hull, K.E. *
Dutton, P.C.      Farmer, P.F.      Irons, S.J.
Forrest, J.A.     Gash, J.         Johnson, M.A. *
Georgiou, P.      Haase, B.W.      Laming, A.
Hartsuyker, L.    Hawke, A.       Macfarlane, I.E.
Hawker, D.P.M.    Hockey, J.B.     May, M.A.
Hull, K.E. *      Hunt, G.A.       Morrison, S.J.
Irons, S.J.       Jensen, D.       Nelson, B.J.
Johnson, M.A. *   Keenan, M.      Pearce, C.J.
Laming, A.        Ley, S.P.        Ramsey, R.
Macfarlane, I.E.  Marino, N.B.     Robb, A.
May, M.A.         Mirabella, S.     Ruddock, P.M.
Morrison, S.J.    Moynan, J.E.     Scott, B.C.
Nelson, B.J.      Oakeshott, R.J.M. Simpkins, L.
Pearce, C.J.      Pyne, C.         Seeker, P.D.
Ramsey, R.        Randall, D.J.     Smith, A.D.H.
Robb, A.          Robert, S.R.     Southcott, A.J.
Ruddock, P.M.     Schulz, A.       Truss, W.E.
Scott, B.C.       Seeker, P.N.     Turnbull, M.
Simpkins, L.      Slipper, P.N.     Washer, M.J.
Smith, A.D.H.     Somlyay, A.M.    Wood, J.
Southcott, A.J.   Stone, S.N.      * * *
Truss, W.E.       Tuckey, C.W.     *
Turnbull, M.      Vale, D.S.       *
Washer, M.J.      Windsor, A.H.C.  *
Wood, J.          Wood, J.

* denotes teller

Question agreed to.

Original question put:

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

The House divided. [9.14 am]

(The Speaker—Mr Harry Jenkins)

| AYES | | NOES |
|------| |------|
| 61   | | 77   |

Majority........ 16

AYES

Abbott, A.J.     Andrews, K.J.     Hall, J.G. *
Baldwin, R.C.    Billson, B.F.     Irwin, J.
Bishop, B.K.     Bishop, J.I.      Kelly, M.J.
Broadbent, R.    Chester, D.       King, C.F.
Ciobo, S.M.      Cobb, J.K.        Macklin, J.L.
Costello, P.H.   Coulton, M.       McClelland, R.B.
Dutton, P.C.     Farmer, P.F.      McMullan, R.F.
Forrest, J.A.    Gash, J.          Murphy, J.
Georgiou, P.     Haase, B.W.       Neumann, S.K.
Hartsuyker, L.   Hawke, A.         Owens, J.
Hawker, D.P.M.   Hockey, J.B.      Perrett, G.D.

NOES

Adams, D.G.H.    Bevis, A.R.       Birt, S.
Beazley, D.J.    Burke, A.E.       Butler, M.C.
Beazley, D.J.    Burke, A.S.       Campbell, J.
Beazley, D.J.    Butler, M.C.     Champion, N.
Beazley, D.J.    Butler, M.C.     Clare, J.D.
Beazley, D.J.    Butler, M.C.     Combet, G.
Beazley, D.J.    Butler, M.C.     D'Ath, Y.M.
Beazley, D.J.    Butler, M.C.     Debus, B.
Beazley, D.J.    Butler, M.C.     Elliot, J.
Beazley, D.J.    Butler, M.C.     Ferguson, L.D.T.
Beazley, D.J.    Butler, M.C.     Fitzgibbon, J.A.
Beazley, D.J.    Butler, M.C.     Geoghegan, S.
Beazley, D.J.    Butler, M.C.     Gibbons, S.W.
Beazley, D.J.    Butler, M.C.     Gray, G.
Beazley, D.J.    Butler, M.C.     Griffin, A.P.
Beazley, D.J.    Butler, M.C.     Hall, J.G. *
Beazley, D.J.    Butler, M.C.     Irwin, J.
Beazley, D.J.    Butler, M.C.     Kelly, M.J.
Beazley, D.J.    Butler, M.C.     King, C.F.
Beazley, D.J.    Butler, M.C.     Macklin, J.L.
Beazley, D.J.    Butler, M.C.     McClelland, R.B.
Beazley, D.J.    Butler, M.C.     McMullen, R.F.
Beazley, D.J.    Butler, M.C.     Murphy, J.
Beazley, D.J.    Butler, M.C.     Neumann, S.K.
Beazley, D.J.    Butler, M.C.     Owens, J.
Beazley, D.J.    Butler, M.C.     Perrett, G.D.
Beazley, D.J.    Butler, M.C.     Price, L.R.S.

Hunt, G.A.     Jensen, D.     Keenan, M.
Ley, S.P.      Marino, N.B.     Mirabella, S.
Moynan, J.E.  Oakeshott, R.J.M.  Pyne, C.
Randall, D.J.  Robert, S.R.     Schultz, A.
Secker, P.D.   Secker, P.N.     Somlyay, A.M.
Stone, S.N.    Tuckey, C.W.     Vale, D.S.
Windsor, A.H.C.

Hayes, C.P. *  Jackson, S.M.  Kerr, D.J.C.
Livermore, K.F.  Marles, R.D.  McKew, M.
Mellham, D.   Neal, B.J.      O'Connor, B.P.
Parke, M.      Plibersek, T.  Raguse, B.B.
The SPEAKER (9.17 am)—I present the report of the Australian Parliamentary Delegation to Vietnam from 5 to 10 January and to the 17th Annual Meeting of the Asia Pacific Parliamentary Forum, held in Vientiane, Laos, from 11 to 15 January 2009. As leader of the delegation, I am pleased to present the report of its visit to Vietnam and its participation in the annual meeting of the Asia Pacific Parliamentary Forum, the APPF, in Vientiane. The delegation included the member for Cowan, Luke Simpkins, and three of our Senate colleagues, Senators Jacinta Collins, Helen Kroger and Claire Moore. At the APPF, the Clerk of the House of Representatives also participated in the delegation’s work.

The delegation had a number of objectives for its visit to Vietnam. We wanted to renew contacts with the National Assembly; to gain an understanding of the impact of economic reform and liberalisation measures that have been in place for more than 20 years now; to observe the outcomes of Australia’s development cooperation program at first hand; and to consider prospects for further trade and investment by Australia. The delegation’s time in Vietnam was divided between three centres: Ho Chi Minh City, where our focus was mainly on the impact of economic reform, trade and development cooperation; Hanoi, where our attention was directed mainly towards the National Assembly; and Ha Long City and Ha Long Bay, where our attention was primarily on environmental issues and the impact of economic reform. I will not go into detail about our discussions except to say that they were constructive and that we were pleased to be able to meet, amongst others, Prime Minister Dung and to renew acquaintance with Chairman Trong, the President of the National Assembly.

It was a valuable experience to meet Vietnamese people, whether at social gatherings or in their workplaces and schools. The delegation will remember our visits to the centre of education and vocational training for homeless and orphan children and to the school for the blind in Ho Chi Minh City. In both these places, delegates observed the impact of support from Australia, whether that was a relatively small donation under the Direct Aid Program to the homeless and orphan children or the funding support Loreto Vietnam-Australia provided for infrastructure to the school for the blind. Another particularly pleasing visit that we had in Ho Chi Minh City was to the Vietnam campus of RMIT, where we saw RMIT running a fully fledged campus giving access to degrees that have equivalence to those degrees provided on the campuses of RMIT in Melbourne.

At the completion of our visit to Vietnam, the delegation travelled to Vientiane for the annual meeting of the APPF. Each January for the last 16 years, members of the national parliaments in the Asia-Pacific region have been meeting in the cities around the region to discuss matters of common interest. The Australian parliament participates in APPF for two major reasons: the countries that participate in APPF have great significance to our regional strategic and economic interests, and Australia and the Australian parliament support the objectives of APPF meetings.
These objectives include strengthening understanding of the policy concerns amongst regional neighbours; examining political, social and cultural developments; and supporting the roles of national parliamentarians to build a sense of regional cohesion and cooperation.

I will now turn briefly to the substantive subject matter of the meeting. As is customary, sessions were broken into three main subject areas: economic and trade matters, political and security issues and interparliamentary cooperation in the region. As is becoming the usual situation at these meetings, a current event that had a big impact on all other issues was raised at the meeting. This year the issue, of course, was the global financial crisis. It was useful to get a firsthand understanding of the impact of the crisis on neighbouring countries and the measures that were being taken to address it.

The delegation proposed and spoke to resolutions on cluster munitions, terrorism, cooperation on natural disaster management, and gender issues in parliament. We followed up with negotiations on the final resolutions on the various topics. The delegation participated in all sessions of the drafting committee, where all draft resolutions were settled before they returned to the plenary for adoption at the final session.

Outside the plenary, the delegation participated in a number of successful bilateral meetings with other delegations. These included the delegations from China, the Russian Federation, Laos and Mexico. In addition, the delegation was able to take time to visit aid programs with which Australia had an involvement, most impressively in the area of education.

On behalf of the delegation, I express our thanks to the Australian embassy representatives in Vietnam: the ambassador, His Excellency Mr Allaster Cox; the consul-general in Ho Chi Minh City, Mr Graeme Swift; and Mr Michael Hoy, who helped to develop the program and then accompanied us throughout our time in Vietnam.

In Laos, we were assisted very ably by our ambassador, Her Excellency Dr Michele Forster, and her colleagues, in particular Ms Emily Russell. The post in Vientiane is not a big one and, so, the preparations that were made with the APPF secretariat, local officials and expatriates were all the more appreciated.

Our programs in both countries were quite demanding but, because we were well supported, I believe we were able to make the most of the two programs. The Department of Foreign Affairs and Trade in Canberra assisted the delegation with comprehensive briefing materials and drafting of resolutions. The Parliamentary Library assisted us with briefing material and a draft resolution, and the Parliamentary Relations Office provided administrative support.

I thank the deputy leader of the delegation, the member for Cowan, and all members of the delegation. All the delegation participated fully in the various meetings in Vietnam and at the APPF meeting in Vientiane. Throughout the visits, we sought to represent the parliament effectively, through the resolutions we advocated, our speeches and our meetings, and I think that we were able to do that very successfully.

I also place on record my appreciation for the efforts of Catherine Cornish as the secretary of the delegation. She has accompanied the APPF delegations for many years. She knows some of the mysteries and where some of the skeletons are in the APPF and made it much easier for the delegation to be able to participate positively in the meeting. I also thank the accompanying spouses, who are very important in delegations in modern times. We were accompanied by them in
Vietnam and at the APPF, and we appreciate that support. I commend the report to the House.

Mr SIMPKINS (Cowan) (9.25 am)—I also rise to speak on the report of the parliamentary delegation to Vietnam and to the 17th Annual Meeting of the Asia Pacific Parliamentary Forum, in Vientiane, Laos. The delegation took place between 5 and 10 January in Vietnam and between 11 and 15 January in Laos. For her hard work during the visit and in the compilation of the delegation report, I would like to thank Ms Catherine Cornish, the delegation secretary. We were also fortunate to have the Clerk of the House, Mr Ian Harris AO, along, primarily for the APPF phase, and he was able to greatly assist the delegation with his wealth of knowledge of process and of foreign government representation at the APPF.

I was very pleased to have the opportunity of joining this delegation and joining you, Mr Speaker, and Senators Kroger, Moore and Collins. Although I had not expected to have the opportunity of participating in the delegation, I was certainly pleased to do so. Given the number of people in Cowan of Vietnamese descent, I wanted the opportunity to look at Vietnam and the way the country is run. The Vietnamese people in Cowan know why I wanted to go to their homeland, and I thank my Vietnamese friends across Australia for the information they gave me before the visit and the communication I had with them and their friends in Vietnam during the visit.

I will take this opportunity to thank the Australian diplomatic staff for their great assistance and detailed support of the delegation. Beginning in Saigon, now known as Ho Chi Minh City, we had the support of Consul-General Mr Graeme Swift, who supported a program of meetings with Australian businesspeople and city officials as well as visits to the Nguyen Dinh Chieu School for the Blind and the Phu My Bridge, under construction by Bilfinger Berger Baulderstone Hornibrook. We also visited the Royal Melbourne Institute of Technology Vietnam, which is a great success story for not only RMIT but also the whole of Australia.

In Hanoi the delegation was supported by the ambassador, His Excellency Mr Allaster Cox, and his staff. In Hanoi, highly effective and interesting meetings took place with government officials, including the President of the National Assembly, His Excellency Dr Nguyen Phu Trong, and we made a courtesy call on the Prime Minister, His Excellency Mr Nguyen Tan Dung. A visit also took the delegation to the Vietnamese Academy of Science and Technology, which was highly interesting and instructive.

The delegation visit to the Protec Helmet factory was of great interest to the delegation, as throughout Vietnam the very large number of motorcycles demonstrated to all of us the need for helmets and better road safety. Although a helmet for the rider of the motorcycle was required under recent laws in Vietnam, sadly the law did not apply to the two, three or even four pillion passengers that we saw on those motorcycles, including children. The delegation appreciated the significance of the production of those helmets, and I note here in the parliament the contribution by AusAID towards the helmet factory and safety programs in Vietnam. The delegation witnessed the announcement of an additional US$100,000 contribution by AusAID to the Asia Injury Prevention Foundation, who run the factory.

The visit by the delegation was highly productive and greatly increased our understanding of Vietnam, the needs of that country and the relationship between our nations. I also would particularly like to thank First Secretary Michael Hoy for his consistent and
outstanding support in Vietnam. He is a most
excellent diplomat and Australia is fortunate
to have him in Vietnam.

Given that I do not have much time left, I
will confine my comments on the Asia Pa-
cific Parliamentary Forum in Vientiane to
observations of the forum, while also ac-
knowledging the work of AusAID. Ambas-
sador Michele Forster and Second Secretary
Emily Russell greatly assisted the delegation
in administrative arrangements and, beyond
the forum, a day visit to an AusAID funded
school as well as organising contact with
Australians working and volunteering in
Laos. I thank Michele and Emily for their
dedicated work supporting the delegation.

The APPF was a very interesting experi-
ence for me as I had never been involved in
such an event. I understand, though, that you,
Mr Speaker, and Senators Kroger, Moore and
Collins had all had similar experiences in
sitting down with delegates from other na-
tions and drafting resolutions and the final
communique. ‘Frustrating’ would be one
description. However, in speaking to and
then helping to draft the resolution on cluster
munitions I appreciated the experience of
getting to negotiate with the Laotians, the
South Koreans, the Chinese and the Rus-
sians—a very interesting and instructive ex-
perience.

Apart from the APPF itself, Ambassador
Forster organised visits to the Friendship
Bridge between Laos and Thailand that was
built by Australia in 1994. The delegation
also visited the Saka Primary School which,
as I mentioned before, is assisted by the Aus-
tralian government to participate in the
UNICEF child-friendly school program.
Then we got to observe the difference be-
tween that school and the Nong Poung Pri-
mary School, which is soon to join the pro-
gram. It was a fascinating comparison and
evidence of effective Australian support in
Laos.

To conclude, I can say that I echo the sen-
timents of the entire delegation in saying that
the two parts of the delegation, the two as-
pects of the visit, were fascinating and highly
instructive. I thank the staff of this parlia-
ment, the Parliamentary Relations Office and
our missions in Vietnam and Laos for their
excellent support in all regards. I also thank
you, Mr Speaker, and Senators Kroger,
Moore and Collins for their guidance during
the trip and also for the way we worked so
well together to try to achieve the aims of the
deployment.

CLEAN ENERGY SECURITY
BILL 2009

Referred to Main Committee

Ms HALL (Shortland) (9.31 am)—by
leave—On behalf of the Chief Government
Whip, I move:

That the bill be referred to the Main Commit-
tee for further consideration.

Question agreed to.

BUSINESS

Consideration of Private Members’
Business

Report

Ms HALL (Shortland) (9.31 am)—On
behalf of the Chief Government Whip, I pre-
sent the report of the recommendations of the
whips relating to committee and delegation
reports and private Members’ business
for Monday, 19 October 2009. Copies of the
report have been placed on the table.

The report read as follows—
Pursuant to standing order 41A, the Whips rec-
ommend the following items of committee and
delegation reports and private Members’ business
for Monday, 19 October 2009. The order of
precedence and allotments of time for items in the
Main Committee and Chamber are as follows:
Items recommended for Main Committee (6.55 to 8.30 pm)

PRIVATE MEMBERS’ BUSINESS
Order of the day

1 CLEAN ENERGY SECURITY BILL 2009—Second reading (14 September 2009).

*The Whips recommend all speeches to conclude by 7.05 pm.*

**Speech time limits—**

- Mr Tuckey—5 minutes.
- Other Member—5 minutes.

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

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

**Notices**

1 MR RANDALL: To move:

That the House:

1. notes that in 2007, the Coalition Government initiated the National Schools Chaplaincy Program (NSCP);
2. acknowledges the important role of school chaplains in supporting the personal, spiritual and emotional wellbeing of students at schools throughout Australia;
3. recognises that school chaplains provide essential services to students of all ages, staff and the wider school community, assisting them resolve emotional, social and everyday issues and build relationships;
4. notes that the Government’s failure to renew existing contracts awarded under the NSCP will impact student welfare, personal and academic development and place additional pressure on school resources; and
5. calls on the Government to:
   a. extend the NSCP beyond the life of the existing contracts due to expire in 2010;
   b. support an extension of the program to make chaplains available to more schools; and
   c. acknowledge that failing to renew funding for this widely accessed service will disadvantage students.

*Time allotted—30 minutes.*

**Speech time limits—**

- Mr Randall—5 minutes.
- Other Member—5 minutes each.

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

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

2 MR RIPOLL: To move:

That the House:

1. notes that:
   a. a comprehensive and accessible rail transport system is an important link in the Australian transport chain that joins communities and strengthens industry; and
   b. the Australian Government has invested an unprecedented $26.4 billion investment in road and rail infrastructure through the Nation Building Program over the six year period from 2008 09 to 2013 14; and
2. supports:
   a. the Australian Government’s budget announcement of more than $25 billion for key road, rail and port projects;
   b. fiscal strategies and major infrastructure projects that aim to create jobs and boost long term productivity; and
   c. the continued encouragement of private involvement in delivering new infrastructure.

*Time allotted—30 minutes.*

**Speech time limits—**

- Mr Ripoll—5 minutes.
- Other Member—5 minutes each.

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

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

3 MRS MOYLAN: To move:

That the House:

1. notes that:
(a) substantial changes to air flight paths were made by Airservices Australia in November 2008 in relation to Perth Airport;

(b) Airservices Australia is a corporation which receives income from airlines and other corporate clients, and that it has control over the location of and changes to flight paths;

(c) although the Perth Airport Noise Management Committee was advised that a Western Australian Air Route Review had commenced, the committee members were not advised of the commencement of the changes or the selection of the final flight paths;

(d) Airservices Australia stated that the rationale for the changes to flight paths related to the Civil Aviation Safety Authority (CASA) Safety Review and were required due to the need to ‘maintain safety, reduce complexity and cope with the rapid and predicted continued increase in air traffic’;

(e) Perth Airport has already exceeded traffic levels not expected until 2015;

(f) prior to the changes, the CASA Safety Review and the noise impact statements were not made available to the committee;

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

(h) there has been:
   (i) a high level of public disquiet about the changes that have been made and the lack of public consultation; and
   (ii) no revision of the Noise Abatement Procedures since 2004; and

(2) calls on the Government to:

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

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

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

(d) consider appointing an Airport Ombudsman to provide an independent agency to examine public grievances in the management of changes to airport operations and their effect on the public.
Speech time limits—
Mrs B. K. Bishop—5 minutes.
Other Member—5 minutes

[Minimum number of proposed Members speaking = 2 x 5 mins]
The Whips recommend that consideration of this should continue on a future day.

Notices
1 MS REA: To move:
That the House:
(1) applauds the Government’s increase of total health funding in the foreign aid budget and an increase in spending to maternal, newborn and child health, which is much needed when in our region, including South Asia, 200,000 mothers and 3.2 million children are dying every year from preventable causes;
(2) notes that:
   (a) Australia still requires an increase in total health funding in the foreign aid budget to meet its fair share by 2015 to reduce Millennium Development Goals (MDGs) 4 and 5;
   (b) Millennium Development Goal 4 to reduce child mortality by two thirds and MDG 5 to reduce maternal mortality by three quarters have made the slowest progress of all MDGs and are off track to being achieved by 2015;
   (c) Millennium Development Goal 5 has made virtually no progress globally and has reversed in most of sub Saharan Africa in the last 20 years—it is the only MDG not making progress of any significance;
   (d) the health MDGs are achievable but require increased effort and greater cooperation from all developing and developed countries; and
   (e) evidence indicates that successful proven, cost effective strategies exist that can reduce child deaths by at least 60 per cent and maternal deaths by 75 per cent, which would save the lives of 240,000 children and 26,000 mothers in our immediate region each year;

(3) acknowledges the importance of the Australian Government increasing its support for health systems in the Asia Pacific region and in Africa (though coordinated mechanisms including the International Health Partnership) to ensure that adequate, coordinated, long term and predictable donor resources are available to support effective basic and reproductive health plans and systems in each developing country in our region; and

(4) recognises that:
   (a) greater focus must be placed on training health professionals and midwives to ensure significant reductions in newborn, child and maternal mortality;
   (b) system strengthening must also be ensured to provide incentives for staff to be retained in countries and areas of need; and
   (c) an increase in Australian support for maternal and child health related spending is required to support the provision of basic health services and health system strengthening and reflect Australia’s fair share of Organisation for Economic Co-operation and Development countries, which will demonstrate Australia’s leadership and commitment to ending the preventable deaths of children and mothers globally.

Time allotted—remaining private Members’ business time prior to 9.30 pm

Speech time limits—
Ms Rea—5 minutes.
Other Member—5 minutes each.

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

Report adopted.

COMMITTEES
Public Works Committee
Report

Ms HALL (Shortland) (9.32 am)—On behalf of the Parliamentary Standing Committee on Public Works I present the fifth
report for 2009 of the committee relating to the proposed fit-out and external works, Anzac Park West, Parkes, ACT and the proposed fit-out of the Tuggeranong Office Park, Greenway, ACT.

Ordered that the report be made a parliamentary paper.

Ms HALL—by leave—The report, *Referrals made May to June 2009*, addresses proposals to fit out two buildings in Canberra, Anzac Park West in Parkes and Tuggeranong Office Park in Greenway. In both cases the committee has recommended that the House of Representatives agree to the work proceeding. The first project discussed in the report is the fit-out of Anzac Park West in Canberra for the Department of Defence.

The project was referred to the committee on 14 May 2009 at an estimated cost of $4.5 million. Anzac Park West is a heritage building as well as being an important part of the National Capital Plan. The committee is pleased to consider a project that will see it occupied after an extended period of vacancy. This building first came before the committee in 2006 in the proposal by the Australian Federal Police. Members may be aware that this inquiry was rescinded from the committee’s consideration and thus the committee did not have an opportunity to complete this inquiry and some $48 million was spent on base building works. The building was ultimately too small to accommodate the AFP and it remained empty. The series of events is unfortunate and the committee discussed its specific concerns in the report. Given this background the committee is happy to see the Department of Defence plans to occupy the building. The re-use of an existing building will realise significant savings in both money and energy and demonstrates the opportunity to creatively refurbish buildings almost half a century old and greatly extend their economic life.

The second project discussed in the report is the fit-out of the Tuggeranong Office Park in Canberra for the Department of Families, Housing, Community Services and Indigenous Affairs. The project was referred to the committee on 28 May 2009 at an estimated cost of $29.8 million. This department has occupied part of the Tuggeranong office block since 1991 and the building is generally in need of base building works to maintain it as a safe work environment. In addition, the department will refit much of the building to improve its disability access and environmental performance.

The department is to be commended on its use of environmental initiatives, particularly in the extensive use water tanks to service the grounds and some parts of the building which is quite innovative in its nature and shows a real commitment by the department. This proposal also raises some concerns for the committee, particularly in the terms of investment over a short-term lease. However, the committee ultimately accepted the department’s assurance that the proposal represented value for money for the Commonwealth. I would like to thank the committee members for their work in relation to this inquiry and I commend the report the House.

LONG SERVICE LEAVE
LEGISLATION AMENDMENT
(TELSTRA) BILL 2009

First Reading

Bill and explanatory memorandum presented by Ms Gillard.

Bill read a first time.

Second Reading

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (9.36 am)—I move:

That this bill be now read a second time.
This bill will continue existing transitional long service leave arrangements that apply to Telstra and its employees, pending development of national long service leave arrangements. The bill will avoid unnecessary administrative complexity for the company and uncertainty for employees, and recognises the unusual position that Telstra finds itself in as a result of historical circumstances.

Telstra was originally a government owned and operated entity and, as such, its employees were formerly Australian government employees covered by Commonwealth employment related legislation, including the Long Service Leave (Commonwealth Employees) Act 1976.

The Telstra (Transition to Full Private Ownership) Act 2005, enacted by the previous government, provided that Commonwealth employment related legislation ceased to apply when the Commonwealth ceased to have a majority control of the company. However, the Long Service Leave (Commonwealth Employees) Amendment Act 2006 deferred this change in relation to long service leave for three years—meaning that Commonwealth long service leave legislation would continue to apply until 24 November 2009. At that time, Telstra employees would be covered by relevant state or territory laws.

As we have previously announced, the government intends to develop a national long service leave scheme, in consultation with the states and territories. These arrangements will form part of the National Employment Standards in the Fair Work Act 2009. Consultations on this new national scheme have commenced and are ongoing.

The fact that Telstra has been subject to Commonwealth long service leave legislation, and that this coverage will cease on 24 November 2009, puts it in an unusual position.

Telstra will need to transition from the Long Service Leave (Commonwealth Employees) Act to multiple state and territory schemes when current arrangements expire on 24 November 2009 and then back to a Commonwealth scheme when new national arrangements are implemented. To avoid the complexity and uncertainty that this will cause, Telstra and relevant unions have suggested to the government that existing transitional arrangements be retained until the new National Employment Standard on long service leave is put into place.

The government considers this to be a sensible proposal and is happy to facilitate it by making minor amendments.

The effect of this bill is to extend the transitional application of the Long Service Leave (Commonwealth Employees) Act to Telstra and its employees. This will preserve the status quo for Telstra employees with respect to long service leave entitlements until national long service leave arrangements are put in place through the National Employment Standards.

This bill will amend the Telstra Corporation Act and the Telstra (Transition to Full Private Ownership) Act to enable the Long Service Leave (Commonwealth Employees) Act to continue to apply to Telstra.

The bill will also make consequential amendments to the Long Service Leave (Commonwealth Employees) Act.

The government considers that this bill is a desirable transitional measure that recognises the particular circumstances of Telstra and its employees. It preserves the status quo pending development of national long service leave arrangements for all federal workplace relations system participants.

I commend this bill to the House.

Debate (on motion by Mrs Mirabella) adjourned.
FAMILY ASSISTANCE LEGISLATION AMENDMENT (PARTICIPATION REQUIREMENT) BILL 2009

First Reading

Bill and explanatory memorandum presented by Ms Macklin.

Bill read a first time.

Second Reading

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (9.41 am)—I move:

That this bill be now read a second time.

This bill introduces a new requirement for families receiving family tax benefit part A for children aged between 16 and 20.

To be eligible to receive family tax benefit part A, children between 16 and 20 must be studying full time towards, or have completed, year 12 or its equivalent.

Exemptions may be granted in special circumstances which I will detail shortly.

This new participation requirement for FTB part A supports the Australian government’s determination to increase the number of young people with a year 12 or equivalent qualification.

The FTB changes complement the requirement recently introduced for youth allowance by the Social Security Amendment (Training Incentives) Act 2009.

The evidence makes it clear that young people who leave school early are less likely to make the transition into employment or further education than those who complete year 12.

We also know that people of working age who do not reach year 12 or an equivalent level of education are more likely to be unemployed.

And, if they are working, they are less likely to earn as much as people with a higher education.

In fact, for every year of extra education, a person can expect to earn on average around $100 a week more.

And, in times of economic downturn, early school leavers are at greater risk of disadvantage.

Looking back at the recession of the early 1990s, we find that young people who did not complete year 12 were around three times more likely to be unemployed or not undertaking further education than their peers who had completed year 12.

This bill implements an important element of the agreement reached at the Council of Australian Governments meeting on 30 April 2009 as part of the national youth participation requirement and the compact with young Australians.

Broadly, the compact with young Australians will guarantee an education or training place for all young Australians under 25 who are not in work or education.

To support the compact, the national youth participation requirement will make participation in education, training or employment compulsory for all young people until they turn 17.

This bill introduces an activity test into eligibility requirements for an FTB child aged between 16 and 20 under the family assistance law.

To be eligible, a young person must be undertaking full-time study in an approved course of education or study that will allow or assist them to complete year 12 or an equivalent level of education.

The activity test will also be satisfied if a young person has completed their final year of secondary school or equivalent level of education, generally considered to be a certificate level II qualification.
Exemptions may be granted if a young person's circumstances meet one of three criteria.

The first is that there is no locally accessible approved course of education or study, and no such course available by distance education.

The second is that there is no place available in the course, or the young person is not qualified to undertake it, or lacks the capacity to study due to a physical, psychiatric, intellectual or learning disability.

An exemption may also be granted if there are special circumstances which make it unreasonable for the young person to undertake the course.

The Secretary of the Department of Families, Housing, Community Services and Indigenous Affairs will be able to establish guidelines concerning the special circumstances discretion, through a legislative instrument which will be subject to parliamentary scrutiny.

There will also be some flexibility for a different study load, where this is appropriate to the young person’s circumstances.

The secretary will be able to set a specific number of hours per week of study for a young person for the purposes of the new activity test.

The changes made by this bill complement existing eligibility rules for family tax benefit part A for dependants aged 21 to 24, and for family tax benefit part B for young people aged 16 to 18, which both specify a full-time study requirement.

FTB part B is not paid to a family after the end of the calendar year in which the young person turns 18.

The new participation requirements will apply from 1 January 2010 for new claimants and end of year lump sum claimants.

Families who have already claimed payments by instalment for a period before 1 January 2010 will have the new rules applied from 1 May 2010.

This later starting date for existing customers will give Centrelink adequate time to make necessary IT system changes.

This bill, along with the new youth allowance legislation, encourages young Australians to gain the skills and experience they need to move into work or further education.

It reflects the Australian government’s commitment to do all we can to give every young Australian the best possible chance in life—recognising that education is vital to securing a productive, independent future. I commend the bill to the House.

Debate (on motion by Mrs Mirabella) adjourned.

CRIMES LEGISLATION AMENDMENT (SERIOUS AND ORGANISED CRIME) BILL (No. 2) 2009

First Reading

Bill and explanatory memorandum presented by Mr McClelland.

Bill read a first time.

Second Reading

Mr McCLELLAND (Barton—Attorney-General) (9.47 am)—I move:

That this bill be now read a second time.

General introduction

In his inaugural National Security Statement the Prime Minister highlighted the growing complexity of organised crime as a security challenge in the modern global environment. I have stated before in this House that organised crime costs Australia at least $15 billion each year.

These costs impact on all Australian governments, the Australian economy, businesses and the wider community. In addition,
organised crime causes social costs to individuals and the community.

The governments of Australia have a clear role in addressing the threats of organised criminal network activity which pose risks to Australian interests and Australians. These are threats such as the importation and production of narcotics, people trafficking, community violence, identity crime, money laundering and labour exploitation.

The presence of organised crime in legitimate industries can also distort the operation of effective markets to the prejudice of the great bulk of legitimate businesses.

The methods used by organised crime involve infiltration and corruption often with the advice and assistance of professional advisers. The space they operate in is a clandestine space and usually associated with the black market.

The jurisdictions that they operate in are multijurisdictional, their activities cross international borders, state and territory borders and increasingly their methods involve the use of high-tech equipment and modern technology.

In that context the Standing Committee of Attorneys-General agreed to measures to support a national response to combat serious and organised crime at its meetings in April and August.

The national response reflects the desire, at the national level—at the level of all governments indeed—for a coordinated effort to combat organised crime.

Measures agreed by Standing Committee of Attorneys-General require the Commonwealth, states and territories to consider legislative measures to enhance criminal offences, police powers and criminal asset confiscation.

In June 2009, I introduced the first package of serious and organised crime reforms, as part of the Crimes Legislation Amendment (Serious and Organised Crime) Bill.

Those reforms implemented the Commonwealth’s commitment, as part of the Standing Committee of Attorneys-General agreement, to strengthen criminal asset confiscation, target unexplained wealth and enhance police powers to investigate organised crime.

This bill builds on these earlier reforms and further strengthens the laws necessary to combat organised crime.

These new reforms will enhance our ability to effectively prevent, investigate and prosecute organised criminal activity, and target the proceeds of organised crime.

The bill continues the government’s focus on:

1. more effectively prosecuting organised crime through new criminal organisation offences and enhanced money laundering, bribery and drug importation offences, and
2. stronger investigative and criminal asset confiscation powers to assist in the detection and disruption of organised crime activity.

These reforms reflect the seriousness of the organised crime threat, and growing recognition of its great economic and social cost to the Australian community.

Today, we have taken further, decisive action to target organised crime and enhance the security of the Australian community.

1. Criminal offences

It is important to ensure that we have in place criminal offences that target varying levels of involvement in the activities of a criminal organisation, and not just those people who are directly involved in committing criminal offences.
It is also vital that existing offence regimes remain effective in disrupting and deterring organised crime.

**New organised crime offences**

This bill includes new organised crime offences that target persons who associate with those involved in organised criminal activity, and those who support, commit crimes for, or direct the activities of, a criminal organisation.

The investigation of these serious criminal offences will be supported by amendments to enable greater access to telecommunications interception given that the nature of these associations is that communication within organisations will be a very important and significant aspect of the criminal association.

The new offences will capture those at the ground level committing, or supporting the commission of, offences for organised crime groups.

They are also targeted at senior members of organised crime groups who direct the activities of the organisation, while often deliberately maintaining distance from the actual commission of offences.

Under the new offence provisions, these people will be subject to penalties of up to 15 years imprisonment for their actions.

**Money-laundering and bribery offences**

Activities such as money laundering and corruption play a critical role in facilitating organised crime.

This bill improves the operation of the money-laundering provisions in the Criminal Code, and enhances the ability of law enforcement and prosecution agencies to investigate and prosecute money-laundering offences.

This bill also substantially increases the deterrent effect of the offences in the Criminal Code that deal with those who bribe a foreign or Commonwealth public official, by significantly increasing the financial penalty applicable to the offences.

The amendments provide that, where a body corporate, for instance, is convicted of a bribery offence, it could be liable to a financial penalty of $11 million or, in some circumstances, even greater.

The amendments ensure that penalties for these offences are sufficiently high to deter and punish bribery in the domestic and international spheres.

**Drug importation offences**

In terms of drug importation offences, which are so often the activity of organised crime groups driven by profit motive, organised crime networks are opportunistic, risk averse, and commonly maintain a transnational presence.

To combat organised crime’s involvement in lucrative illegal activities such as drug trafficking, this bill will amend the drug importation offences in the Criminal Code to ensure that they capture a broader range of criminal activity.

The offences will now apply to offenders who engage in activity connected to the importation of drugs into Australia, such as arranging for payment of those involved in the importation process and transferring the goods once they arrive in Australia.

2. **Powers**

Organised crime networks are dynamic, innovative and resilient. As I have indicated, they often act on the basis of the very best professional advice.

Our efforts to enhance investigative powers and improve existing criminal asset confiscation and anti-money-laundering laws must address these characteristics.

At the same time, it is necessary for law enforcement powers to be subject to rigorous safeguards and accountability mechanisms.
Organised crime groups are sophisticated and make full use of rapidly advancing technology.

The bill better enables law enforcement agencies to examine and search electronic equipment in an environment where, increasingly, organised crime is transacted through electronic equipment and over the internet.

This ensures that law enforcement officers are able to access data stored on, or accessible from, electronic equipment that is seized or moved from warrant premises.

New provisions will also allow a magistrate to order a person to provide assistance in accessing data on a computer or data storage device after it has been seized.

This power, which is currently only available when the computer is on the warrant premises, will assist law enforcement officers in overcoming challenges posed by technological developments such as encryption techniques.

Appropriate safeguards are included in the bill.

For example, the bill provides for a person to be compensated for any damage caused to equipment or data following a search or examination of the equipment.

The bill also permits material seized under search and document production powers to be shared between Commonwealth agencies and with state and territory law enforcement agencies, again emphasising the importance of cooperation between state, federal and territory governments.

Criminal asset confiscation and anti-money-laundering laws

This bill includes a raft of additional amendments to the Proceeds of Crime Act 2002 which clarify and improve the operation of the act.

These measures further enhance the ability of prosecution agencies to trace, restrain and confiscate the benefits criminals derive from crime.

A strong criminal asset confiscation regime is pivotal to the fight against organised crime.

Many of the amendments in the bill are based on operational experience and respond to the recommendations made in 2006 as part of the review of the Proceeds of Crime Act 2002 by Mr Tom Sherman AO.

The amendments will better assist our law enforcement agencies to strip organised crime groups of their ill-gained assets.

These measures will also assist in eliminating inconsistencies across the act and rectifying anomalies. Organised crime gangs will no longer be able to rely on technicalities to avoid criminal asset confiscation.

This bill also amends the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 to improve the operation of the act and enhance our ability to deter and detect the laundering of the proceeds of crime.

Australian Crime Commission related amendments

Further, this bill will improve the operation and accountability of Australia’s national criminal intelligence agency, the Australian Crime Commission (ACC).

The Australian Crime Commission works with other Commonwealth, state and territory law enforcement agencies to counter, and develop a better understanding of, serious and organised crime in Australia.

It is vital that the ACC is able to function effectively, subject to appropriate safeguards on the exercise of its special coercive and investigative powers.

Where authorised by the ACC board, and provided a range of procedural requirements are met, an ACC examiner may compel a
witness to attend an examination, answer questions in relation to a particular matter and produce documents.

A key measure in this bill will be to enhance the ACC’s ability to deal with witnesses who refuse to cooperate with an ACC examiner.

This measure will provide an ACC examiner with the power to refer uncooperative witnesses to the Federal Court, or a Supreme Court of a state or territory, to be dealt with as if the conduct were contempt of that court.

This implements a recommendation made by Mr Mark Trowell QC in his independent review of the Australian Crime Commission Act.

The bill also addresses the need for additional accountability regarding the exercise of the ACC’s powers by invalidating summonses and notices to produce where reasons for their issue are not recorded.

The bill also requires independent review of the ACC every five years as an additional safeguard.

The bill will reverse the amendments made in 2007 to the Australian Crime Commission Act, and insert a requirement that the act be reviewed every five years.

This will implement recommendations by the Parliamentary Joint Committee on the ACC in its report on the 2007 amendments to the act.

National Witness Protection Program

The bill also makes improvements to the operation of the National Witness Protection Program, including by increasing protection for current and former participants and officers involved in its operation.

Urgent amendment—fitness to plead

And, finally, while not related to serious and organised crime activities themselves, this bill makes an urgent and minor amendment to the Crimes Act 1914 to preserve the ability of a person who has been charged with a Commonwealth offence and who is being tried in Victoria for a Commonwealth offence to appeal a finding that they are unfit to plead.

This will address changes to Victorian legislation that take effect from October 2009.

Conclusion

In conclusion, this second package of serious and organised crime reforms builds on those introduced in June this year.

The bill contains a range of measures to comprehensively deal with organised crime through new and targeted organised crime offences, improvements to existing offences and enhancements to investigative and criminal asset confiscation powers to assist in the detection and also the disruption of organised crime activity.

The bill represents another significant step as part of a coordinated national effort to more effectively prevent, investigate and prosecute organised crime activities, and to improve laws that target the proceeds of organised crime groups.

I commend this bill.

Debate (on motion by Mr Billson) adjourned.

TELECOMMUNICATIONS (INTERCEPTION AND ACCESS) AMENDMENT BILL 2009

First Reading

Bill and explanatory memorandum presented by Mr McClelland.

Bill read a first time.

Second Reading

Mr McCLELLAND (Barton—Attorney-General) (10.03 am)—I move:

That this bill be now read a second time.
Over the last few years Australians have rapidly increased their internet and computer use.

More Australians than ever are communicating online to create and exchange information socially and for business.

Growth in the digital economy means that most Australian businesses now have an internet presence.

Advances in technology together with consumer demand and cost-effectiveness will drive further expansion into the online world.

This is very important for the Australian economy. Technology provides the opportunity to reduce the geographical isolation that we experience from major trading markets.

At the same time, the ease with which information can be collected and communicated means that even home users have sensitive personal information on their computers.

It goes without saying that employers often hold sensitive information about employees and customers such as banking details, medical records and contact details for family members. This information can be extremely valuable to cybercriminals, rendering users vulnerable to credit and identity fraud and opening the door to large-scale attacks on businesses and government agencies.

This bill amends the act to ensure that network operators can undertake legitimate activities aimed at securing the integrity of their network and the information it contains.

Currently, network operators can undertake protective activities once a communication becomes accessible from a computer server or at an earlier point in time with the consent of the persons using the network.

As attacks become more sophisticated, there is an increasing need for network operators to defend their networks at the earliest point.

Currently, though, in the absence of the knowledge of users, and indeed their express consent, such activities may be regarded as a breach of the Telecommunications (Interception and Access) Act 1979.

While consent can easily be obtained from internal network users such as employees, external users may not be aware that their communications are being monitored.

Yet communications from external users are in fact the ones that generally pose the greatest risk to networks.

This bill amends the act to ensure that network operators can undertake legitimate activities aimed at securing the integrity of their network and the information it contains.

Currently an exemption exists under the act for network protection activities undertaken by designated security and law enforcement agencies to enable them to protect their networks.

Early last year the parliament agreed to extend the operation of these provisions until 12 December this year while a broader solution relevant to all networks, both government and nongovernment, was developed.

The network protection regime proposed in this bill is the result of active consultation with a broad range of stakeholders, including representatives from the business community, law enforcement agencies and user groups.

I note that the bill has been modified to address a number of concerns raised in sub-
missions in order to strike an effective balance between protecting networks from malicious activities while protecting users from unnecessary or unwarranted intrusion. Essentially it is about balance.

Central to this, the bill recognises the general prohibition against interception and clearly identifies the circumstances in which the access, use and disclosure of information for network protection purposes will be permitted.

The bill does not oblige network operators to undertake network protection; nor does it specify any type of technology that must be used. I stress and emphasise that because there was some criticism, when this matter was originally put in the public domain for disclosure, that in some way the government was avoiding its responsibilities to protect networks and putting those responsibilities on private users. That is not the case.

Clearly, however, prudence and informed use suggest that those measures should be taken and, if they are taken, network managers should not be exposed to criminal sanction that most probably would occur under the existing legal framework.

Rather, the amendments that we are proposing focus on providing clear guidance about when communications can be accessed for network protection activities and the legitimate use and disclosure of information obtained through these activities.

Under the proposed regime, network protection activities that copy or record a communication, without the consent of the sender, before that communication is available to the intended recipient, will be unlawful unless certain conditions are met.

Interceptions must be carried out by a person lawfully authorised to carry out duties relating to the protection, operation, maintenance or, in limited circumstances which I will refer to subsequently, appropriate use of that network.

In addition, interception of a particular communication must be reasonably necessary for the performance of those duties.

Once information has been collected, it can only be disclosed to a designated person or, in limited circumstances, to a law enforcement agency. Any such disclosure will be discretionary. I emphasise that.

Law enforcement agencies will not be able to compel network operators or employers to provide information to them under the provisions that we are introducing. Nor can information be used or communicated if it is converted into a voice communication in the form of speech.

This means that telephone communications will not be accessible under these provisions, preserving the integrity of the interception warrant regime.

The bill also enables designated government security authorities and law enforcement agencies to protect their networks against inappropriate use. Again, I emphasise that the capacity to protect networks against inappropriate use will be restricted to designated government security authorities and law enforcement agencies—and specifically not the broader employment market.

While the majority of threats come from external sources, in order to protect information held in sensitive networks—such as, or specifically referring to, security authorities and law enforcement agencies—it is also necessary to ensure that persons working in such organisations use the network appropriately or in accordance with the agreed use.

This capability is consistent with the current network protection provisions which enable these agencies to undertake network protection activities for this purpose.
As the description of an appropriate action will vary between these government organisations, the bill limits network protection activities undertaken for this purpose to any reasonable uses and conditions set out in a user agreement between the agency or government organisation as employer and their employees, contractors or others identified in the specific terms of the legislation.

It is anticipated that existing IT user agreements within these organisations will meet this condition.

Information suggesting inappropriate or illegal conduct by an employee or person working for one of these specified government organisations—that is, as I have specifically mentioned, limited to security and law enforcement agencies as defined in the proposed legislation—will be able to be communicated or used for disciplinary purposes as long as that communication or use does not contravene another Commonwealth, state or territory law.

This specific preservation of state and territory laws protects workers by ensuring that these government employers cannot avoid applicable state or territory workplace relations requirements or workplace surveillance laws by accessing information under this act. Currently, no such protections exist in the act.

As network protection activities operate outside the scope of the act, there is no protection or guidance on the legitimate use and disclosure of information obtained by network owners for network protection purposes.

This means that, in the absence of other relevant statutory duties, there is a real risk that information can be used inappropriately against network users.

The network protection regime set out in this bill clearly addresses this gap, providing specific direction to all network owners and operators about the circumstances in which communications can be accessed for the purposes of network protection activities and the legitimate purposes for which information can be used.

**Other Amendments**

The bill also includes several amendments that will improve the effective operation of the act. The bill amends the definition of ‘permitted purpose’ in relation to the New South Wales Police Integrity Commission to reflect an expansion in the commission’s role. Information intercepted in the course of investigating a serious offence will be able to be used for the purposes of investigating conduct relating to administrative officers of the New South Wales Police Force and officers of the New South Wales Crime Commission.

The bill also clarifies that information that has been intercepted by the Australian Federal Police in the course of investigating serious offences, including terrorism offences, can be used by the Australian Federal Police for purposes associated with the making of control orders and preventative detention orders under divisions 104 and 105 of the Criminal Code.

Finally, the bill makes amendments to the provisions of the act that relate to evidentiary certificates. The bill will enable the managing director of a carrier to delegate his or her authority to sign evidentiary certificates in relation to interceptions authorised under a warrant issued to the Australian Security Intelligence Organisation (ASIO) and information authorised under a stored communications warrant issued to a law enforcement agency.

These amendments replicate current provisions in relation to interceptions undertaken in relation to a warrant issued to law enforcement agencies. The bill also contains provisions enabling evidentiary certificates
to be issued in relation to the access of telecommunications data. The amendments will ensure that sensitive interception capabilities will not be exposed in the course of court proceedings.

These technical amendments will ensure that the act continues to be clear and relevant in the obligations and powers it places on telecommunications carriers and law enforcement agencies.

**Conclusion**

This bill will maintain the currency of the act by ensuring it responds to new and emerging challenges. The introduction of a comprehensive network protection regime will, for the first time, provide clear guidance on when network protection activities can be undertaken and the conditions that must be complied with when dealing with related information.

By enabling networks to protect their infrastructure and information while recognising the importance of user privacy, this bill marks an important step in this government’s commitment to building confidence in the online world. I commend the bill to the House.

Debate (on motion by Mr Billson) adjourned.

**AUSTRALIAN SPORTS ANTI-DOPING AUTHORITY AMENDMENT BILL 2009**

**First Reading**

Bill and explanatory memorandum presented by Ms Kate Ellis.

Bill read a first time.

**Second Reading**

Ms KATE ELLIS (Adelaide—Minister for Early Childhood Education, Childcare and Youth and Minister for Sport) (10.17 am)—I move:

That this bill be now read a second time.

I think all of us would agree that doping and drug cheats have no place in sport. The Australian government is committed to the fight against doping—and is determined to ensure that performance enhancing drugs are detected, dealt with and deterred at every possible opportunity.

In a sports-loving country like Australia, a strong anti-doping system is essential to protect the integrity of our sporting competitions and to also protect our athletes from the potential harmful health effects of using prohibited substances and methods. Furthermore, it is essential to protecting Australia’s reputation on the world stage and importantly protecting the value of fair play which sport so powerfully conveys to our children through our sporting heroes.

This bill amends the Australian Sports Anti-Doping Authority Act 2006 (ASADA Act) to keep the Australian Sports Anti-Doping Authority (ASADA), Australia’s peak anti-doping in sport agency, at the forefront of global and local efforts to stamp out drug cheats. Specifically the bill reflects the need for new structural and governance arrangements to ensure the efficacy of ASADA’s anti-doping programs today and well into the future.

ASADA is the key implementation agency for Australia’s anti-doping efforts supporting the Australian government in co-ordinating and harmonising anti-doping initiatives with states and territories and of course with our national sporting organisations.

At the core of anti-doping efforts in this country, ASADA’s responsibilities include detecting drug cheats and discouraging drug use through education programs, testing, investigations and enforcement. The work of the organisation speaks for itself. In 2008-09 ASADA delivered 212 anti-doping education activities to 10,530 athletes and support personnel. This included all Australian athletes
who attended the 2008 Beijing Olympic and Paralympic Games.

In support of these education activities ASADA also conducted 4,212 government-funded tests across 57 sports and 3,286 user-pays tests for Australian sporting bodies or other organisations. Every one of these figures stands as a strong deterrent against performance enhancing drug use, and a warning to athletes that drug cheats will not be tolerated.

To ensure that ASADA has the best governance arrangements in place to continue to support Australia’s anti-doping efforts, at the end of 2008 I agreed to an independent review of the organisation to ensure that its governance model was the best fit for the current environment and for the future.

The independent review found that while ASADA was successfully delivering its core business, primarily the government’s anti-doping agenda, education programs, testing, investigations and enforcement, the review made a number of recommendations to streamline ASADA’s internal processes and give it greater cohesion with which to perform its key functions in the future.

Established with bipartisan support in 2006, ASADA is a statutory authority established under the ASADA Act and its current governance model is a hybrid of that which would be conventionally associated with an FMA agency and an agency established to comply with the Commonwealth Authorities and Companies Act 1997. Its financial arrangements and accountability are determined by the Financial Management and Accountability Act 1997—the FMA Act—and its staffing arrangements are determined by the Public Service Act 1999.

This bill delivers on the recommendations of the independent review to alter these governance arrangements to more closely align ASADA with a traditional model for an FMA Agency. The following specific changes are introduced through this bill.

Firstly, ASADA is to be solely headed by a CEO who will be responsible for operational and strategic matters. The accountability framework for the CEO will be similar to a traditional FMA agency and is considered the best fit for ASADA’s activities now and into the future.

Secondly, under proposed new arrangements the current ASADA members’ structure will be replaced with a new model to ensure that the functions previously undertaken by ASADA members continue—for example, decisions on anti-doping rule violations.

To that end, provisions are being made for the establishment of a new independent Anti-Doping Rule Violation Panel whose role will be to make decisions about anti-doping rule violations and recommendations about follow up action and sanctions.

Decisions regarding anti-doping rule violations are inherently sensitive. To avoid any perception of conflict, the Anti-Doping Rule Violation Panel will not include among its membership the ASADA CEO, ASADA staff, or members of the new advisory group, which I will come to shortly. Such action ensures that the decision regarding an anti-doping rule violation is at arms-length from government and separate from the testing, investigative and prosecutorial functions of ASADA.

Anti-Doping Rule Violation Panel members will be appointed by the minister and must have skills or experience of relevance to sport anti-doping in one of the following areas:

- sports medicine;
- clinical pharmacology;
- sports law;
- ethics; or
investigative practices or techniques.

Thirdly, this bill will establish an advisory group that will primarily be a consultative forum for the CEO on matters such as education, testing and investigations, and provide advice to assist in the development, implementation and continuous improvement in the delivery of ASADA’s core business.

The advisory group will consist of a chair and a small group of members comprising individuals with relevant skills in areas such as education and stakeholder services, sports medicine, sports law, ethics and investigations.

Further, this bill also gives effect to incidental changes that are required to align the ASADA Act more closely with the World Anti-Doping Code, which came into effect on 1 January 2009. Australia is committed to the principles of the World Anti-Doping Code (the code) through its ratification of the UNESCO International Convention Against Doping in Sport (the convention). This includes the operation of policies and programs that seek to eliminate doping from sport.

It is therefore imperative that ASADA has an appropriate legislative framework and governance model to ensure that it can continue to deliver its internationally renowned, targeted and coordinated anti-doping program, consistent with the convention.

The bill will also introduce changes to the mechanism by which the National Anti-Doping Scheme will be amended in the future. Currently ASADA can amend all of the National Anti-Doping Scheme through a disallowable legislative instrument.

Under the new arrangements the CEO will still be able to make changes via a disallowable legislative instrument, but will be restricted to only those matters where it is critical for ASADA to respond quickly in order to ensure that Australia’s anti-doping regime continues to be aligned with the World Anti-Doping Code.

Finally, it is important to note that athletes will not be disadvantaged by the proposed amendments. The changes do not impinge upon athletes’ rights, and all appropriate privacy safeguards continue to be maintained.

This means that, in relation to ASADA’s decisions, athletes continue to have access to the Commonwealth Ombudsman, the Administrative Appeals Tribunal and the Federal Court or Federal Magistrates Court under the Administrative Decisions (Judicial Review) Act 1977.

The Privacy Act 1988 will also continue to apply to all of ASADA’s functions involving the collection and handling of personal information.

There is no doubt that when it comes to anti-doping in sport Australia is a world leader, and these changes are necessary to ensure that this reputation is sustained well into the future. While we lead the way on anti-doping, it is critical that we do everything we can to ensure the bar is high when it comes to anti-doping standards and that a tough, professional anti-doping agency is in place to enforce these standards. And that is why today I urge the parliament to support this critical bill.

Debate (on motion by Mr Billson) adjourned.
I move:

That this bill be now read a second time.

This bill amends various taxation laws to implement a range of improvements to Australia’s tax laws.

First, schedule 1 amends the A New Tax System (Goods and Services Tax) Act 1999 to ensure that a representative of an incapacitated entity is responsible for the GST consequences that arise during its appointment. The amendments will protect GST revenue in light of the adverse Federal Court of Australia decision of Deputy Commissioner of Taxation v PM Developments handed down on 12 December 2008.

The PM Developments decision found that a liquidator is not liable for the GST arising from a transaction occurring during the period of the liquidator’s appointment. Instead, the court found that the GST liability is a liability of the company in liquidation.

The decision is contrary to the stated intention that the representative of an incapacitated entity is liable for GST on transactions within the scope of its appointment. It is also contrary to the commissioner’s administration of the law since the introduction of the GST.

This schedule amends the GST law with effect from 1 July 2000 to ensure the law achieves the stated policy objective. Retrospective amendment will protect the revenue by preventing claims for refunds of amounts of GST paid by representatives. Transitional provisions will apply to ensure that the amendments do not adversely impact taxpayers who have in fact complied with the commissioner’s interpretation of the law or who have acted in good faith.

The amendments also ensure that the GST consequences for a representative are the same as those that would have arisen had the action been performed by the incapacitated entity.

Schedule 2 amends the pay as you go installment provisions to address unintended consequences arising out of amendments to those provisions contained in the Tax Laws Amendment (Taxation of Financial Arrangements) Act 2009.

For compliance reasons, a special provision was inserted into the income tax law by the TOFA act to calculate TOFA gains and losses on a net rather than gross basis for pay as you go instalments income purposes. However, the provision could unintentionally lead to a reduction in pay as you go instalments paid because the net basis of a calculation can produce a reduction in pay as you go instalment income. The amendments reverse the changes the TOFA act made to the pay as you go instalments system, thus preventing this potential outcome.

In addition, the amendments ensure that where an entity has become liable to pay a decreased amount of pay as you go instalments prior to the commencement of this bill, there will be a catch-up payment of the decreased amount in the quarter that ends after the commencement of this bill. This catch-up payment will only be of relevance to those taxpayers who have elected to apply the TOFA act from the 2009-10 income year.

The government intends to undertake consultation on a more appropriate method for dealing with the interactions between the pay as you go instalments system and the TOFA act. This method will have regard to taxpayer compliance costs.

Schedule 3 exempts from income tax the outer regional and remote payment made under the Helping Children with Autism package. This payment is made to assist families with children who have been diagnosed with autism spectrum disorder and living in outer regional and remote areas, to
be able access otherwise scarce early intervention and education services. The amount is $2,000. Exempting this payment from income tax reflects the added difficulties that can be faced by families living in a regional or rural area in gaining access to these scarce services.

Schedule 4 exempts from income tax those payments made under the Continence Aids Payment Scheme. This scheme replaces the existing Continence Aids Assistance Scheme which provides subsidised continence products to eligible recipients. The replacement of the direct provision of products with a payment allows eligible recipients greater freedom of choice of products and suppliers. Providing an income tax exemption for the receipt of this payment will ensure that no recipients are disadvantaged under the new scheme.

Schedule 5 amends the Income Tax Assessment Act 1936 so that Commonwealth issued debt will be exempt from interest withholding tax. This important measure will mean that Commonwealth debt, state government debt and private sector debt will be afforded the same treatment for interest withholding tax purposes. This will help improve the neutrality of the tax system, and bring Australia’s tax treatment of Commonwealth government securities into line with most other countries, including the United States and the United Kingdom. This measure also apply so that the panel can provide support and assistance in respect of all of the tragic fires that blighted Victorian communities in the 2009 fire season.

Importantly the panel’s primary consideration remains the provision of assistance to individuals and communities in towns and suburbs affected by the 2009 fires to ensure that they are re-established to be thriving and socially inclusive.

Finally and importantly, schedule 6 provides greater scope to the Victorian Bushfire Appeal Fund independent advisory panel to support communities affected by the 2009 Victorian bushfires.

A joint Australian Red Cross Society and Victorian government appeal, the 2009 Bushfire Appeal Fund, has remarkably received donations in excess of $375 million and has been ably chaired until recent days by former Governor John Landy and is now chaired by Patrick McNamara.

Recognising the extraordinary circumstances surrounding the Victorian bushfires, these amendments will permit the panel, at their discretion, to use these remarkable donations for a broader range of purposes than the tax law considers charitable, without jeopardising the charitable status of the Red Cross. The amendments also allow so that the panel can provide support and assistance in respect of all of the tragic fires that blighted Victorian communities in the 2009 fire season.

The allowable purposes for which the funds may be expended are consistent with the charitable expectations of the donors, who made their donations in good faith.

The key amendments permit the panel, at their discretion, to assist with:

- payments to orphans under the age of 18 without the need for annual assessments;
- reimbursements to individuals or organisations where the panel had later provided funds to others in the same circumstances;
• grants up to $15,000 for those in transitional housing where a grant has been provided previously to assist with rebuilding the family home;
• grants up to $10,000 to affected farmers to use for repair and restoration of farm activities, including re-fencing; and
• payments to those people, especially farmers, who own the family home through a company or trust structure.

In addition the panel may also support community projects to fund the replacement or enhancement of pre-existing community facilities, or to establish new community facilities. If the panel chooses to do so these projects must be consistent with the purposes of an income tax exempt entity, have a broad public benefit with wide public accessibility, and have no more than an incidental and ancillary commercial or private benefit.

Full details of the measures in this bill are contained in the explanatory memorandum.

Debate (on motion by Mr Billson) adjourned.

TAX LAWS AMENDMENT (RESALE ROYALTY RIGHT FOR VISUAL ARTISTS) BILL 2009

First Reading

Bill and explanatory memorandum presented by Mr Shorten.

Bill read a first time.

Second Reading

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction) (10.36 am)—I move:

That this bill be now read a second time.

This bill amends the tax law to apply a streamlined tax treatment to payments made in relation to the resale royalty right for visual artists, instead of the more complex trust taxation rules which would otherwise apply.

The proposed resale royalty right, which the Resale Royalty Right for Visual Artists Bill 2008 will establish, entitles eligible visual artists to a royalty payment on the sale price of any commercial resale of their original works of art over $1,000 for works acquired after that legislation takes effect. This will allow visual artists to share in the commercialisation of their work in the secondary art market. The resale royalty payable is five per cent of the sale price.

This bill ensures that the body appointed by the arts minister as the resale royalty collecting society is not taxed on amounts it collects on behalf of resale royalty right owners and holds pending allocation to them. Specifically, the bill exempts from income tax in the hands of the collecting society resale royalties, and interest on resale royalties, collected or derived by the collecting society. The collecting society is also not taxed on other income it may derive in an income year, up to a maximum of either five per cent of its total income or $5 million, whichever is the lesser.

When a payment is made from the collecting society to the resale royalty right holder, this amount is generally included in the individual’s assessable income. However if, for any reason, any part of this amount is or has been taxable in the hands of the collecting society, the amount to be included in the artist’s assessable income is reduced to reflect this.

This streamlined treatment is analogous to that which already exists for copyright payments handled by copyright collecting societies.

The bill also makes several technical amendments to simplify the existing provisions in the tax law dealing with the treat-
The operation of these provisions is not affected.

Finally, the bill also amends the definition in the tax law of a copyright collecting society to ensure that if such a body were appointed as the resale royalty collecting society, it would not lose its status as a copyright collecting society merely because of that fact.

Full details of the measures in this bill are contained in the explanatory memorandum.

Debate (on motion by Mr Billson) adjourned.

**TARIFF PROPOSALS**

Customs Tariff Proposal (No. 4) 2009

Mr BRENDAN O’CONNOR (Gorton—Minister for Home Affairs) (10.40 am)—I move:

Customs Tariff Proposal (No. 4) 2009.

The customs tariff proposal that I have just tabled contains alterations to the rates of excise-equivalent customs duty applicable to certain beer and grape wine products, resulting from the commencement of the Customs Tariff Amendment (2009 Measures No. 1) Act 2009.

As drafted, the Customs Tariff Amendment (2009 Measures No. 1) Act 2009 did not reflect the increased rates of duty that took effect following the release of the June 2009 consumer price index figures. These alterations will ensure that rates of excise-equivalent customs duty imposed on these beer and grape wine products are the same as the rates for other alcoholic beverages.

Debate (on motion by Mr Billson) adjourned.

**CUSTOMS AMENDMENT (ASEAN-AUSTRALIA-NEW ZEALAND FREE TRADE AGREEMENT IMPLEMENTATION) BILL 2009**

First Reading

Bill and explanatory memorandum presented by Mr Brendan O’Connor. Bill read a first time.

Second Reading

Mr BRENDAN O’CONNOR (Gorton—Minister for Home Affairs) (10.41 am)—I move:

That this bill be now read a second time.

I am pleased to introduce the implementing legislation for the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (the Free Trade Agreement).

The free trade agreement was signed on 27 February 2009 by the Minister for Trade, the Hon. Simon Crean MP, and representatives of the 11 other parties to the agreement, namely New Zealand and the ASEAN member states of Brunei Darussalam, Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

The customs legislation now being introduced is the administrative process that enables this agreement to become a binding treaty.

I refer members to the ministerial statement made by the Minister for Trade on 17 March 2009 tabling the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area and the accompanying national interest analysis.

The free trade agreement is a comprehensive agreement that will provide Australian exporters and investors with improved export market access, certainty and transparency in ASEAN markets.
This is the largest free trade agreement Australia has concluded. ASEAN member states and New Zealand together account for 20 per cent of Australia’s total trade in goods and services, which were worth $112 billion in 2008.

The agreement will reduce or eliminate tariffs across a region that is home to 600 million people and a region with a combined GDP of A$3.2 trillion.

This means greater job opportunities here in Australia.

The agreement is also the most comprehensive free trade agreement that ASEAN has concluded. It is more comprehensive and deeper than ASEAN’s other free trade agreements with China, Japan and Korea. Importantly, the agreement is also the first free trade agreement Australia has signed since the onset of the global financial crisis, so it sends a very strong signal that protectionism will not help countries get out of a recession.

The free trade agreement provides for the progressive reduction or, for most products, the elimination of tariffs imposed on Australian goods exported to ASEAN member states.

Specifically, the agreement will deliver, over time, elimination of duties on between 90 and 100 per cent of the tariff lines of the more developed ASEAN countries and Vietnam, covering 96 per cent of current Australian exports to the region.

Australia will eliminate, over time, all tariffs on imports from the parties to the agreement.

The free trade agreement is expected to enter into force on 1 January 2010.

The Joint Standing Committee on Treaties has considered the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area. The JSCOT Report was tabled on 24 June and recommended that binding treaty action be taken. The committee’s recommendation paved the way for this important legislation to be passed.

In Bangkok last month, trade ministers from ASEAN, Australia and New Zealand renewed political will to redouble efforts to ensure this free trade agreement will come into force by 1 January 2010.

It is a milestone for Australia—both for our trade policy and for Australian exporters.

Implementing Legislation

In order to implement the agreement, two acts require amendment—the Customs Act 1901 and the Customs Tariff Act 1995.

The Customs Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009 contains proposed amendments to the Customs Act 1901. These amendments give effect to Australia’s obligations under chapter 3 of the free trade agreement dealing with rules of origin.

A complementary bill, the Customs Tariff Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009, will amend the Customs Tariff Act 1995 to set out Australia’s schedule of tariff commitments.

The Customs Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009 provides the rules for determining whether goods originate in an ASEAN member state or in New Zealand.

Goods imported by Australia from an ASEAN member state or New Zealand that meet these ‘rules of origin’ will be able to claim preferential rates of duty under the agreement.

A rule of origin is specified in the free trade agreement for each tariff subheading and may require that the goods:
be wholly obtained or wholly produced in an ASEAN member state or in New Zealand;
• meet a ‘general rule’; or
• meet a product specific rule.

The ‘general rule’ dictates that a good must satisfy the requirement of a change in tariff heading or have a regional value content of 40 per cent. The general rule applies to all products that are not subject to product specific rules.

The product specific rules of origin apply to the goods listed in annex 2 of the free trade agreement.

In a large number of cases, the product specific rules in annex 2 require that there be a change in tariff chapter or change in tariff subheading to determine the originating status of goods. In some instances, the goods in annex 2 are required to meet a regional value content requirement only or a regional value content requirement combined with a change in tariff classification.

The approach of requiring goods to undergo a change in tariff classification to determine the originating status of goods has been used in other free trade agreements Australia has recently entered into, including with the United States, Thailand, Chile and the amended Australia-New Zealand Closer Economic Relations Trade Agreement.

The bill I introduce today will give effect to a new regional free trade agreement with ASEAN and New Zealand that will complement Australia’s existing bilateral free trade agreements with the ASEAN member states of Singapore and Thailand and with New Zealand.

The free trade agreement will also deliver a significant gain for Australia in relation to ASEAN countries with which Australia does not have bilateral free trade agreements—in particular, the important markets of Indonesia, Malaysia, the Philippines and Vietnam.

The free trade agreement will further Australia’s economic integration with the Asia-Pacific, a region with which our nation’s economic future and security are closely tied. It will also provide a strong platform and legal framework for Australia’s economic engagement with the region for many years to come.

Debate (on motion by Mr Billson) adjourned.

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

CUSTOMS TARIFF AMENDMENT (ASEAN-AUSTRALIA-NEW ZEALAND FREE TRADE AGREEMENT IMPLEMENTATION) BILL 2009
First Reading

Bill and explanatory memorandum presented by Mr Brendan O’Connor.

Bill read a first time.

Second Reading

Mr BRENDAN O’CONNOR (Gorton—Minister for Home Affairs) (10.49 am)—I move:

That this bill be now read a second time.

I am pleased to introduce the second bill relating to the ASEAN-Australia-New Zealand Free Trade Agreement (the Free Trade Agreement).

The Customs Tariff Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009 will amend the Customs Tariff Act 1995 by:

• providing duty-free access for certain goods and preferential rates of customs duty for other goods that qualify for such treatment under the free trade agreement’s rules of origin;
The free trade agreement will provide greater access to the Australian market for goods originating from ASEAN countries and New Zealand and, reciprocally, will provide greater access for Australian goods in the markets of the ASEAN countries and New Zealand.

Debate (on motion by Mr Billson) adjourned.

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

CUSTOMS AMENDMENT (ASEAN-AUSTRALIA-NEW ZEALAND FREE TRADE AGREEMENT IMPLEMENTATION) BILL 2009

Cognate bill:

CUSTOMS TARIFF AMENDMENT (ASEAN-AUSTRALIA-NEW ZEALAND FREE TRADE AGREEMENT IMPLEMENTATION) BILL 2009

Second Reading

Debate resumed.

Ms LEY (Farrer) (10.53 am)—I am pleased to have the opportunity to speak on these two customs bills before the House: the Customs Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009 and the Customs Tariff Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009. As the Minister for Home Affairs has explained, these are customs bills because customs legislation needs to be introduced to provide the administrative process that enables this agreement to become a binding treaty. Having said that, I will address some remarks to the nature of the free trade agreement itself and also to the circumstances surrounding the horticulture industry in Australia at the moment, because there is no doubt that horticulture is struggling badly with low or no water allocations, with collapsing markets and with misunderstandings...
of the nature of their enterprise by the Minister for Employment and Workplace Relations, who is placing them under serious pressure in terms of their workplace agreements.

I would have liked, in discussing these free trade bills, to give the horticulture industry confidence, hope and assurance that things are going to improve. It is not all bad news for the horticulture industry. Steps have been taken and advances have been made that will open up our horticulture markets to the ASEAN countries. I acknowledge that, but I want to quote specifically from some of the remarks that the Horticulture Market Access Committee made to the Joint Standing Committee on Treaties which I think better explain where they are coming from and their disappointment with this particular treaty.

I will go back to the purpose of the bill, which is to amend the Customs Act 1901 to define ASEAN-Australia-New Zealand free trade agreement originating goods and to amend the Customs Tariff Act 1995 to provide preferential tariffs for ASEAN-Australia-New Zealand free trade agreement originating goods. The concept of an ASEAN-Australia-New Zealand free trade agreement was floated by the Hawke-Keating government in the early 1990s. Formal discussion commenced under Minister Vaile in 1999 and the negotiations commenced in 2004 and continued under Minister Truss. An agreement was signed by Minister Crean on 27 February 2009.

These amendments proposed in the bills implement relevant parts of the ASEAN-Australia-New Zealand free trade agreement. Whilst the coalition supports the bills, it is disappointing to note that the government is pushing this legislation through with very little notice. I remind members that the free trade agreement was signed months ago by the Minister for Trade and his counterpart ministers from ASEAN countries and New Zealand. It was signed on 27 February. The agreement was tabled in parliament on 16 March this year and it was referred to the Joint Standing Committee on Treaties, which recommended in its report, tabled on 24 June 2009, that binding treaty action be taken.

The government is proposing to introduce and presumably pass these bills in the House today, Wednesday, 15 September, and I understand would like the bills to pass through the Senate on Thursday, 16 September—tomorrow. This, I gather, would enable the Minister for Trade to attend the East Asia Summit on 25 October 2009, where he anticipates that at least New Zealand and four of the ASEAN countries will also have completed their internal arrangements. That will mean that the free trade agreement is able to come into force on 1 January 2010. All the signatories are, in any case, required to advise of progress with their internal arrangements by 2 November 2009. We in the opposition understand that it would be embarrassing for the Minister for Trade if Australia’s arrangements were not finalised by that date, and presumably that is why the government has tacked this important legislation on to the end of the sitting week before a four-week break from parliament.

I simply make the point that the opposition is not impressed. Given that the Joint Standing Committee on Treaties report was tabled on 24 June 2009, there has been ample time to introduce and pass the legislation in an orderly fashion. This certainly affects our ability to go through the comprehensive arrangements that we have on this side of the House involving consultation with our members—particularly members who represent electorates and industries that would be affected by this agreement—and discussions at our various committees and so on. But, despite this, the coalition does agree that the
free trade agreement will provide greater access to the Australian market for goods originating from ASEAN countries and New Zealand and, importantly, provide greater access for Australian goods in the markets of the ASEAN countries and New Zealand.

It was noted in the national interest analysis of the agreement that, as a group, ASEAN and New Zealand constitute a larger trading partner for Australia than any single country. ASEAN member countries and New Zealand together account for 21 per cent of Australia’s total trade in goods and services. It is worth noting that total trade in goods and services between Australia and ASEAN and New Zealand combined was $103 billion in 2007-08. The coalition believes that the ASEAN-Australia-New Zealand free trade agreement will also support economic integration in the region and enhance Australia’s participation in the region’s evolving economic architecture through commitments in a range of areas, including trade in goods, trade in services, investment, intellectual property, temporary movement of persons, electronic commerce and economic cooperation. Clearly it is to Australia’s advantage to take the proposed treaty action.

My colleague, the shadow minister for trade, who as I noted earlier was intimately involved in the original negotiations for this agreement, will have more to say on the trade aspects from the coalition’s point of view. While I have the opportunity, I would like to return to the issue of horticulture, which very much affects rural and regional Australia, including my electorate of Farrer, at the moment. I will quote from report 102 from the Joint Standing Committee on Treaties, about treaties tabled on 12 and 16 March 2009. The report makes the point that:

The ‘prudential’ basis of Australia’s negotiating position discussed in detail above seems to have lead to a focus on macro level tariff outcomes. For example, the Department pointed out that the AANZFTA achieved a higher degree of tariff elimination at the macro level than achieved in other free trade agreements with ASEAN:

... ...

In relation to specific tariff lines, however:

Clearly, you may have circumstances where, on an individual product, the degree of liberalisation achieved in a specific FTA with another dialogue partner may be greater—certainly in the example of mandarins and a range of other horticultural products, particularly with China.

The horticulture industry is represented in this area by the Horticulture Market Access Committee, and they made statements that:

...the horticulture tariff outcomes under AANZFTA ... are in significant cases below optimal outcomes and lock Australian horticulture either temporarily or permanently into certain inferior trading positions against Australian horticulture’s competitors into the ASEAN market.

The report noted:

Their specific concerns in relation to the outcome for horticulture are as follows:

• the AANZFTA does not match the horticulture outcomes in the ASEAN – China free trade agreement;
• tariff outcomes in the AANZFTA that are worse than the tariff outcomes in previous bilateral free trade agreements with ASEAN members;
• applied tariff outcomes in the AANZFTA that are above the globally applied Most Favoured Nation rate; and
• the effectiveness of Australian negotiators in representing the interests of the horticulture industry.

Certainly the ASEAN-China Free Trade Agreement affects our producers in a considerable way. The report stated:

Chinese horticulture exports to ASEAN are subject to near zero tariffs across the board. This has resulted in exceptional growth in Chinese horticultural exports to ASEAN member states. Chinese horticultural exports have grown by 132 per cent in the four years to 2007/08.
From the point of view of the HMAC, in a situation in which China enjoys zero tariffs on most horticulture lines into most ASEAN countries, and Australia does not and will not for the term of the AANZFTA, Australia’s competitive position will suffer for many years. According to the HMAC:

It is a very sensitive issue for vegetable growers because basically we have lost a lot of our markets in South-East Asia to Chinese competition. When you are trying to talk to vegetable growers about becoming export orientated, they see China getting unfair advantages in, say, these free trade agreements vis-a-vis Australia. The expectation out of all this was that Australian vegetable growers would at least be able to compete on an equal footing with Chinese vegetable growers in these markets. That is where the disappointment comes.

In relation to Thailand, the HMAC is concerned that Australia did not take the opportunity to improve on the result of the Thailand–Australia FTA.

The tariff for a number of horticultural tariff lines in the AANZFTA is higher than those contained in the Thailand–Australia Free Trade Agreement. As previously discussed, in such circumstances, the free trade agreement with the lower tariff outcome will prevail.

I note that two, possibly three of the recommendations of the Joint Standing Committee on Treaties can be referred or related to the horticulture industry. Certainly, recommendation 1 is one that we in the coalition will be holding the government to account on, and I quote:

The Committee recommends that the Australian Government pursue all possible bilateral and multilateral avenues to secure improved tariff outcomes for the horticulture industry—

We stand by this industry in their time of need. We feel for them in their disappointment. It is not all bad news. They have had advantages. But for individuals in particular sectors, such as mandarines, those advantages may not mean anything to the bottom line.

The other recommendation that I want to note is recommendation 4, which is:

The Committee recommends that the Department of Foreign Affairs and Trade prepare a report for the Committee examining mechanisms to allow negotiators to directly consult with industry representatives during the negotiation process.

The Horticulture Market Access Committee certainly were not specifically critical of the negotiation process; in fact, they made the point that they were generally very happy with the quality of Australian negotiators. But they also made the point that those negotiators cannot possibly know the ins and outs of every single horticulture industry in Australia as well as those who represent that industry locally can. Particularly when it came to vegetables, they felt that that industry was not given the credence that it warranted. Their suggestion, which I think is a good one, was that industry representatives be included in some of the negotiations or be available to provide industry expertise to those involved in the negotiations. There does not have to be physical travel to the region—they could be consulted via email or telephone—but they do need to be involved in any situation where government-to-government trade negotiations on agriculture take place. You should involve the growers or the representatives of those growers because there are so many intricate details of production that they know and which a negotiator cannot possibly know. They are the experts on international treaties and law, but they cannot possibly know the finer details. So we really support recommendation 4.

With those remarks, I would like to return to the pain that the horticulture industry in my electorate is feeling. There will be a cost explosion for wine grape growers if the loadings of between 150 per cent and 250 per
cent become law. I know that a case is being presented to the Industrial Relations Commission by the Horticulture Australia Council to vary the horticulture industry award. We thank the Deputy Prime Minister for her acknowledgement of the particular circumstances of that award, but I believe that we need to go further. We need to recognise that this industry is entirely different from a manufacturing, process line or service industry. It relies on the weather, the seasons, the harvesting window and also on casual work, which is often done by people on temporary visas or backpackers or locals who are quite happy to work under the arrangements they have been working under for quite some time.

Although it is does not relate directly to this legislation, I want to speak for Murray Davies from Burtundy Station in my electorate of Farrer in far-west New South Wales. He has sent me a short email that captures his frustration with the state of play at the moment. It states:

We grow 400ac wine grapes.
Prices we receive are directly related to world price per litre of wine.
We have to be competitive on the world market.
The grape Industry operates at night because its is cooler generally under 30 Celsius
Over 30 Celsius grapes start to ferment in the bins and fruit would be rejected at the winery and dumped. Growers are already operating below production costs, any extra burden would finish growers
Grape harvest helps keep young people in our community by supplying extra work, we are not talking about city people, we are talking about people in Sunraysia and Riverland. Both communities are under pressure. 40% of vineyards have closed down in the last few years. Is it the intention of the government to close the whole industry down?
If the industrial relations commission goes ahead with this increase in award for the wine industry we would have to leave the industry with in 12 months.
I do not think you can put it any plainer than that.

In bringing in this customs tariff legislation implementing this free trade agreement, I want to conclude on recommendation 1, which is:

… that the Australian Government pursue all possible bilateral and multilateral avenues to secure improved tariff outcomes for the horticulture industry.

We desperately need to support our growers in their time of need. I thank the House.

Mr RIPOLL (Oxley) (11.09 am)—I thank the House for the opportunity to speak on the Customs Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009 and cognate legislation. I commend the Minister for Home Affairs, the Hon. Brendan O’Connor, for his work in this particular area. I note that in the remarks of the opposition member who previously spoke on this bill, it was seen that we have somehow rushed this legislation through. That is a bit incredulous given that this process started in the Hawke-Keating years and continued all the way through the Howard years. Now, after 18 months in government, we have taken action and implemented something that was probably long overdue. As the shadow minister understands, there are a number of imperatives in getting this legislation signed off and approved by this parliament to enact those agreements that we have in place that cover a whole range of countries.

I am very pleased to have the opportunity to speak on what is a historic milestone for Australian trade negotiations. The agreement is in fact the largest free trade agreement Australia has concluded. It will provide Australia and the other 11 parties to the agreement with, among other things, preferential
access to each other’s goods—something that is well understood in terms of free trade agreements and something that is successful in ensuring that Australian producers are not disadvantaged in any particular way through the tariffs that are placed upon our export goods. It will reduce or otherwise eliminate tariffs across a region that is home to some 600 million people and that has an annual GDP of A$3.2 trillion. This presents a huge opportunity to Australian exporters and to Australian industry.

The agreement will deliver new opportunities right across the board. ASEAN and New Zealand together account for 21 per cent of Australia’s total trade in goods and services—something which was worth $103 billion in the years 2007-08. ASEAN as a group is a larger trading partner for Australia than any single country, accounting for 17 per cent or $81 billion of Australia’s goods and services trade in the period 2007-08.

The ASEAN-Australia-New Zealand Free Trade Agreement, the AANZFTA, is a free trade agreement established between Australia, New Zealand and ASEAN, whose member countries are Burma, Brunei, Darussalam, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam—all countries within our immediate region and countries that we already trade with. Of course, moving to this sort of a platform will be a huge advantage to many Australian exporters. There is of course a cost to Australia, which is something I will talk about in a moment.

This is the first free trade agreement Australia has signed since the onset of the global financial crisis. This is a perfect example of Australia and its neighbours’ strong commitment to opening up markets in the face of the global recession. It is clearly the right course of action given our knowledge and experience of history and the knee-jerk reaction that you might expect when there is a global crisis—people close the door. We have done the opposite. It is commendable not only to Australia but also to our partners in the region, those countries I have mentioned, that they still see the opening up of trade in difficult economic times as a worthwhile act. It bodes very well for their progress and development as well as ours. It also shows that progress in trade can be made if there is political will to do so.

The Rudd Labor government has shown the will to progress Australia’s interest despite the global challenges that we face today and despite the cost of this action to the budget. It is a cost that is worth while and a cost that will be recouped over time. In fact, there will be a net benefit to Australia. While we heard some comments in relation to this from the previous speaker, I would say that, like in so many other areas, this action is in stark contrast to what we saw under the previous administration. We have chosen to act quickly and, as you have heard many times, Madam Deputy Speaker, decisively to make sure that we do the things that are necessary in Australia’s national interest and in the interests of our region.

What this means for us and for Australian exporters is an opening up of markets in a range of areas where there were some significant issues and disadvantages faced by Australian exporters. This agreement, I note, is the first plurilateral free trade agreement that Australia has signed and, as I said earlier, it is also the largest and is quite significant. It will commit those member countries that have signed it to either eliminate or reduce tariffs applied to goods and services imported from other countries that meet the agreed rules-of-origin criteria. It will mean that more than 90 per cent of goods and services traded between those countries can expect to be tariff free by 2013. It is a worthwhile and worthy goal and something
that we are working towards. There are some exceptions in that there is a longer transition period for a number of countries. It has been agreed that there will be a longer transition period for Vietnam, Burma, Cambodia and Laos to reflect some difficulties and challenges that these countries face in meeting their obligations. They will not remove tariffs altogether until 2024 but will be progressing towards that goal.

There is a cost to Australia. Treasury has estimated that we will lose $971 million in revenues from tariff reduction up to the 2012-13 financial year—something that we will recoup, though, in increased exports, better access to markets and more opportunity for Australian exporters. The report from the treaties committees is, of course, commendable. They received a number of submissions. The bulk of those submissions were supportive of Australia ratifying the AANZFTA and, in particular, a submitter supported the creation, through this, of greater transparency and certainty for Australian investors in the region—something they did not have up until the signing of this particular agreement, when you look at the vagaries in some places with tariffs, tariffs that could have been raised at any particular point in time. It binds those countries to a path of certainty through either reduction or elimination of tariffs or through holding of tariffs in place at the 2005 levels. It is a worthwhile process and commitment.

The submitters also supported Australia ratifying the agreement in areas such as intellectual property. We have heard in this place many debates about intellectual property rights. Australia is a large player on the global stage. This will go towards providing more certainty and better understanding of agreements and legal obligations between countries in terms of intellectual property. (Quorum formed)

I do find the unacceptable behaviour of the opposition and the member for Aston in calling for a quorum in the middle of what is an important debate most childish and tedious—something that both sides of the House support—and it is quite sad to see that the members are forced to follow the dictate of their tactics committee in terms of upsetting the time of this House. But I will continue.

Opposition members interjecting—

Mr RIPOLL—No, you are right. I would never have done that in opposition. We had much more sense and a bit more free will. I would like to make a couple of comments in terms of the prudential purpose of this agreement. The application of the national interest analysis highlights two reasons for the undertaking of this particular treaty action. The first is to safeguard Australia’s position against the risk of tariff increases in ASEAN countries, as I mentioned before, where there was some uncertainty as to what would happen to a number of exporters in terms of the tariffs that were applied. What this agreement will do is provide that certainty, which is very important. What it does through this agreement is immediately bind the 2005 applied tariff rates for all but a few tariff lines—something I know will be welcome.

The second reason relates to countering economic agreements that are being reached by ASEAN member countries with regional trading powers such as China, Japan, Korea and India. There are a number of issues involved. We heard from the previous speaker in relation to some of the near-zero tariff regimes that are in place for certain other countries and the disadvantages this places on Australian exporters and the impact that that has. I am pretty conscious of that and what it means for Australian horticulture, for our farmers here in Australia. I think there has to be continuing development and nego-
tiation in terms of levelling that playing field so that our good produce, our exporters and our great agricultural and horticultural industries can compete internationally, because we can, on the basis of quality and the products that we have. But obviously it is very difficult for us to compete against unfair free trade agreements. I think it is something that we must continue to work on and deal with.

I also want to mention that this agreement is comprehensive. It is wide ranging and it provides an excellent platform for the future. I also want to take the opportunity to commend the hard work of the Minister for Trade, the Hon. Simon Crean, and his commitment to working towards a positive outcome for Australia in this agreement. The amount of effort he has put in is very commendable. It is often the case that trade ministers are unseen in their work and play a background role but it is a very important role that should be acknowledged appropriately, as I want to do today.

It is essential that we pass the Customs Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009 and cognate bill through the chamber today. Both the Customs Act 1901 and the Customs Tariff Act 1995 require amendment to see the enactment of the amendments that we have put forward. What the amendments will do is give effect to Australia’s obligations under chapter 3 of the free trade agreement, which provides rules of origin of goods imported to a particular free trade agreement party from another party. The rules are essential for the purpose of determining whether imported goods are eligible for the preferential customs duty rates available under the free trade agreement. The customs amendment bill will provide the rules for determining whether goods originate in an ASEAN member state or in New Zealand. This will allow goods imported into Australia from those countries to claim preferential rates of duty.

It will come as no surprise that Australia stands to gain from this agreement across many sectors, including our exports of agricultural products and industrial goods and services. I want to note that the National Farmers Federation has already recognised what has been achieved in agriculture through this agreement. Australian farmers are now being guaranteed access to developing South-East Asian markets, many of which have a growing appetite for high-quality Australian produce.

I have made two contributions in this place about the global food shortage, or the global food crisis, and will be making further contributions in the future, including a private members’ motion. I acknowledge the member for Franklin, who is also in the chamber and will be supporting and seconding that motion. I think it is one of those little understood or acknowledged problems facing the world’s poorest people, some one billion people, for the first time in history, who have a really critical issue in terms of food shortage and are either malnourished or at the point of starvation. With the global population at six billion people and estimated to reach seven billion within the next 50 years, there is a real disconnect between the top one billion people in the world, who I can fairly say are overfed, with the bottom one billion people in the world, who are dramatically underfed.

There is a really good opportunity for Australia: we produce more food than we need for consumption, and hence we are an exporter of produce. With the right innovation, with the right agricultural policies and frameworks in this country, a combination of the things we are doing out of a number of departments, including foreign aid, trade and what we are doing in the Department of Ag-
riculture, Fisheries and Forestry through Minister Tony Burke, we can make a significant improvement in and impact on the world’s poorest people in terms of their food security. This, in small part, will have some impact on that as well. Globally, this represents a massive opportunity for Australian farmers to contribute to a very, very good cause.

The Rudd government is committed to pursuing a range of most ambitious trade issues. We have a trade agenda which will drive world trade and also boost the Australian economy and create local jobs across sectors, whether they be industrial jobs, jobs in the commercial sector or jobs across the farming sector. That is why our negotiations on breaking down barriers for Australian exports into the region do not stop with this particular free trade agreement. We consider this to be part of a larger plan, a platform for progressively advancing Australia’s interests. I am exceptionally pleased about the intent, the process and what the amendments and this legislation will do, as I am of the agreement, the ASEAN-Australia-New Zealand Free Trade Agreement. I commend the bills to the House.

Mr TRUSS (Wide Bay—Leader of the Nationals) (11.28 am)—I want to begin my remarks by expressing my disapproval at the way in which the government are managing this Customs Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009 and cognate bill. It is, frankly, disgraceful that the bills were made available to the opposition late yesterday and that we are being asked to debate them immediately upon presentation in this House. The government even want this legislation to be treated as non-controversial and pushed through the Senate tomorrow—in two days. That is simply an inappropriate way to do business. The government’s appalling treatment of the processes of the parliament can be further accentuated by recognising that the agreement to which we are giving effect today was signed on 27 February 2009. They have known about this for many, many months.

The text was kept secret because the Minister for Trade was embarrassed about certain elements of it, where he was initially unable to reach agreement. We had all these big press statements about a wonderful new agreement being signed, but he would not release the text. And we know the reason he did not release the text: he was still trying to stitch up a sweetheart deal for the motor vehicle industry.

The text was finally tabled on 16 March 2009. The Joint Standing Committee on Treaties reported on this matter to the parliament on 24 June 2009. The committee reported at the end of June, and yet the government are demanding that we deal with this bill in two days. They had six months to bring it into the parliament and they failed to do it. They cannot really expect this level of cooperation when their own behaviour with regard to this legislation has been simply substandard.

Let me also make the point that the JSCOT report was highly critical of this free trade agreement. True, it recommended that binding treaty action be taken, but there were a number of serious reservations raised by JSCOT in its consideration of this particular treaty, especially in relation to horticulture and a whole range of agricultural industries but also the services sector. The government have not even responded to the concerns of the committee, yet they are asking us to deal with the legislation today. This government expect the opposition to agree to rapid passage of this bill through the Senate on the basis that it is noncontroversial but, if they are not prepared to respond to the recom-
This treaty process ought to be regarded as a serious part of Australia’s international agreement-making arrangements. We have to take into account the parliamentary process. The days of the old Keating government, when he would come home and announce we had just agreed to an international agreement without any parliamentary scrutiny, are gone. The Howard government moved immediately to reform the process. I hope that this government is not going to retreat to the days of previous Labor governments. The parliament deserves to have the opportunity to scrutinise these agreements which can have such an enormous impact on the lives of so many Australians, particularly since the High Court has given such importance to these international agreements. So this will not be non-controversial legislation in the Senate unless the government is prepared to respond meaningfully to the legitimate complaints that have been raised about this agreement by JSCOT.

I also want to express concern about the national interest assessment that is attached to this agreement. This particular national interest assessment cannot be described as any kind of objective assessment of the impact of this legislation. There is no economic analysis. There is a long list of reasons given in defence of the government action, but there is no commentary at all about Australian industries that will be disadvantaged by this treaty or the costs there will be to the Australian economy. The reasons given for Australia to take the proposed treaty action—and I am taking these words from the national interest assessment—are that: it will create greater certainty for Australian exporters and investors; there will be a safeguard for Australia’s market position against the risk of tariff increases on much of our current trade; it will deliver certain benefits in goods trade through regional rules of origin that will promote greater certainty and transparency for Australian service suppliers and investors; it will provide a solid framework and platform for ongoing economic engagement and integration with ASEAN; Australia’s competitiveness in the region will not be undermined as ASEAN member countries continue to develop their own economic community; and, finally, it will enhance Australia’s participation in the region’s evolving economic architecture. But there is no evidence in the national interest assessment about how those objectives will in fact be achieved. Frankly, the document is not worth the paper it is printed on as a national interest assessment. For a national interest assessment to be proper and worth while, it must weigh up the advantages and disadvantages and then make a conclusion in one way or another, and this document has failed to do that.

The facts are that this free trade agreement will have a significant impact on Australian industries. The previous member referred to the direct cost, which will be around $1 billion over four years in lost tariff revenue. But there will also be a $20 million aid program to help other countries crash into our markets. There is no assistance for Australian industry to take up any new opportunities that might happen to arise through the ASEAN-Australia-New Zealand Free Trade Agreement. There is no help for them. In fact, the government are actually trying to put new taxes on Australian exports through increases in quarantine charges. They are proposing to put new taxes on Australian industry through their emissions trading scheme. They are making it harder for Australian industries to compete, but they are going to put a special assistance program in place to enable other countries to make a big impact in the Australian market.
This, as has been pointed out, is a free trade agreement which covers a significant proportion of Australia’s trade—around 21 per cent. Goods and services in the 12 countries of the ASEAN-Australia-New Zealand Free Trade Agreement had a trade of about $103 billion in 2007-08. There are around 600 million people with a GDP of $3.2 trillion. Australia is about one-third of that. So it is an important agreement. It is one that the previous government initiated discussions on and it is one that we thought was important to conclude.

It was in October 1999 under the previous government that ASEAN, Australian and New Zealand ministers established a high-level task force to examine the feasibility of an AFTA-CER free trade area. In October 2000, the Angkor agenda: report of the high-level task force of the AFTA-CER free trade area supported the establishment of an AFTA-CER free trade agreement. In September 2002, the AFTA-CER was established. In November 2004, leaders from the 10 ASEAN countries, Australia and New Zealand agreed in Laos to launch negotiations on a comprehensive FTA covering goods and services as well as investment. In March 2005, the then AANZFTA negotiations began in Manila. Since then, there have been some 16 rounds of negotiations. They were mostly under the previous government but have been taken up seamlessly by the new government. Finally, this led to the signing of an agreement on 27 February.

However, it needs to be said that, in spite of all of the language about the biggest trade deal and about how ambitious the government is in relation to its trade agenda, this is a poor agreement. This is a poor deal for Australia. It is so disappointing that all the rhetoric of the government, about how it is going to fight for Australian industry and get better opportunities, is drifting away. The minister seems to be prepared to do a deal at any cost, to trade away the interests of Australians in order to be able to have a signing ceremony.

We are being asked in this deal and in the national interest assessment to be thankful that as a result of this deal tariffs might not go up as much as they otherwise would. We are asked to also be thankful that in these sorts of negotiations there may be some opportunities in the distant future. But the opportunities available in the short term are, in fact, in many ways particularly disappointing, and for some industries, frankly, a tragedy. JSCOT referred to this in their report, saying:

Their specific concerns in relation to the outcome for horticulture are as follows:

- the AANZFTA does not match the horticulture outcomes in the ASEAN–China free trade agreement;
- tariff outcomes in the AANZFTA that are worse than the tariff outcomes in previous bilateral free trade agreements with ASEAN members;
- applied tariff outcomes in the AANZFTA that are above the globally applied Most Favoured Nation rate;

So what we have is a new tariff agreement that is worse than the deal that ASEAN has done with China and other trading partners. It is worse than some of the deals that the previous government did with Thailand, and it is worse than the deals that many of these countries have offered on most favoured nation status to other countries. So it cannot be seen as a good deal; indeed, it trashes the minister’s reputation as a trade negotiator, because it is quite clear he has not been prepared to stand up for Australian industry and has been willing to give away any advantage or opportunity that we might have to use access to the Australian market as a lever to achieve a similar response from our trading partners.
I know that there are some advances in the Australia-ASEAN-New Zealand Free Trade Agreement, but they certainly fall well short of what would be considered a good deal for Australia. We have given away far more than we will receive in return. Under the agreement, Australia has agreed to reduce 96.4 per cent of its tariffs to zero at the beginning of next year. That compares with 47.6 per cent at zero in the base year of 2005. Of the 12 countries that are party to the agreement, only Singapore will have lower tariffs in 2010. And, of course, Singapore has a range of other restrictions on trade with Australia—particularly in services, which is the main part of its economy—and which are not improved as a result of this agreement. That means that there will be barriers to the proper exchange of trade and commerce between Australia and Singapore. Indeed, this agreement does not go further than the Australia-Singapore Free Trade Agreement in so many areas which are of great importance to us. Under that agreement, there were a lot of zero rates already in place.

Under the arrangements that have been negotiated in this agreement, three countries will have less than five per cent of their tariffs reduced to zero by 2010. Australia is going to have 96.4 per cent. Laos will have none at zero even by 2013. Cambodia, Vietnam and Burma do nothing before 2013. There is no improved access to any of those countries under this agreement before 2013. Even New Zealand will only reach 84.7 per cent of its items moving to zero by 2010. It is also of interest to note that in 2013 around 10 per cent of New Zealand items will still not have been reduced to zero. So Australia is making substantial concessions immediately, where other countries are trailing along at a much slower rate. It will be 2020 or 2025 before tariffs will be eliminated for some key Australian industry sectors. But for others they will never be removed under this agreement.

From the first day of this agreement all Australian tariffs on agricultural imports will be reduced to zero permanently. All agricultural items coming into this country will have no tariff protection whatsoever, and the zero rating will be locked in permanently. On the other hand, Australian farmers will continue to face major tariff barriers when they seek to export agricultural products to ASEAN countries. So Australia’s very generous opening offer in relation to the full range of agricultural products—we have emptied the entire larder on day one—is not being reciprocated by other countries.

It is also interesting to note the double standards in this agreement. While agriculture has zero tariff rates from day one, certain other industries will only have a tit-for-tat style of tariff reductions, particularly—surprise, surprise—motor vehicles, clothing, textiles, footwear and a range of other manufactured goods. In many of these industries Australia will reduce its tariff protection in a similar style to what is happening in other countries. If that was good enough for the car industry and for the clothing, textile and footwear industries, why hasn’t it been good enough for other industries? Why aren’t other industries entitled to that same kind of assistance? What kind of a fight did the minister put up for agriculture? He said that he fought tough and hard in the best interests of the local car industry. But he did nothing, it seems, about the impact this agreement would have on other sectors—he did not even care.

There is going to be a slower phase-out of arrangements for tariffs on vehicles manufactured in Indonesia, Malaysia and Thailand, as we demanded reciprocal arrangements with those countries. Why didn’t we get something for the agricultural tariffs and
the horticultural tariffs which we have removed? As I mentioned earlier, there are many key products that will receive little or no improved access, especially in agriculture. Rice has been excluded from any tariff reduction commitments or improved market access offers by Indonesia, Malaysia and the Philippines. Maize has been excluded from the tariff commitments by Indonesia, and Indonesia and Malaysia have excluded wine and spirits. Vietnam has excluded 41 mineral lines from tariff commitments. Malaysia will continue to restrict access to Australian milk.

There is one product that I would particularly like to mention, because this was the highest priority for the horticultural sector, and that is mandarines and their access into Indonesia. Here again the minister has been a dismal failure. Even though this industry has been facing predatory tariffs for some time, Indonesia will make no reductions in citrus tariffs until at least 2025 and probably 2028. At that time there will be a reduction of just 6.4 per cent. So the barriers will remain in place for citrus even though that was a priority negotiating position that was taken into these talks. The minister simply rolled over.

Let us turn to sugar. I turn to sugar particularly because the minister made a big thing of the failure of the Australia-US agreement to include concessions for sugar. He said in March 2005, ‘We cannot allow that sort of thing to happen again.’ In May last year he said, ‘Unlike the previous government, we’re not selling out Australian agriculture to pursue an FTA at any cost.’ He has failed on his own rhetoric, because he sold out the sugar producers. Let us make this point very clear. ASEAN countries take about a third of Australia’s exports of sugar, so it is particularly important to the sugar industry. Yet the minister has delivered very little in this agreement in relation to sugar. Most of the signatories to the agreement have made no concessions at all on sugar. Some already have a zero tariff, and that naturally stays in place. But where concessions have been made they are from the smallest of the ASEAN countries and most of these improvements will not happen until 2023. Indonesia, the Philippines and Thailand have said that they will do absolutely nothing. In fact, Thailand actually delivered more for sugar under the Thailand-Australia Free Trade Agreement negotiated by the previous government than it has done under this deal. So this minister could not even replicate the concessions for sugar that the previous government had negotiated in relation to its free trade agreement with Thailand. This is a humiliating outcome for Australia.

In other areas such as services, there are major disappointments for Australia. The use of a positive list means that there will be very few areas where Australia will be able to make significant advances in relation to services exports as a result of this deal, and yet that is such an important element of our economy.

It is clear that, unfortunately, this is a disappointing agreement for Australia. How ambition has fallen. The government talks about its ambitions but it has done a deal which opens the door to almost every product to come into Australia, free of tariffs, from the beginning of next year. But Australian exporters will not have that same privilege. In most instances they will have to wait until 2025 to get significant reductions.

In addition, the rules of origin that have been loosened in this agreement will provide an open door for products that are not even manufactured in ASEAN countries or which have a very small element of local content. They will be allowed into Australia with these tariff concessions. This opening of the rules of origin laws will provide a funnel for products produced in other parts of the world, with comparatively limited value-
adding within the 12 countries, to come into Australia tariff free.

This is legislation that puts in place an agreement which is a poor one for Australia. This is perhaps the first free trade agreement that will actually deliver a negative outcome for our country. (Time expired)

Mr FORREST (Mallee) (11.48 am)—I am grateful for the opportunity to make a contribution on this important legislation, the Customs Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009 and the Customs Tariff Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009. The subjects have been widely covered by the members for Farrer and Wide Bay but, as the member for Mallee, I want to make a contribution from my allocated seat to speak on behalf of my constituents—particularly as the member for Wide Bay has made reference to mandarines, which are a large source of employment, production and economic activity in the federal divisions of Mallee and Farrer.

The matters relating to these bills have been investigated by the Joint Standing Committee on Treaties, a committee upon which I serve. It is a very hardworking committee. An enormous number of treaties and international agreements which are necessary come to its attention, but the ones that have caused us the most anxiety are the ones we have had on the free trade agreements, which the current Minister for Trade is hell-bent on settling with too much haste and without thinking of the detail and the repercussions—more particularly for agriculture and most particularly for horticulture, as the member for Wide Bay has made reference.

The matters of the investigation and inquiries were the subject of report No. 102 of the treaties committee, which was submitted in this chamber in June. There are six recommendations in that report, three of which one might consider to be extremely critical of the government. It is good to see standing committees doing their work, because when the committee heard the evidence from the commodity groups associated with horticulture, we were somewhat alarmed that too little attention had been paid to the needs of the commodities in the haste to get this agreement. It is a little bit disappointing because the Minister for Trade has got experience in government as a minister for agriculture and should have much more empathy and consideration for that very important sector of our economy. Horticulture has great expectations. We have known that for years and have instigated efforts to encourage it to grow as an industry. It is currently suffering because of the water crisis across the southern half of the continent. The commodity groups are extremely disappointed that their aspirations have not been achieved in the haste to get this agreement.

I will refer to three of the recommendations made in the report, and it is worthwhile reading them into the Hansard so that when the minister comes into the chamber to sum up on this legislation he might do what he ought to do and respond to them. They are very considered and important recommendations, particularly recommendation No. 2. It says:

The Committee recommends that, in the absence of other measures designed to improve free trade, a free trade agreement negotiated by Australia should not include a tariff outcome on a tariff line that is worse than the existing tariff on that tariff line.

That is what this agreement does, and the committee heard evidence to that effect. The committee’s report says:

…the Committee is at a loss to understand why a worse tariff outcome, that in any case will not apply, would be included in the AANZFTA. If, in such circumstances, Australian negotiators are not
able to negotiate a better tariff outcome, then it would be prudent to ensure that any previously applying tariff outcome is carried over to the new free trade agreement.

At least! That has not occurred and other members have spoken on the detail. Recommendation No. 3 says:

The Committee recommends that in future free trade agreements, Australia should negotiate for the binding tariff rate to be the lower of either the rate at the time of binding, or the Most Favoured Nation tariff rate at the time the free trade agreement comes into force.

The member for Wide Bay made reference to inferior outcomes, particularly for horticulture. Indonesia, for example, has increased its tariff on six horticulture tariff items from five per cent to 25 per cent. They did that in 2004 and have not made any commitment to reduce that despite the sacrifices. And we saw examples in the mid- to late-eighties when the Hawke Labor government slashed and burned, and horticulture was the victim of that. I recall my 1993 election and the anxiety of my horticultural growers. I said to them: ‘Send me. I don’t believe in free trade; I believe in fair trade.’

Of course the nation needs access to markets and to do that we have to negotiate better outcomes for those countries that want to sell us something. That is true but the outcomes have to be fair. Horticulture have waited patiently. Horticulture have seen the enormous assistance that manufacturing have got. The member for Wide Bay already made reference to the motor vehicle industry outcome in this which the minister seems more focused on than the industries that come out of regional Australia, particularly horticulture. Horticulture have been waiting patiently. They have been told: ‘Yes, you have to accept a lower tariff regime here for people who want to sell us something. The proof of the pudding will be in the eating. Be patient.’ But they are running out of patience.

To be somewhat fair to the minister, this is not something I would criticise him entirely for. Even during the years of the coalition government, I expressed these strong views about the impatience of horticulture to get the benefits of a fairer trade environment, not free trade, around the world.

Recommendation No. 4 is particularly critical, recognising the fact that many of the horticultural commodities feel left out of negotiations. We contract out the negotiations to commercial entities, to people who are quite skilled at what they do and are good at negotiating. But for agriculture they tend to negotiate the lot, and what we need is commodity related negotiation. They need to know the nuances about particular commodities. Take mandarines for example. The problem with mandarines is that they fall within the issue of regional localism. We all know what a mandarine is; it is a soft-peel citrus fruit. The fact that its original genetic origin is from China is not the issue. It is grown in Australia as a mandarine product. The same situation applies to valencia oranges. It is of Spanish genetic origin but the product is grown here. We have to go through this process to prove that it was actually a product produced in Australia. We have seen the same thing happen with the wine industry with labelling and products that are regionally located in Europe. We accepted their argument and we changed the names of some of the wine products produced in Australia.

Recommendation No. 4 actually supports the evidence that was put to the committee by the horticultural representatives. It says:

The Committee recommends that the Department of Foreign Affairs and Trade prepare a report for the Committee examining mechanisms to allow negotiators to directly consult with industry representatives during the negotiation process.

I do not want the minister to respond by saying, ‘That’s already done.’ The issue is that it must be negotiated on a commodity by
commodity basis such as products like citrus, Leng oranges and table grapes. It must be a commodity consultation, not an across-the-board agricultural consultation.

The minister wants these bills dealt with expeditiously through this place today and through the other place by close of business tomorrow. He expects this to proceed as non-controversial legislation. I think he is being very unreasonable. He has had these recommendations since June this year and he has not responded to them. When he is summing up, I expect him to make a statement in this House about how he is going to respond to this. He has to do justice to the hard work of committees that beaver away, travel the whole nation, collect evidence and listen to Australians. We have been assured that this government wants to govern for all Australians. Yet this committee has put its findings into a report and they have been ignored by the minister. The minister should come into this place and make a statement that he is determined to get better outcomes for horticulture. To do that he has to accept in particular those three recommendations the committee has gone to the trouble to recommend, and maybe then he will have these bills dealt with as non-controversial legislation. There are some benefits in that legislation for the nation. But I cannot stand here as the member for Mallee and not stick up for my constituents, particularly my citrus growers and my table grape growers who have worked jolly hard to invest in their future on the expectation that they will gain greater international market access, and not have my say on their behalf. I will be waiting for the minister to come into the House to sum up and respond to my remarks.

Mr SECKER (Barker) (11.59 pm)—I rise to speak on the Customs Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009. I have quite a bit of personal experience with New Zealand. For example, I can remember being there in about March 1978, when CER, Closer Economic Relations, was a big talking point in New Zealand. I have been to New Zealand seven times in my life. In fact, I was there as a member of the Joint Standing Committee on the National Capital and External Territories about three weeks ago, when we looked at their Antarctic division and had numerous discussions comparing their islands to islands of ours such as Cocos (Keeling), Christmas and Norfolk. I have also imported rams and semen from New Zealand, so I have quite a bit of experience when it comes to some of the protocols which, in some cases, we had to change because they restricted trade between our two countries. Frankly, I do not think there should be any restrictions between New Zealand and Australia. New Zealand is like a sister state; there is no other country more like Australia. We even have rugby competitions between just New Zealand and Australia. So it is important that in our laws we harmonise our trade as much as possible, and part of this legislation will do that.

As I represent nearly half of Australia’s wine industry I obviously take a lot of interest in this. About 12 per cent of wine consumed in Australia is imported, and most of that is New Zealand sauvignon blanc. Some people might say, ‘Why are we letting all this New Zealand wine into Australia?’ The fact is that we also send a lot of good red wine from my electorate and other electorates around this country to New Zealand. We can grow red wine grapes, such as cabernet, merlot and shiraz, better than most New Zealanders, and they are very good at sauvignon blanc, so there should be free trade between the countries—and I suspect that we actually do better out of it than New Zealand. That
It is important that we have free trade between the two countries. These bills will implement the ASEAN-Australia-New Zealand Free Trade Agreement by amending the Customs Tariff Act 1995 to provide for the elimination or reduction of customs duties for many goods that qualify as originating in Australia, New Zealand or ASEAN countries. The free trade agreement provides tit for tat tariff reduction for motor vehicles, textiles, clothing and footwear and a range of other manufactured goods. All Australian tariff rates on agricultural imports will be reduced to zero on day 1. This is a culmination of 30 or 40 years of arguments about reductions in tariffs and how they benefit our country. It is very easy for people to say, ‘We should stop competition from other countries by putting on a tariff’, but that is a dead-end way to go. I am very thankful that governments in the last 30 years—dare I say neoliberal governments—have continued to implement free trade ideas. Reducing tariffs in the long term is always good for free trade around the world, and we should continue to fight for those sorts of things. Indeed, free trade is the one area that really got me interested in politics. As a politician, I have come up against people who say we should reduce competition from overseas countries because we can produce things here in Australia. I think you could grow bananas at the South Pole, but would it be a very sensible thing to do? No, it would not. We could grow anything here, but the importance of free trade is to ensure that we have efficiencies in our trade and production. Subsidies end up being a short-term and long-term disaster for our country. It is only by liberating our trade that we continue to increase it and increase the efficient production of anything that we might do better than other countries, so we should continue with that.

The present Minister for Trade is a bit like a fingerprint because no two of his policies have been the same over the years. In fact, I remember that before the 1998 election he tried to argue that we should put tariffs on pork because we were importing pork. But the problem with that was that we had eight times more other agricultural products, such as lamb, going the other way. It was a pretty stupid idea. At one stage he also used to argue that free trade agreements were useless. In actual fact, he started off doing free trade agreements and now he is finishing off with free trade agreements, but at many stages through that period he has had a different view. At least I can say I have had a very consistent view on the tariff regime in this country.

The ASEAN-Australia-New Zealand Free Trade Agreement is intended to liberalise and facilitate trade between the parties to the agreement. Countries are obliged to eliminate tariffs applied to goods and services imported from other countries that meet the agreed rules-of-origin criteria. More than 90 per cent of goods and services traded between the more developed countries are expected to be tariff free by 2013. That will be a very proud moment for me. It is a pity we cannot say that about the rest of the world. The fact that we will basically be tariff free by 2013 will be an enormous milestone in this country, and it is something that we should celebrate. The Treasury has estimated that Australia will lose $971 million in revenues from tariff reductions up to the 2012-13 financial year. That may be the case, but a tariff is no more than a tax on consumers, so consumers will benefit and our trade will benefit.

The horticulture industry holds the view that the horticultural tariff outcomes under the ASEAN-Australia-New Zealand Free Trade Agreement unfortunately are:
... in significant cases below optimal outcomes and lock Australian horticulture either temporarily or permanently into certain inferior trading positions against Australian horticulture's competitors into the ASEAN markets.

I think the most quoted example is of mandarines, of which quite a few are grown in the Riverland in my electorate. We have very strong mandarine production and at times, though not always, it is reasonably profitable. It has quite good returns, so the more we can open that trade the better. Unfortunately, in the rush to get a deal, the minister has affected this market in a way contrary to that which we had all hoped for, which was to have free trade like other countries.

Horticulture is a very prominent industry in my electorate of Barker, with many established production areas such as the Riverland, the Barossa, the Murraylands and the south-east. The Riverland in particular has a crucial place in Australia’s food bowl. I note the member for Mallee and I both have situations where wine grapes coexist with citrus orchards and almond plantations. Between them, our electorates of Barker and Mallee account for something like 70 per cent of Australia’s wine grape production. It is certainly something we take a very keen interest in. This agreement would place added strain on many growers in my electorate already under increased pressure because of zero water allocations.

The specific concerns in relation to the outcome for horticulture are that the ASEAN-Australia-New Zealand Free Trade Agreement does not match the horticultural outcomes in the ASEAN-China Free Trade Agreement in the following ways: the tariff outcomes in the ASEAN-Australia-New Zealand Free Trade Agreement are worse than the tariff outcomes in previous bilateral free trade agreements with ASEAN members; the applied tariff outcomes in the ASEAN-Australia-New Zealand Free Trade Agreement are above the globally applied ‘most favoured nation’ rates; and the effectiveness of Australian negotiators in representing the interests of the horticulture industry is lower. So this is a sad occasion when—for the first time, to my knowledge—this country has gone backwards.

From the point of view of the Horticultural Market Access Committee, in a situation in which China enjoys zero tariffs on most horticulture lines into most ASEAN countries and Australia does not and will not for the term of the AANZFTA, Australia’s competitive position will suffer for many years. According to the Horticultural Market Access Committee:

It is a very sensitive issue for vegetable growers because basically we have lost a lot of our markets in South-East Asia to Chinese competition. When you are trying to talk to vegetable growers about becoming export orientated, they see China getting unfair advantages in, say, these free trade agreements vis-a-vis Australia.

Basically it will become almost a no-trade zone for us, which is not in our best interests. The expectation out of all this was that Australian vegetable growers would at least be able to compete on an equal footing with Chinese vegetable growers in these markets.

The concept of an ASEAN-Australia-New Zealand free trade agreement was floated by the Hawke and Keating governments in the early 1990s. Formal discussion commenced under Minister Vail in 1999—so we took up that cudgel fairly soon in government. Negotiations commenced in 2004 and continued under Minister Truss. And an agreement was signed by Minister Crean on 27 February 2009. I suppose he can claim the glory, but he still does not have it right.

The amendments proposed in the bill implement relevant parts of the ASEAN-Australia-New Zealand Free Trade Agreement. Whilst the coalition supports the bill, it is disappointing to note that the government
is pushing this legislation through with very little notice. The ASEAN-Australia-New Zealand Free Trade Agreement was signed by the Minister for Trade and his counterpart ministers from ASEAN countries and New Zealand months ago, on 27 February. Here we are in September before we are finally getting some action on it. The agreement was tabled in parliament on 16 March this year, six months ago, and referred to the Joint Standing Committee on Treaties, which recommended that binding treaty action be taken in its report tabled on 24 June 2009—again, almost three months ago. Minister Crean proposes to introduce and pass the bills in the House today, 16 September, and wishes to pass the bills through the Senate on Thursday, 17 September 2009. This is highly disorganised and it is typical of this government.

I am sure this is only happening so that the Minister for Trade can attend the East Asia Summit on 25 October, where he anticipates that at least New Zealand and four of the ASEAN countries will have completed their internal arrangements, thereby enabling the FTA to come into force on 1 January 2010. All the signatories are in any case required to advise of progress with their internal arrangements by 2 November 2009. So we have this rush basically because the minister dropped the ball. It would be embarrassing for the Minister for Trade if Australia’s arrangements were not finalised by that date, which is why the government has tacked this important piece of legislation onto the end of the sitting week before the break—in much the same way that the Prime Minister has been trying to ram through his flawed ETS legislation so he can show off at Copenhagen at the end of the year.

Given that the joint standing committee report was tabled on 24 June 2009, the government has had ample time to introduce and pass the legislation in an orderly fashion. Despite this, the coalition agrees that the free trade agreement will provide greater access to the Australian market for goods originating from ASEAN countries and New Zealand, and, importantly, provide greater access for Australian goods into the markets of the ASEAN countries and New Zealand—notwithstanding the points I raised earlier.

As was noted in the national interest analysis of the agreement, as a group ASEAN and New Zealand constitute a larger trading partner for Australia than any single country. ASEAN member countries and New Zealand together account for 21 per cent of Australia’s total trade in goods and services. It is also worth noting that total trade in goods and services between Australia and ASEAN and New Zealand combined was $103 billion in 2007-08.

The coalition believes that the ASEAN-Australia-New Zealand Free Trade Agreement will also support economic integration in the region and enhance Australia’s participation in the region’s evolving economic architecture though commitments in a range of areas. The coalition agrees that it is to Australia’s advantage to take the proposed treaty action. We support this bill.

Ms MARINO (Forrest) (12.16 pm)—I rise to speak on the Customs Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009 and the Customs Tariff Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009. I note, as the previous member noted, that the rush with this bill is more to do with the minister and his appearance at the East Asia Summit than it is to do with dealing with legislation in an orderly fashion. I must say at the outset that I am aware that the purpose of this bill is to amend the Customs Act 1901 to define ASEAN-Australia-New Zealand free trade agreement originating goods and to amend
the Customs Tariff Act 1995 to provide preferential tariffs for ASEAN-Australia-New Zealand free trade agreement originating goods.

We all know that the concept of an ASEAN-Australia-New Zealand free trade agreement was floated by the Hawke and Keating governments in the nineties. Discussions commenced under Minister Vaile in 1999, with negotiations starting in 2004 and continuing under Mr Truss, and the agreement was signed by Minister Crean in February this year. The proposed amendments in the bills are relevant to parts of the ASEAN-Australia-New Zealand Free Trade Agreement.

I am really disappointed that the government is pushing this legislation through with very little notice, particularly when it has such a negative impact on horticulture in this country. The ASEAN-Australian-New Zealand FTA was signed months ago, on 27 February, by the minister and his counterpart ministers from ASEAN countries and New Zealand and yet it has got to this point, on this day, when it has to be rushed through. The agreement was tabled in parliament in March and referred to the Joint Standing Committee on Treaties. That committee recommended that binding treaty action be taken in its report tabled on 22 June.

But horticulture groups noted, in relation to the Chinese free trade agreement, that Chinese horticulture exports to ASEAN are subject to near zero tariffs across the board. That has a major impact for growers right around Australia, and particularly the horticultural growers in my electorate of Forrest. Of course this zero tariff has resulted in exceptional growth, as noted in the committee’s report, in Chinese horticultural exports to places like Australia. Basically they have grown by 132 per cent in the four years to 2007-08. When I think about the growers in my electorate, this is having, and will continue to have, a major impact on them.

I note from the parliamentary committee report that, from the point of view of the Horticultural Market Access Committee, in a situation where China enjoys zero tariffs and Australia does not, and will not, Australia’s competitive position will suffer for many years. It certainly means that the growers in my electorate will suffer, and it is disappointing that in negotiating this outcome we have not got a better result. We should have had a better result for our horticultural producers, and you of all people would know that, Mr Deputy Speaker Washer.

I notice that according to the HMAC, and I quote:

It is a very sensitive issue for vegetable growers because basically we have lost a lot of our markets in South-East Asia to Chinese competition. When you are trying to talk to vegetable growers about becoming export orientated, they see China getting unfair advantages in, say, these free trade agreements vis-a-vis Australia. The expectation out of all this was that Australian vegetable growers would at least be able to compete on an equal footing with Chinese vegetable growers in these markets. That is where the disappointment comes.

No matter what form of agriculture, horticulture or viticulture we are engaged in, this is a common thread for all of us in those sectors. All we have ever asked for is a level playing field; and what we have never received is that level playing field. We have basically agreed to these types of free trade agreements and expected and hoped that the rest of the world would come along and deliver that free trade environment for our growers and create a level playing field. Well, the results—as we know from the dairy industry and from other agricultural industries—are entirely different. We compete on a significantly non-level playing field on a regular basis.
I note that Australia’s horticultural exports totalled $4.5 million while China’s horticultural exports totalled $403 million, so it is a David and Goliath situation for our growers in Western Australia and around Australia no matter what type of horticulture they are engaged in. I imagine that it has been insisted that these bills be passed not only by the House today but also by the Senate tomorrow just to enable the Minister for Trade to attend the East Asia Summit on 25 October, where he anticipates that New Zealand and four of the ASEAN countries will have completed their internal arrangements thus enabling the FTA to come into force on 1 January. The signatories are required to advise of progress within their internal arrangements and I imagine this is what is driving the minister. But we can certainly understand why those in the horticultural sector are very concerned about this issue.

I note that the committee recommended:
… that the Australian Government pursue all possible bilateral and multilateral avenues to secure improved tariff outcomes for the horticulture industry.

I would question what the minister has done and will do from here on this basis. The committee also recommended:
… that, in the absence of other measures designed to improve free trade, a free trade agreement negotiated by Australia should not include a tariff outcome on a tariff line that is worse than the existing tariff on that tariff line.

That is another issue in this particular agreement. The committee also recommended:
… that in future free trade agreements, Australia should negotiate for the binding tariff rate to be the lower of either the rate at the time of binding, or the Most Favoured Nation tariff rate at the time the free trade agreement comes into force.

One of the other recommendations is:
… that the Department of Foreign Affairs and Trade prepare a report for the Committee examining mechanisms to allow negotiators to directly consult with industry representatives during the negotiation process.

This would give groups like horticultural groups the opportunity to have input, to represent their views and to ensure that in developing a free trade agreement their issues are recognised and responded to, and that is a recommendation from the committee. Recommendation 5 is:
… that the Australian Government include consideration of environment protection, protection of human rights and labour standards in all future negotiation mandates for free trade agreements.

I note that the committee supported the establishment of this particular agreement.

As I said, there are a number of challenges, not only that of this free trade agreement, affecting horticultural growers. I speak about those in my electorate, and I have a number of them. These growers also have very serious concerns with the labour award modernisation process that has been advanced. This does and will have an impact on the horticultural industry. As I said earlier, Mr Deputy Speaker Washer, you of all people know that fruit and vegetables do not necessarily grow, ripen or need to be harvested during what we would consider normal working hours, and this is a real concern not only for those growing these products but for those who are packing them.

We know that the growth in Chinese horticultural exports has put even greater pressure on the Australian horticultural industry. The industry is very concerned about the introduction of additional biosecurity threats and burdens that our growers simply cannot compete with. We have seen what the government has done in removing $37 million from AQIS and the fact that 135 people have gone from AQIS as well. When we consider the biosecurity issues in relation to imported products, particularly vegetables and fruit,
we understand the physical threats to the Australian industry.

I note that the joint standing committee report that I have referred to was tabled on 24 June and the government has not responded to it. It has had ample time to introduce and pass the legislation in an orderly fashion. In spite of this, I understand that this free trade agreement will provide greater access to the Australian market for goods originating from ASEAN countries and New Zealand and, most importantly, will provide greater access for Australian goods to the markets of the ASEAN countries and New Zealand. As was noted in the national interest analysis of the agreement, as a group ASEAN and New Zealand constitute a larger trading partner for Australia than any single country. The ASEAN member countries and New Zealand together account for 21 per cent of Australia's total trade in goods and services. The total trade in goods and services between Australia and ASEAN and New Zealand combined was $103 billion in 2007-08.

The coalition believes that the ASEAN-Australia-New Zealand free trade agreement will also support economic integration in the region and enhance Australia's participation in the region's evolving economic architecture through commitments in a range of areas, including trade in goods and services, investment, intellectual property, temporary movement of persons, electronic commerce and economic cooperation. It really is to Australia’s advantage in these areas to take the proposed treaty action.

It will provide greater certainty for Australian exporters and investors, achieved through the country specific commitments on tariffs and market access for services as well as the ASEAN-Australian-New Zealand Free Trade Agreement’s provisions to enhance the transparency and predictability of regulatory regimes, including through consultation and cooperation mechanisms. Could I finish this speech by again reinforcing that the impacts of this agreement on those in the horticultural industry right around Australia will be significant, and they will be significant in my electorate. We certainly need the minister to be focused on those matters.

Mr BRENDAN O’CONNOR (Gorton—Minister for Home Affairs) (12.27 pm)—in reply—I would like to firstly thank all of those members who have contributed to this important debate. The Customs Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009 amends the Customs Act 1901. The Customs Tariff Amendment (ASEAN-Australia-New Zealand Free Trade Agreement Implementation) Bill 2009 amends the Customs Tariff Act 1995. The amendments are the result of the agreement establishing the ASEAN-Australia-New Zealand Free Trade Area that was signed on 27 February 2009. These amendments will commence on the day that the agreement enters into force for Australia, New Zealand and at least four ASEAN member states. At present, all parties are progressing domestic arrangements necessary for the agreement to enter into force. The date for the entry into force is expected to be 1 January next year. The amendments to the Customs Act 1901 provide the rules for determining whether goods originate in an ASEAN member state or in New Zealand. The amendments to the Customs Tariff Act 1995 will provide the rates of duty for ASEAN member states and New Zealand.

I note that some members have raised issues relating to the horticultural industry—for example, mandarines. The government agrees that it was disappointing that we could not achieve a better outcome with Indonesia in relation to mandarines. However, importantly, from 1 January 2010, 81 per cent of Indonesia’s horticultural tariff lines
will have tariff-free treatment, compared to six per cent now.

The National Horticultural Market Access Coordinator, Stephen Winter, said to the Joint Standing Committee on Treaties in May this year:

It has been spoken about in glowing terms by various parties, including the government. We agree that it is vitally important because ASEAN as whole is a major trading partner and neighbour to us. A lot of effort has gone into the AANZFTA. The agreement will reduce or eliminate tariffs across a region that is home to 600 million people and a region with a combined GDP of $3.2 trillion. This means greater job opportunities here in Australia. I commend these bills to House.

Question agreed to.

Bill read a second time.

Third Reading

Mr BRENDAN O’CONNOR (Gorton—Minister for Home Affairs) (12.31 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a second time.

ASIAN DEVELOPMENT BANK (ADDITIONAL SUBSCRIPTION) BILL 2009

Second Reading

Debate resumed from 15 September, on motion by Mr Swan:

Mr ZAPPIA (Makin) (12.33 pm)—I welcome the opportunity to speak on the Asian Development Bank (Additional Subscription) Bill 2009. We live in a global economy, a global society and a global environment. The stark reality could not have been more evident than in the global financial crisis in which the collapse of the financial sector in the USA led to a domino-effect collapse of economies around the world, highlighting how closely the economies of the world are interwoven.

Likewise, in dealing with the threat of climate change there is universal acceptance that we are facing a global problem requiring a global solution. In fact every significant issue that arises on any matter in any part of the world inevitably has consequences for other parts of the world. That means governments, more than ever before, must have regard to the effects of their actions on overseas countries and, conversely, they must have regard to actions or events taking place in overseas countries. That is particularly more so with our nearer neighbours.

There is, of course, a secondary and equally important reason to be interested in and in touch with people of other countries and that is because, as a civilised society, we have an international obligation to assist or support people who are disadvantaged comparative to us. Our close neighbours, the people of the Asian region, are generally regarded as living in comparative disadvantage to us and for that reason I support this bill, which is fundamentally about Australia pro-
viding support to our less prosperous Asian neighbours.

The Asian Development Bank, which is headquartered in Manila, was established 43 years ago, in 1966. Its purpose was to provide assistance to the then predominantly rural economies of Asia. Of the bank’s 67 member countries, 48 are from the Asia-Pacific region. Over the years the focus of the bank has shifted to education, health, infrastructure, industry, regional cooperation and poverty.

I will focus my comments in support of how it relates to the global financial crisis and the global economic recession, the impacts of climate change on the Asian region and the level of poverty in the Asian region.

Australia, through the early, decisive and responsible action of the Rudd government, has been shielded from the full force of the worst global recession since the Great Depression. The Australian economy has fared much better than that of other advanced economies and has been the only advanced economy to not go into recession, to record economic growth over the last two consecutive quarters and to have the lowest debt and deficit of all advanced economies. We have seen strong performances in the retail sector, in housing approvals, in the construction sector and in auto sales. We have seen business confidence rise and job advertisement numbers grow—trends which I believe are attributable to the government’s economic stimulus measures.

In the long term, however, the recovery and stability of the economies of our Asian neighbours will be of critical interest to Australia. Moreover, if those economies recover quickly and remain strong it will be good for Australia. Conversely, if they recover more slowly, there will be an impact on Australia. That is because Asia represents a major export market and trade partner for Australia. Six of Australia’s top trading partners—including our two largest trading partners, China and Japan—are from Asia. Importantly, around 70 per cent of Australia’s trade is with member countries of the Asia-Pacific Economic Cooperation forum, or APEC, which comprises those countries of Asia and those of North and South America.

The fact that nearly 70 per cent of Australia’s trade is with APEC countries highlights just how important the economic performance of the region around us is to our own prosperity. It is in Australia’s economic interest to ensure that the economies of our Asian neighbours remain strong. Right now, when access to finance is tight, support for the Asian Development Bank is most crucial.

I turn to the impact of global warming and climate change on the Asian region. On 19 August I attended a presentation by World Vision on the impact of climate change on developing countries. The presentation highlighted the effects of climate change on developing nations and that many developing countries are more prone to extreme weather events such as cyclones, storm surges, rising sea levels and droughts. It will be developing countries that are least able to respond to the impacts of climate change.

The consequences of climate change in the Asian region will directly impact on Australia. Many people within the Asian region live in the most vulnerable areas, such as low-lying land that can be prone to flooding or rising sea levels. In those countries, rising sea levels and floods are more likely to also destroy homes and infrastructure, which are not built to the same standards as those we apply here in Australia. Many of the poor also farm agricultural land that, even in years of stable climate and good rainfall, is marginal in its productive capacity. In many regions this land is becoming more prone to drought as a consequence of climate change.
The farmers working this land are often subsistence farmers. The result of loss in production for a subsistence farm is that the family goes without food; there is no plan B income option when all your farm produce is needed to feed your own family. The World Health Organisation estimates that climate change since the 1970s, through drought, floods, tropical disease and a shortage of fresh water, could already be causing more than 150,000 deaths per year worldwide. Moreover, it is infants who are most vulnerable.

You often hear from the climate change sceptics opposite the argument that we should not act to reduce carbon emissions because of what they perceive to be the economic costs. I note from reports in today’s papers that coalition members opposite are still in complete disarray on the question of climate change. The science and economic modelling tell us, however, that the cost of inaction, certainly in Australia, is far greater than the cost of action. The cost will be even greater in developing countries, where many regions face a complete wipe-out of their agricultural production because of climate change. In July 2009 an Oxfam report warned:

By the year 2050, about 75 million people could be forced to leave their homes in the Asia-Pacific region due to climate change. Pacific island governments are already tackling climate change-related relocation and resettlement.

In recent times, Australia quite rightly has taken a leading role in addressing many of the significant issues in our region such as in East Timor, the response to the 2004 tsunami, the Cambodian peace process in the 1990s and financial assistance during the Asian financial crisis. I welcome the recent comments by the Prime Minister emphasising the importance of our defence forces partnering with Asian countries, including China, with the focus on responding to natural disasters such as floods, tsunamis and cyclones. It is often defence personnel who are the first people on the ground in response to a disaster. These responses will be so much more effective if the action of countries is coordinated.

I also note the comments today from the World Bank on the release of their 2010 World Development Report. The report notes that while advanced economies are responsible for two-thirds of carbon emissions, poor countries in Africa and South Asia will bear the brunt of the impact through drought, rising sea levels and extreme weather. The report goes on to say that the cost of climate change in the developing world will be up to US$470 billion, or A$547 billion, each year by 2030. Wealthy countries such as Australia should help pay to fix the climate change problems. The report states that a ‘climate smart’ world is feasible, but it will only happen if the countries of the world ‘act now, act together and act differently’. The report goes on to say that coping with climate change will require all the innovation and ingenuity that the human race is capable of. The report finds that it will require large shifts in lifestyle, an energy revolution and a transformation in the way forests and agricultural lands are managed. As an advanced economy, Australia is expected to show leadership in both reducing carbon emissions and responding to the threats of climate change by providing support to those vulnerable Asian countries now as they prepare for global warming impacts.

I have already said that within Asia we can see regions of extreme poverty. There are also regions in Asia where we have seen some of the most rapid economic growth and increase in living standards in our lifetimes. In 1960, South Korea had a smaller economy than Ghana. Today, South Korea is a prosperous and industrial First World economy and Australia’s sixth largest trading partner.
Other success stories in Asia followed, through similar growth in places like Indonesia, Malaysia, Singapore and Thailand. However, the Asian financial crisis of 1997 showed how vulnerable these export focused East Asian economies can be to downturns in the global economy. The global economic crisis could drive millions of people from the Asian region back into poverty. We have seen many cases in China where migrant workers have come to the manufacturing hubs in East China only to lose their jobs as demand for Chinese exports from the West dropped and factories closed. These people moved from one side of the country to the other seeking a better life for themselves and their families and have lost their jobs through no fault of their own.

World Vision estimates that as a consequence of the global financial crisis an additional 26,000 children are dying each day. Before the global economic crisis began, we were already in the midst of a global food crisis, already threatening the livelihoods of billions of impoverished people in developing nations in Asia and around the world. In the past 50 years, no region has lifted more people out of poverty than Asia. But no region is more at risk than Asia because of the economic and environmental challenges the world currently faces.

On Monday I met with a delegation from Micah Challenge, who spoke to me about global poverty and the Millennium Development Goals. I understand that they spoke to a number of members of parliament about those same matters. Micah Challenge is a global movement of Christian aid and development agencies, churches and individuals who aim to deepen people’s engagement with the poor and to reduce poverty. The delegation highlighted to me, and to the others they spoke to, the compounding effects the global financial crisis and climate change would have on developing countries—and why in the face of these global issues it is even more critical for us to maintain our commitment to increasing aid assistance to developing countries. Micah Challenge would like to see Australia increase its international aid target to 0.7 per cent of gross national income, a figure the Prime Minister has previously stated that we should aspire to, and which I agree with.

The delegation from Micah Challenge included representatives from King’s Baptist Grammar School in the electorate of Makin, which I represent. Those representatives handed to me over 400 letters and cards written by schoolchildren from King’s Baptist Grammar School urging the government to increase our foreign aid to poor countries. I took the time to read most of those letters and cards and it was gratifying to see the young people, right through from the primary part of the school to the secondary school students, showing so much care and compassion for their counterparts in impoverished nations in other parts of the world, and their pleas for governments around the world that have the capacity to increase aid to be heard. It is encouraging because clearly these are young people who in future years will have responsibility themselves about world aid matters and government generally. But it is encouraging that the young people of today understand both their moral obligations to others around the world and also the threats being presented to particularly those Third World countries by climate change. I hope that, just as they are making representations and appealing to members of parliament like me, similarly children around the country are doing the same thing through their own members of parliament. My reading of today’s younger generation is that they very well understand the importance of developed countries assisting developing countries and they understand the significant threats being posed by climate change.
The children asked that I pass on their letters and cards to the Prime Minister. These cards and letters are in addition to the hundreds I had passed on to the Prime Minister from the same school earlier this year. In speaking about the children, I also commend the leadership at King’s Baptist Grammar School for encouraging children to think about people in poorer countries and to encourage greater support from the Australian government for those people.

The Asian Development Bank has the reduction of poverty as a core focus of its work. The measures in this bill will mean Australia plays its part in increasing the bank’s capacity to do its work. Importantly, the Asian Development Bank and other institutions have also placed combating climate change at the forefront of their work. This bill empowers the Asian Development Bank to take action in response to the key moral challenges of our age: climate change and ending poverty. The government’s commitment to this bill is one of many measures that it is implementing to support people in developing countries. I welcome the increased support the Australian government is providing under this bill and I commend it to the House.

Mr SIMPKINS (Cowan) (12.49 pm)—I take this opportunity to speak on the Asian Development Bank (Additional Subscription) Bill 2009. I do so because I have a great interest in these matters and the region. I will begin by talking about the Asian Development Bank itself. It was established in 1966 and comprises 67 member countries, 44 of which are developing nations in the region. With an aim of furthering economic development through the Asia-Pacific region and a vision of a poverty-free region, the bank provides loans and equity investment to the members that are developing nations.

I understand that in 2008 the Asian Development Bank lent US$10.5 billion. As part of the loan program the Asian Development Bank has also become involved in the policies and programs within the country involved. To put the bank’s activities in perspective, the major borrowers in the last year have been India, China, Pakistan, Indonesia, the Philippines and Vietnam. The sectors that received most assistance were transport and communications at 24 per cent and energy at 20 per cent. Australia of course has a large stake in the Asian Development Bank, being the fifth largest shareholder, and there are 49 Australians actually employed amongst the bank’s professional staff.

In April 2009, the board of the Asian Development Bank decided to increase the bank’s authorised capital stock by 7,092,622 shares, as well as increasing individual members’ subscriptions. If all members of the bank subscribe fully to these new levels, the capital of the bank will be tripled, whilst maintaining the share levels of each of those member nations. Consistent with Australia’s ongoing obligations to the Asian Development Bank, the government did announce in this year’s budget a contribution of US$197.6 million for capital to be paid into the bank and also accepted an uncalled capital subscription increase of US$5.6 billion. The funding commitment and the acceptance of an increased capital subscription will enable the Asian Development Bank to meet the region’s ongoing development needs.

I would, however, like to make mention of how the Asian Development Bank operates, because I have read that the bank involves itself in the policies and spending programs of countries that it lends to. In particular I note that the Socialist Republic of Vietnam is in receipt of loans from the bank. There is little doubt that the people of Vietnam need to benefit from the work of the bank; however, what is not clear is what sort of govern-
ance and political freedom obligations are imposed on recipients of loans and technical assistance. Apart from the issues of moral standards of good governance as well as the freedoms of speech, religion and democracy, providing money to inefficient regimes serves only to prop up that inefficiency. This is not the way to produce ongoing economic capacity. Democracy and a free market economy is the destination, and the bank should help the people of Vietnam get there by imposing obligations on the Socialist Republic of Vietnam.

In researching this contribution, I looked at a potential recipient of assistance from the Asian Development Bank, Myanmar, or Burma as we often refer to it. As all members of this parliament would be aware, democracy does not exist in that country, and the people of Burma, the Karen minority particularly, do not thrive under the regime. The bank notes about Burma:

High prices for natural gas exports continued to support modest rates of growth in FY2007. Inflation remained at around 30%, largely the result of money creation to finance fiscal deficits.

That demonstrates the level of effectiveness of the regime in Burma. We should remember that this is the regime that built a new capital and began moving its institutions of government to that capital based on the advice of soothsayers and superstition. Although the bank has not provided direct assistance to Burma in over 20 years, the bank could play a part in advancing democracy in that country. Burma represents an opportunity for the bank to create change for the better and meet the vision of the bank attacking poverty in Asia.

I have spoken about the opportunities for the Asian Development Bank to progress opportunities for people in Vietnam and in Burma. I acknowledge that the bank recently held a joint meeting with the Organisation for Economic Cooperation and Development in Manila. The Asian Development Bank and the OECD’s joint Anti-Corruption Initiative for Asia and the Pacific brings together government representatives and anticorruption officials from 28 countries and jurisdictions in the Asia-Pacific region. I commend the Asian Development Bank for their work, because it has been estimated that bribery payments around the world amount to in excess of $1 trillion each year, and that money could be far better spent on reducing poverty.

With this bill being about the Asian Development Bank, it is appropriate that in the last few days we have seen representatives of Micah Challenge Voices for Justice here at the parliament. A number of speakers have spoken on that, and I would like to join them. Both the Asian Development Bank and Micah Challenge are about fighting poverty. I was visited by Voices for Justice representatives Jackie Knight, Rosanne Logie, Martin Bent and Maryanne Hastings. Whilst in my office, they handed me letters from constituents of mine to the Prime Minister regarding the Millennium Development Goals. I would like to take this opportunity to acknowledge the effort of Lisa Lee, Grant, Lucinda and Chelsea Cullen, Ashlyn Burton, Kylie Christie, Tamra and Jamie Richards, Dominique Telfer and Andre Golik in writing those letters. I thank them for their passion in this area and for their commitment to this cause. I seek leave to table those letters.

Leave granted.

Mr SIMPKINS—I will conclude my contribution by saying that the Asian Development Bank has an important role to play in the development of sustainable capacity in the Asia-Pacific region. I feel that it also has the opportunity to encourage democracy, freedoms and the sorts of economies that will benefit the people of the region. I encourage it to do so. Australia has a part to play in the
bank, and I am in support of our involvement with the Asian Development Bank.

Mr NEUMANN (Blair) (12.56 pm)—I rise to speak in support of the Asian Development Bank (Additional Subscription) Bill 2009. This bill fulfils our commitment made in the 2 April 2009 communiqué from G20 London summit, in the ‘Strengthening our global financial institutions’ passage:

- we support a substantial increase in lending of at least $100 billion by the Multilateral Development Banks (MDBs), including to low income countries, and ensure that all MDBs have the appropriate capital.

This bill is about ensuring flexibility and ensuring effective assistance as a good neighbour in our region.

There are three pillars of the Australian Labor Party’s foreign policy. The first is our engagement in the Asia-Pacific area and being a regional power in that area, with our commitment to peace, order and good governance and our commitment to aid, which is so ably given through AusAID in places like Indonesia and the South Pacific. Second is our involvement in the United Nations, in multilateral assistance to so many countries through the WHO, UNESCO, UNICEF and other organisations and in our participation as a medium-sized power on issues of law and order, justice, the relief of poverty and assistance for those suffering from ill health. The third pillar of our foreign policy is our alliance with the United States. The United States is simply the superpower of the 21st century, as it was of the 20th century, when it emerged from the world wars as our great and powerful friend.

This bill involves cooperation with other great and powerful friends as well as the United States of America. The advanced economies have a real responsibility to assist those less fortunate in our region. If you travel through South-East Asia or the South Pacific, you will see at times great evidence of middle-class prosperity and development. Political leaders in rural areas in South-East Asia speak with a great deal of pride and honour about the work they are doing in terms of development. But far too often when you travel along freeways and highways in South-East Asia you will see evidence of terrible poverty—grinding, awful, degrading poverty—and children being, sadly, at home in the company of their families at times when they should be in educational institutions.

Australia has played a significant role in South-East Asia not only tackling the challenges of people smuggling, law enforcement and turning boats back but also assisting in places like Indonesia, such as in rural Kalimantan where we are assisting in the peatlands, tackling the challenges of climate change, trying to assist in the saving of orangutans and also building schools in places where there are no schools. We are involved in assistance in Asia through the Asian Development Bank and this bill is extremely important if we say we are going to be a good neighbour.

The Asian Development Bank has been around since the mid-sixties and its first focus was, quite typically, on the Third World regions of Asia. The focus on agriculture changed through rural development and technical assistance into an emphasis on education, health and infrastructure. Later the focus was on regional cooperation, the relief of poverty and ensuring not just development but sustainable development and better health care for so many of its members. It has 67 members, 47 from the Asia Pacific area, and we should be proud that Australia was a founding member of the Asian Development Bank.

The Treasurer himself is governor for Australia and the member for Fraser, the Par-
limentary Secretary for International Development Assistance, is the alternative governor. As I say, we have been an important player in the Asian Development Bank and, like any business or any bank, it reviews its capital needs from time to time and this is done on a five-yearly basis. What we are doing here is fulfilling our commitment and ensuring that we support the Asian Development Bank to improve its capital and its capacity to provide assistance, because we know that if we want to have a stable region and if we want to have sustainable growth in the Asian region we need to ensure that countries and companies, individuals and families are given as much help as possible at this time of global recession and global crisis in the financial markets.

Australia may be an island in terms of geography but we are not an island in terms of our finance or our economy, so we are an important player not only in the G20 but also in the Asia-Pacific region. If you travel through South-East Asia or the Pacific you will see Australians everywhere—on business, on cultural exchanges, playing sport, tourists and backpackers. Australians are integral to the future of Asia. We now play soccer in Asia, and I am proud to say that we are the best team in Asia notwithstanding the most recent defeat by South Korea in a friendly.

Asia is important and we need to show leadership. Parliamentary approval by virtue of this bill for Australia to take up its allocated subscription to a fifth general capital increase at a cost of about US$197.6 million over 10 years is important. Under the general capital increase we are entitled to subscribe to an additional 409,480 shares. Only four per cent of these shares are required to be paid in. What we are doing is supporting our neighbours and our region. We are demonstrating our commitment to our fellow G20 countries and we are showing that we are good neighbours, not just a regional power.

It is important that we are good regional neighbours. We have been providing assistance for a long time. The previous government, to its credit, did this in the Asian financial crisis back in about 1997. We are doing this now. The previous government, to its credit, assisted in the tsunami in Indonesia. That was a bipartisan approach and this assistance to our Asian neighbours is also bipartisan, and it is important that we use our resources, energy, time and commitment to ensuring that the Asian Development Bank achieves what it hopes to in providing regional support.

The member for Pearce and a number of other speakers have talked about the Millennium Development Goals and the Micah Challenge. I commend the Bible Society for the Poverty and Justice Bible which was given to the Prime Minister and the Leader of the Opposition recently. Many of us received a copy as well. As a person who is not a particularly good Christian but aspires to be a good Christian from time to time, I must say it was such a challenge to read passages of the Bible and discover so much of that great book from the Judeo-Christian tradition which talks about the relief of the poor. I commend the government for its aspirations with respect to achieving the Millennium Development Goals, but I along with many others think we can do better, and it is good to see this bipartisan approach. One of the issues that really concerns me is the desire to reduce child mortality by two-thirds and maternal mortality by three-quarters and reverse
the spread of age, malaria and other major diseases by 2015.

In concluding, I want to read a letter from a constituent of mine who lives in the Lockyer Valley, in a rural area at a place called Mulgowie. Her name is Narelle Poole. I thought it was appropriate to read her letter because the message she wanted to give to me as her federal member is a message which is germane to this bill and to all of us. Her letter is to the Prime Minister and is dated 23 August 2009. She writes:

I am writing as an advocate for the poor—those who mostly are unable to speak for themselves. I believe there is a real opportunity to stop poverty. Thank you for your commitment to the Millennium Development Goals and to increase Australia’s overseas aid to 0.5% of our national income by 2015.

However, I believe we need to aim for the original target of 0.7% of national income, and ask you to make this a firm commitment for the next election.

I also ask that you encourage other leaders of nations to make firm commitments to meet the aid target.

I pray for wisdom and courage as you lead Australia, and thank you for saying ‘sorry’ to our indigenous Australians.

If we can make it an election commitment from both sides of politics at the next election that we raise overseas aid to 0.7 per cent, if that is our desire and our commitment, then our journey will be a lot better. We will be better as a country, and our neighbours will also receive the benefit of our generosity and of our affection and our love.

Mr SWAN (Lilley—Treasurer) (1.09 pm)—in reply—I want to thank all of the members who have participated in this debate on the Asian Development Bank (Additional Subscription) Bill 2009, and in particular the previous speaker, the member for Blair, for a very important contribution. The purpose of this bill is to obtain parliamentary approval to enable Australia to subscribe to its additional capital share at the Asian Development Bank. In so doing, it will ensure that Australia is able to continue to deliver on its commitments to the G20 leaders summit in London in April. The G20 has played a landmark role in responding to this global recession. It is important at this time that members of the G20 continue to work together to support recovery in the global economy. Indeed, that was reaffirmed at the finance ministers meeting only the weekend before last in London. It was 10 days ago that G20 finance ministers met and reiterated all of our commitments to deliver on the commitments that were given in April in London at the leaders meeting.

This is important, because every G20 finance minister knows just how fragile the global recovery remains and how important it is that we continue to support the global economy. Of course, the G20 finance ministers did note that the multilateral development banks were on track to deliver US$100 billion in additional lending, and this is very important to support the global economy. This additional lending is playing a critical role in supporting recovery in developing economies and, therefore, the global economy. Through its part, the ADB is helping to secure recovery and ensure sustained growth and stability in the Asia-Pacific region. Of course, this will be of great benefit to Australian exporters and Australian jobs for many years to come.

The April leaders summit also agreed to ensure that the ADB has appropriate capital to increase its support for recovery in the region through a 200 per cent general capital increase. Australia’s capital contribution would be at a cost of around US$197.6 million, paid over 10 years. This subscription appeared as a capital measure in the 2009-10 budget and does not impact on the budget.
bottom line. Australia’s contribution represents a small part of Australia’s aid program over this period but a very important one. Supporting this bill will enable Australia to demonstrate its leadership globally and support recovery from the global recession in our region. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr SWAN (Lilley—Treasurer) (1.12 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (No. 1) 2009

Second Reading

Debate resumed from 19 March, on motion by Mr Bowen:

That this bill be now read a second time.

Mr ANTHONY SMITH (Casey) (1.13 pm)—The International Tax Agreements Amendment Bill (No. 1) 2009 was introduced into this place on 19 March of this year. It amends the International Tax Agreements Act 1953 to incorporate into Australian law the two separate tax agreements signed with the British Virgin Islands and the Isle of Man. The agreement with the British Virgin Islands was signed in London in October 2008, and the agreement with the Isle of Man was signed also in London in January of this year. The coalition will be supporting the passage of this bill through the House and through the Senate. The provisions in these arrangements are consistent with other bilateral treaties that Australia has signed with other countries.

I will turn first to the agreement with the British Virgin Islands. The first section deals, in substance, with information sharing. The agreement itself provides for a complete exchange of tax information between the two countries in both criminal and civil matters. This will remove the ability of taxpayers to use the British Virgin Islands as a tax haven or to avoid their tax obligations. It expands the existing relationship, where both countries only share tax information for criminal matters, to include civil matters as well.

The second area of the agreement deals with the removal of double taxation for certain income. In addition to the exchange of tax information provisions, this agreement also ensures that certain income is not subject to double taxation. Specifically, this applies to ensure that those people employed by governments are not subject to double taxation. Under this agreement any income received from government service is only taxable by the country to which the service was provided. Currently, such income would be taxed in Australia and the British Virgin Islands. This provision does not apply to those earning income from private business or commerce.

The agreement also ensures that education related payments received by students are exempt from taxable income. This will ensure that students from Australia or the British Virgin Islands do not have to pay income tax on any payments made from their resident country for the purpose of education and maintenance.

Turning now to the agreement with the Isle of Man, again there are two substantive sections, the first dealing with information sharing and increased cooperation. This agreement provides for a complete exchange, again, of tax information between the two countries in both criminal and civil tax matters. Likewise, it will remove the ability for
taxpayers to use the Isle of Man as a tax haven. Currently, both countries only share tax information for criminal matters. The agreement also commits the revenue agencies in each country to assist taxpayers in resolving any disputes relating to transfer pricing.

Turning to the removal of double taxation for certain income, again in addition to the exchange of tax information provisions, this agreement also ensures that certain income is not subject to double taxation. It ensures that income received from pensions and retirement annuities will only be taxed in the individual’s country of residence. Currently, income received from a pension or retirement annuity may be taxed in the country of residence and in the country where the income is sourced.

As in the agreement with the British Virgin Islands, this agreement also ensures that those employed by governments are not subject to double taxation. Currently, such income would be taxed in Australia and the Isle of Man. Again, as in the agreement with the British Virgin Islands, the provision does not apply to those earning income from private business or commerce. The agreement also contains the same exemption provisions relating to education purpose payments as the agreement with the British Virgin Islands.

The coalition has a long record of initiating and fostering the development of bilateral tax agreements. We recognise that these agreements encourage foreign investment and provide further opportunities for Australian businesses in overseas markets. In 2001 the coalition provided a commitment to review Australia’s international tax arrangements in our policy outline Securing Australia’s prosperity.

In its review of international tax arrangements the former coalition government implemented a package of reforms to improve the competitiveness of Australian companies with operations in overseas jurisdictions and to maintain Australia’s status as an attractive place for foreign investment and business. As part of these reforms the former coalition government undertook negotiations with more than 20 other jurisdictions to modernise Australia’s existing tax treaties and foster new tax treaties to provide a competitive and modern tax treaty network for companies located in Australia.

The agreements signed by the former coalition government greatly improved integrity aspects of administering and collecting tax from those with tax obligations in other countries. Many of those agreements signed included information exchange provisions that met OECD standards and provided reciprocal assistance for tax collection agencies. The former coalition government also undertook to expand the collection and the range of taxes that come under our international tax agreements. This strengthened economic relations between Australia and other countries and led to greater cooperation between the Australian Taxation Office and other revenue agencies in those countries.

The achievements of the former coalition government strengthened the integrity of our tax treaty network by increasing bilateral cooperation to ensure that all taxpayers pay their fair share of tax. This bill builds on that legacy. As I said at the outset, the coalition supports the bill in this House and will also do so in the Senate when it is considered there. I commend the bill to the House.

Mr NEUMANN (Blair) (1.19 pm)—I speak in support of the International Tax Agreements Amendment Bill (No. 1) 2009. This is an important piece of legislation because, according to the Australian Taxation Office in a submission put to the United States Senate Committee on Homeland Security and Government Affairs hearing on 7
July 2008, it has been estimated by the OECD that between US$5 trillion and US$7 trillion is held in tax havens or bank secrecy jurisdictions.

We have the Australian Transaction Reports and Analysis Centre, commonly known as AUSTRAC, in this country and other governmental institutions, including the Australian Taxation Office, that actively engage in tracking money coming in and out of Australia and in fighting tax evasion. Tax evasion irritates my constituents and, I am sure, irritates the constituents of other members of this House. These agreements which the Australian government came to with the British Virgin Islands and the Isle of Man are important, landmark agreements because they are, as the then Assistant Treasurer said in his second reading speech on 19 March, ‘the first two of their type between Australia and low-tax jurisdictions’.

The British Virgin Islands and the Isle of Man were once identified by the OECD as having certain characteristics of tax havens. Tax havens are places where certain taxes are levied at a low rate or not at all. It infuriates and frustrates ordinary taxpayers as well as businesses, companies and other entities in this country to find those people, those entities and those companies engaged in tax evasion. No-one should criticise legitimate tax avoidance and minimisation, but to simply engage in activities which mean that your fellow Australians pay a more disproportionate share of tax than is fair is simply wrong, unethical and immoral—and Australians simply hate it.

The legislation that is before the House relates to the tax information exchange agreements, as I said, that Australia entered into with the British Virgin Islands and the Isle of Man. As the member for Casey said, the agreements were signed in London in October 2008 and January 2009 respectively. With this bill we are effectively inserting the text of those agreements into the International Tax Agreements Act 1953. The outcome is a good one because it means that tax is levied on residency rather than source. It means that people are not double taxed. It also means that tax is actually levied and paid in the country of residence.

There are a number of aspects to the agreement and I am going to refer to those very briefly. It means that Australia, the British Virgin Islands and the Isle of Man will have the sole right to tax salaries they pay to individuals undertaking government functions and administration. It means that payments received by students and business apprentices will be exempt from the country they are visiting. It means that residents count. There are a number of other changes, one including a non-binding administrative mechanism to assist taxpayers to seek any resolution of disputes which may be engaged in concerning the transfer of pricing.

It is important legislation to promote ethical arrangements in respect of tax. It is important in terms of fairness, integrity and justice for Australian taxpayers but also for taxpayers in those other jurisdictions. I know that my constituents take a very adverse approach to those taxpayers who do not pay their fair share. We need to engage in these types of agreements if we want to make an important contribution to battling offshore tax evasion. If we want to participate with other countries in making sure that Australian residents and those residents of other countries pay their tax, we need to engage in these types of agreements and we need to make these agreements part of our law.

We need to make sure that we demonstrate by legislation our ongoing commitment and resolution to prevent harmful tax practices, harmful conduct, which will mean that the integrity of the tax system in this country is
diminished. Every dollar that is not levied, every dollar that is not raised by tax, is a dollar that is not spent on a road, on a school, on a hospital, on Medicare or on any other worthy destination for that dollar. I live in the fastest-growing area in South-East Queensland and Queensland. Schools, hospitals, roads and vital infrastructure are simply critical to the sustainable development and ongoing growth of South-East Queensland and the Ipswich and West Moreton area. Making sure we have a tax system that levies every dollar, legitimately and lawfully raised, is simply crucial.

We need to also improve our relationships not just regionally but internationally. These agreements will improve the relationship we have with these other places: the British Virgin Islands and the Isle of Man. We need to improve our cooperation not just with those places but with the South Pacific and with Asia, and particularly with places such as Africa. The government is committed to ensuring that we have integrity in our tax system and that is why the government has so vigorously funded the Australian Taxation Office. I commend the minister for what he said and the commitment of the Rudd Labor government to providing $595.2 million over four years to help businesses remain viable in the face of the global recession and to make sure that we enhance the Australian community’s confidence and support of the Australian taxation system.

The minister said in his press release of 12 May this year that the measures we have undertaken at this very difficult time will mean that we are able to collect an additional net revenue of $1,383.6 million through enhanced compliance with our tax system. We are supporting, across four years, the Australian business community—those four million Australians involved in working in small business, the 1.9 million Australians operating small businesses and other taxpayers—to meet their tax liabilities. The ATO will invest $100.1 million. But it is the tasks we have undertaken to support the multi-agency task force in relation to Project Wickenby to continue our investigation and prosecution of those involved in the abuse of tax havens which are so critical. The government will provide $122 million over three years, starting from 2010-11.

Project Wickenby has had some success, in cooperation with the Taxation Office, the Australian Crime Commission, the Australian Federal Police, the Attorney-General’s Department and AUSTRAC, as well as ASIC and the Commonwealth Director of Prosecutions. I urge the government to expand those kinds of projects to bring greater scrutiny to international transactions to ensure that businesses and individuals do not rort the Australian taxation system. During the year ending 30 June 2009, it is estimated that Project Wickenby raised $230 million in tax liabilities and collected $40 million in cash. In addition, Wickenby collected $159 million in tax in subsequent years from taxpayers who had been subject to Wickenby actions. There are a number of practices it has targeted. We have seen prosecutions, we have seen people subject to criminal investigations and we have seen people charged with indictable offences. We have seen assets restrained under injunctive relief, we have seen tax collected and we have seen, I would argue, greater compliance as a result of the actual operation of Project Wickenby. But we need to do more. We need better cooperation and we need more financing in that regard.

We are a country that is seen as a place where people come. They engage in lawful activity. By far the majority of Australians are law abiding, taxpaying individuals who see taxation as a means of giving back, ensuring that our health and educational systems are sustainable, that our roads are better, that our society is more civilised and that
in terms of our economy we are not just a stronger country but a fairer one. That is the purpose of the tax system. If we can ensure by international agreements that that is enhanced, that is a very good thing. These agreements go a long way towards ensuring international cooperation, greater political and administrative partnerships, better arrangements in terms of the transfer of money and tax being paid at its rightful source of residence. I support the bill.

Mr HAYES (Werriwa) (1.32 pm)—I also rise today to support the International Tax Agreements Amendment Bill (No. 1) 2009. The amendment proposed is a significant step towards instilling greater confidence in the integrity and the fairness of the Australian tax system. This amendment, through its limited scope, is another positive move towards eliminating harmful tax practices, especially with regard to tax havens, as it reflects Australia’s commitment to combating tax avoidance and tax evasion.

I imagine that amongst constituents in your electorate and mine, Deputy Speaker Thomson, issues of tax havens probably are not the topic around various kitchen tables, but I will tell you what the topic around kitchen tables is. Australians are being called upon to pay a fair share of their tax. They do not mind paying tax. They do not mind paying their fair share. What they do not like is people who use a loophole to avoid paying their fair share of tax, placing an even greater tax burden on the law-abiding members of our community. As you know, the British Virgin Islands and the Isle of Man fall within this category of low tax rates and, more importantly, also have a very high level of secrecy applying throughout their systems. However, this government has taken the initiative of working towards creating a fairer and more transparent system for all. The government wishes not only to eliminate the instances of tax non-compliance between Australia and tax havens of the British Virgin Islands and the Isle of Man; it seeks to improve the conditions of taxpayers who are involved in cross-border transactions and to remove double taxation.

Under the agreements with the British Virgin Islands and the Isle of Man, each country will have a sole taxing right over the salaries paid to their own government employees working abroad. Australia will no longer tax foreign maintenance, education or training payments received from British Virgin Islands or Isle of Man students and business apprentices temporarily studying in this country. Under Article 5 of the Isle of Man agreement, Australia will cease taxing pensions and retirement annuities paid from Australia to residents of the Isle of Man if they have already been subject to foreign tax. I think the important part; in this instance, is to ensure that there is no double taxation element applied through the tax system. These changes that are specifically aimed at the government employees, students, busi-
ness apprentices and retirees will considerably improve the exchange of taxpayer information between the countries and will clarify which country has the taxing rights over certain income.

Surprisingly, as it stands, income earned in tax havens, like the British Virgin Islands and the Isle of Man, does not come to the attention of Australian Taxation Office unless it is volunteered. I find that absolutely incredible. This is what has given rise to the notion of a tax haven. People who deposit significant sums of money in a tax haven simply do not come to the attention of the Australian Taxation Office unless they volunteer that they have done so or, alternatively, it is detected through such things as Operation Wickenby. With the implementation of these changes, we will see a significant improvement in the flow of information. This will ensure an improvement in the detection of tax fraud and will act as a deterrent to those involved in cross-border transactions. We will see reciprocal taxation treatment between countries, and the amendment will greatly assist the Commissioner of Taxation to obtain information held offshore about the affairs of Australian residents and foreign residents with Australian tax obligations. In relation the Isle of Man, this amendment is also a mechanism for the resolution of transfer-pricing disputes.

The bill before us today gives legal validation to Australia’s international agreements and demonstrates this government’s commitment to the OECD’s harmful tax practices initiative, aimed at improving transparency and tax information exchange globally. I would like to also note that these changes to the legislation have been considered and approved by the Joint Standing Committee on Treaties.

We need to keep in mind that ordinary, hardworking Australian taxpayers, like those in my electorate of Werriwa, are the ones who are indirectly disadvantaged as a result of the loopholes that currently exist with these tax havens. While people can spirit money off to tax havens, a heavier burden is borne by those who legitimately pay tax in this country. As a consequence of the global economic downturn we have seen a decline in the order of $200 billion in tax revenues. It is necessary now, more than ever, to tackle the issue of taxation evasion and avoidance, instead of allowing ordinary hardworking Australian families, who pay their fair share of tax, to bear the burden. It is the right and fair thing to do. Quite frankly, for everyone standing here, it must be considered the ethical position to take.

The Australian Taxation Office has described the tax information exchange agreements as a way to ‘promote fairness and enhance Australia’s ability to administer and enforce its domestic tax laws’. I strongly believe that, by legally incorporating Australia’s international agreements into our domestic law, we are strengthening our political, economic and administrative relationships throughout the globe. I commend this piece of legislation to the House.

Mr CHAMPION (Wakefield) (1.37 pm)—I rise to support the International Tax Agreements Amendment Bill (No. 1) 2009, which brings into force two recently concluded taxation agreements. The further strengthening of our taxation system is in the interests of all Australians, as it will help ensure that we are all contributing our fair share of tax and meeting our responsibilities to the communities and nation in which we live. Tax is the price we pay for our civilised and prosperous society, and it is part of every citizen’s responsibilities to pay their fair share of tax.

This bill seeks to prevent a small number of would-be nontaxpayers—I suppose you
could call them—from evading their responsibilities. The consequence of tax minimisation is to deprive the community of revenue needed to run schools, hospitals, roads, defence and the good workings of government. It also results in PAYG taxpayers—who cannot easily evade tax or set up complex arrangements—shouldering additional burdens. In fact, it appears to be the case that the people who have the capabilities to evade tax though complex diversionary accounts and structures, such as international taxation havens, are often those most capable of meeting their tax responsibilities. They are often people with significant income and assets.

This bill gives the force of law to two taxation agreements, one with the British Virgin Islands and one with the Isle of Man. The agreements were signed in London on 27 October 2008 and 29 January 2009 respectively, and this bill will insert the text of both agreements into the International Tax Agreements Act 1953. This has been an international issue for some time. These agreements achieve two outcomes of importance to the integrity of Australia’s taxation system: firstly, they provide for the sharing of information; and, secondly, they build Australia’s relationship with countries that desire to end the problem of international tax havens, which have been a big problem for a lot of countries for a long time.

Together, these two agreements and the related tax information exchange agreements, TIEAs, support Australia’s efforts to combat tax avoidance and evasion through the establishment of a transparent and effective exchange of information for tax purposes. They will promote fairness and enhance the integrity of Australia’s tax system. The TIEAs provide for full exchange of information on request in both criminal and civil taxation matters and will build upon legislation both here and in the British Virgin Islands and the Isle of Man which provides for mutual legal assistance in criminal matters. This is an important component of Australia’s efforts to combat offshore tax evasion.

The agreements have been considered by the Joint Standing Committee on Treaties, which has recommended that binding treaty action be taken. This is necessary because the face of taxation haven abuse is changing and globalisation and the internationalisation of finance and money movements has made international dealings more commonplace. This means that the challenges for Australia are even greater and the challenges for the international community are even greater in responding to this problem.

That is why negotiating taxation information exchange agreements has played an important part in this government’s efforts to combat international taxation evasion. We have pursued international agreements bilaterally, like those being discussed with this bill today, but we have also continued our commitment to the multilateral process. Scandals around international taxation havens have happened in a number of countries. There was a very big one in Britain around the Virgin Islands and the Isle of Man. Very high-income individuals were hiding vast amounts of money in these tax havens. Most interestingly—although they are not subject to this bill—it is also where most international hedge funds are based and these funds, with vast amounts of money, are not subject to any international regulation at all. We think the multilateral process—the G20 meetings of finance ministers and leaders—are incredibly important forums to combat this problem. It is a very big problem. It deprives governments and nation states around the world of valuable revenue, which could be used to do so much good.

As the former Assistant Treasurer has said, it is pleasing to see that Hong Kong,
Lichtenstein and Singapore have all agreed to adopt OECD standards of transparency and effective exchange of information for taxation purposes. We certainly wish the government all the best in negotiating effective exchange-of-information arrangements with all of those countries, at the earliest opportunity. Lichtenstein has a particularly bad name on this front for being a haven for tax avoidance.

These TIEAs reflect the shared commitment of Australia, the Isle of Man and the British Virgin Islands to implement the OECD principles of transparency and effective exchange of information to eliminate harmful taxation practices. I look forward to further developments in relation to this as I know that Australia has been at the forefront of global action to enhance tax transparency and information exchange, having demonstrated strong support of these proposals at the finance ministers’ meeting hosted by France and Germany in October 2008.

This complements a strong commitment by this government to international standards on anti-money-laundering and counterterrorism financing, as set by the Financial Action Task Force. I would particularly like to welcome the admission of the British Virgin Islands as a full member of the International Organisation of Securities Commissions, where it joins at least 100 other jurisdictions with recognised high standards of regulation and compliance. These standards are necessary to allow taxation enforcement measures like Project Wickenby—Australia’s inter-agency approach to tax haven abuse—to deliver on its commitments and targets. We certainly hope that the information generated by these agreements will allow those programs to be even more effective and force more tax evaders to face the consequences of their actions. We also hope that they dissuade people who might be tempted to go down this path from putting themselves in a position where they are vulnerable to the force of taxation law.

People who seek to evade the taxation system do present a very serious risk to the integrity and moral foundations of our tax system, and we should do all in our power to meet this challenge. It is very unfair for a truck driver, a shop assistant or someone who cleans this building later on tonight to have to pay their fair share of tax while other people can evade their taxation obligation to this nation. The agreements presented in the bill today will help the government do just that and will support the integrity and fairness of Australia’s taxation system. Australia is committed to the OECD’s Harmful Tax Practices Initiative, which is focused on improving transparency and the exchange of taxation information globally. We are very committed to international efforts to make sure that both our taxation systems and our finance systems are not subject to international chicanery.

This bill reinforces that commitment. It illustrates that this is a government keen to continue improving Australia’s relationship with the British Virgin Islands and the Isle of Man. For these reasons I commend the bill to the House.

Mr RIPOLL (Oxley) (1.50 pm)—It is a pleasure to follow-on from the member for Wakefield in his contribution on this very important bill and I am also pleased to be speaking on International Tax Agreements Amendment Bill (No. 1) 2009. I want to put on the record my congratulations to the Treasurer as well as the Assistant Treasurer and the Minister for Competition Policy and Consumer Affairs, for introducing this bill. They have put into place some needed reform on tax evasion and some bilateral agreements in terms of taxation, to ensure that Australian citizens do not pay double tax on their employment or on the income they
derive from the British Virgin Islands or the Isle of Man. It is a non-controversial bill that is supported by both sides of the House. The bill seeks to give the force of law to taxation agreements with the British Virgin Islands and the Isle of Man. The bill will enact the texts of both the British Virgin Islands agreement and the Isle of Man agreement into domestic law. It will be done via the International Tax Agreements Act 1953. This is a prerequisite to the agreements having entry into force. There is no major impact as yet or forward estimates that have been done by Treasury, and so it is welcome in all of those cases.

The issue of tax is always of great interest to all people. I have no doubt that everyone takes a lot of interest in it. While most people in some context complain about taxation generally, I think we all understand the need for fair and proper taxation, that everyone pays their fair share of tax so that governments can deliver the sorts of services that people expect, such as strong education systems as we are seeing through Building the Education Revolution and proper health provision. Certainly the Commonwealth is taking a much broader and greater interest in the provision of infrastructure across this very vast nation of ours. It is important that we get taxation right and that people pay their fair share. As we heard from the previous member, it is usually the case that PAYG tax earners—ordinary people—absolutely do pay their fair share of taxation. But sometimes, as we have seen through certain operations of the Commissioner of Taxation and other efforts that the government has put in place, there are some high net wealth individuals who seek to minimise or even avoid their tax obligations to all Australians. We will continue to work to make sure that we have got the right sort of regime in this country so that everybody pays their fair share. One of the ways to do that is through agreements with other countries, particularly in areas where wealthy individuals may use the laws of another country to avoid their duty of paying tax in this country.

So I really do welcome this agreement and congratulate the British Virgin Islands and the Isle of Man for helping process both of these agreements. The agreement with the British Virgin Islands contains provisions for the avoidance of double taxation in relation to individual income that flows between Australia and that place. The agreement was prompted by Australia’s desire to conclude a bilateral tax information exchange agreement, TIEA, with the British Virgin Islands. It establishes a legal basis for the exchange of taxpayer information between the two countries, which of course is an important tool in managing the proper tax affairs of Australia and will play its part in combating tax avoidance and direct tax evasion. These are evolving processes but processes that governments need to have in legislation to ensure that we have a proper exchange of information.

Once it takes effect, the TIEA, which was signed in October last year, will directly assist the Commissioner of Taxation in obtaining certain information so that Australian residents cannot hide information or in some way evade their tax responsibilities to all other Australians. The British Virgin Islands agreement is part of a package of additional benefits that have been offered through the arrangements we have put in place. It will also allocate certain taxing rights and prevent the double taxation of income from Australians and residents of the British Virgin Islands specifically directed at government employees, students and business apprentices.

Essentially, Australia has agreed not to tax the salaries of government employees who are working in the British Virgin Islands in
government services for non-commercial purposes and a range of other activities per agreement between the two countries. We will also agree to maintain the existence of education or training payments received by students or business apprentices from the British Virgin Islands. So there are some areas where, through agreement, we do not confuse the proper employment and taxation of people in those areas with anything remotely connected to avoidance or evasion of taxation.

The Isle of Man agreement, which is very similar, has the same provisions in the avoidance of double taxation of individuals flowing between Australia and the Isle of Man. It came out of the government’s desire to conclude a bilateral tax information exchange agreement to make sure that we can access the proper and correct information of individuals who are employed or deriving some income in those areas or using the Isle of Man as a tool to avoid or evade tax. I am sure that all members of this House, and all good citizens, would agree that these are important measures for making sure that payment of a fair share of taxation by all Australian citizens is properly provided for, and we all welcome that. The TIEA was signed on 1 January this year. It will help the taxation commissioner obtain that essential information that flows between the two countries. That critical information will mean the difference between people avoiding or evading tax and people paying their fair share as part of their responsibilities to every other Australian in this country.

The issue of taxation is always raised with me at different levels in communities around my electorate and with individuals. It is always about the proper expenditure of taxation, not just in the sense that all Australians ought to pay their fair share but where that taxation money is spent. It is a great credit to the Rudd Labor government that that money is being spent well. It is being spent well through the largest infrastructure program this country has ever seen. It is being spent on the education of our kids and on the modernisation of our schools and in making sure that students have access to the best possible facilities anywhere in the world.

If we are truly to compete on an international platform in whatever areas we choose and our young people choose, then we need to be able to provide the right sorts of facilities and the right sorts of resources, and this is certainly being done by this government. We are very proud of that. Coming from the western corridor of Brisbane as I do—and I note that the Minister for Infrastructure, Transport, Regional Development and Local Government also comes from the western corridor but in a different state—I understand just how important it is to deliver that critical infrastructure and the importance of finding extra funding in tough economic times. As we have seen with the global financial crisis, this government has acted in the worst of times but provided the most that it possibly could in all of those areas. Whether it is providing much needed funding to schools through Building the Education Revolution or in the area of health or critical infrastructure, this government has provided the finance and the tools and the sort of funding that we desperately need.

The SPEAKER—Order! It being 2.00 pm, the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour and the member for Oxley will have leave to continue speaking when the debate is resumed.

QUESTIONS WITHOUT NOTICE

Economy

Mr TURNBULL (2.00 pm)—My question is to the Treasurer. I refer the Treasurer to the remarks of the Chairman of the United
States Federal Reserve overnight that in the world’s largest economy:
… the recession is very likely over at this point …
I also refer the Treasurer to the Reserve Bank of Australia’s August meeting minutes stating that:
… the global economy was most likely on a sustained if modest recovery path.
Treasurer, now that the worst appears to be past for the global economy, will the government cut back its wasteful stimulus spending to reduce upward pressure on interest rates?

Mr SWAN—I thank the Leader of the Opposition for his question, because I too read the remarks of the Chairman of the Federal Reserve overnight. I took some encouragement from his remarks, but he made one fundamental point that the Leader of the Opposition neglected to mention. Very simply, that point is that the growth outlook is weak. He was making the point that the US might be seeing their first positive quarter of growth in some time. He was actually pointing to a ray of light in the United States economy, but he then said that there was a long, long way to go. He was not saying to the United States government or to the United States President that, as a consequence of the fact that they might grow in one quarter, they should withdraw their stimulus. He was not saying that at all, because in the United States, as is the case in this country, fiscal stimulus has been absolutely critical to supporting jobs, growth and confidence in the economy.

We had a growth figure of 0.6 per cent for the June quarter and of 0.6 per cent for the year. But, if those opposite had had their way, we would have gone backwards in the past year by 1.3 per cent. The truth is that most acknowledge—including the business community and most economists—that the very substantial fiscal stimulus put in place by this government has supported our economy, supported tens of thousands of jobs and kept open tens of thousands of small businesses. The Leader of the Opposition is seeking to construct the argument that somehow now is the time to rip the rug out from underneath the economy. He will not find any encouragement for that in the words of the Chairman of the Federal Reserve. Our stimulus has ensured that we have remained positive while the rest of the world has gone backwards. When you look at the evaluation of the Australian stimulus compared to stimuliuses put in place by many other countries around the world, ours generally gets the big tick. It gets the big tick because it has been one of the most effective in the world and it is the reason we were the only advanced economy in the world to grow over the past year.

Those opposite simply do not understand the nature of the global economic challenge and its impact upon this country and, as a consequence, are not qualified to understand what policies are required as we move through to recovery. This government absolutely understand the importance of stimulus and the importance of the monetary policy put in place by the Reserve Bank. We understand both of those things and, as a consequence of that, we have been the best-performing major advanced economy in the world, which is something those opposite are completely incapable of understanding. Our stimulus has kept customers coming through the doors of not just retail businesses but also other businesses across the country. Our investment allowance provided a dramatic boost to many companies when they were purchasing equipment. All of these things are recognised in the figures which come from the ABS on a regular basis. They are in the retail sales. They are in the equipment measures. They are there for all to see. But those
opposite are so blinded by their ideology and so driven by their own personal self-interest that they cannot see what is in the national economic interest. We on this side of the House can. We are implementing a stimulus which is supporting Australian business and Australian jobs.

Economy

Ms OWENS (2.05 pm)—My question is to the Prime Minister. What indications do the RBA’s recent monetary policy statement and other commentary provide on the global economic recovery?

Mr RUDD—I thank the member for Parramatta for her question. Amid continuing talk about green shoots in the international economy, there does remain widespread and legitimate caution over the world’s ability to quickly respond to the damage which has been inflicted upon it over the last 12 months through the global financial crisis and the ensuing global economic recession. As a nation, Australia should be proud of our collective response to the global recession thus far. We are doing better than most other countries in the world. But as a nation we should also be very much aware of the fact that we are by no means out of the woods yet.

I draw the House’s attention, on a sobering note, to comments which were reported, I believe, in either today’s or yesterday’s Financial Times by William White, who is the former chief of the economics group of the Bank for International Settlements. It may be recalled by some members of this place that the BIS actually produced a report some time towards the middle of 2008 which warned the global economy about the grave risks which had been building up from 2003 concerning global imbalances. That was a warning delivered to the world well prior to the subprime implosion which then wrought havoc upon the financial system and the real economy.

This former chief of the economics group BIS indicated in his statements of just a day or two ago that we should still have concerns about the possibility of a double-dip recession—and this individual made the comments recently—therefore, it is important that we adopt a sober approach to the data which is emerging worldwide. Yesterday the RBA board minutes noted that the global economy remains fragile. They pointed to a continued consolidation in the global economy. They also noted there were concerns about the sustainability of the recovery. They questioned whether the growth that had been seen was largely a one-off effect from stimulus measures or if there was also a fundamental improvement. This reinforces the IMF statement last week that the global financial system was ‘far from returning to normal’ and that many markets remain highly dependent on public support. Furthermore, the minutes reinforce a statement made recently by the United States Secretary of the Treasury, Tim Geithner: ‘We still have a long way to go before a true recovery takes hold.’

There is no doubt that the government’s economic stimulus strategy here in Australia has supported the Australian economy. Yesterday’s minutes of the board of the RBA recognise the positive impact of the stimulus, particularly on business investment, something to which the Treasurer just referred. The minutes stated:

The data for business investment in the June quarter indicated a strong rise in spending on plant and equipment, with a sharp increase in spending on a wide range of capital goods, including cars. This mostly reflects the bringing forward of spending to qualify for tax allowances. This also follows endorsements earlier on by the Governor of the RBA in testimony to the House of Representatives Standing Committee on Economics, where he stated:
... I think an objective observer would say that the size and speed of that response has been one of the important factors in supporting private demand over the past nine months.

Treasury has provided analysis about the impact of the fiscal stimulus in its own right on the overall economy. It has advised that the economy would have contracted by 1.3 per cent over the past 12 months in the absence of stimulus. Instead, as noted just now by the Treasurer, the economy has grown by 0.6 per cent. The stimulus has been essential therefore to supporting jobs. The Treasury is advised that it will support 200,000-plus jobs in each of the next two years.

I think it is worth the House reflecting for a moment on what would happen in Australia if we were currently running the unemployment rates that we have seen elsewhere in the developed world. For example, if we were running the unemployment levels which currently apply in Europe and the United States, there would be 422,000 more Australians out of work, which would mean a million unemployed.

Mr Pyne—Mr Speaker, I rise on a point of order. I invite you to suggest that the Prime Minister conclude his answer now that he has reached four minutes.

The SPEAKER—There is no point of order. The question was in order, and the Prime Minister is responding to the question.

Mr RUDD—It is good to see the Manager of Opposition Business responding so forcefully to the representations made in his joint party room yesterday.

The government’s fiscal stimulus is designed to phase down as the economy strengthens. The Treasury advises that the impact of the stimulus on growth was, in fact, at its peak in the June quarter of this year and that its impact on growth will diminish over coming quarters. As I said yesterday to the House, the stimulus has its maximum effect of 2.2 per cent of GDP in 2008-9, 2.2 per cent of GDP in 2009-10, 1.4 per cent of GDP in 2010-11 and 0.2 percent in 2011-12.

I just draw the House’s attention again to a statement by the Governor of the Reserve Bank, which goes to the impact of both monetary policy and fiscal policy over time in responding to the crisis and the gradual emergence of any signs of recovery in the economy. On stimulus, he said:

... provided it is temporary support while the private sector sorts itself out, and then the government gradually reverses that over time and things go back to roughly where they were—that will be a good outcome, if that is where we end up. It is just like interest rates: abruptly adjust, and then gradually normalise things as the economy normalises.

Just as the government’s economic stimulus was designed to be withdrawn as the economy recovers, the Reserve Bank board will make a judgement as to when monetary stimulus can be safely wound back from its current emergency settings.

The Governor of the Reserve Bank has said that, as the global economy recovers from recession, interest rates in Australia will rise from emergency levels. That means that fiscal and monetary stimulus will both be being withdrawn as the private sector recovers. This represents, overall, an entirely appropriate conservative approach to economic management, which is: as the private economy is weak, the public economy expands and, through public stimulus, as the private economy recovers, those official supports are withdrawn. This is the right approach for Australia under complex and difficult circumstances in the global economy today.

Economy

Mr HOCKEY (2.12 pm)—My question is to the Treasurer. I refer the Treasurer to the remarks overnight of someone he keeps ref-
erencing—the British Prime Minister, Gordon Brown—that his government would ‘cut costs, cut inefficiencies, cut unnecessary programs and cut lower priority budgets to wind back the British fiscal stimulus.’ Given Australia has a far stronger economy and an even larger fiscal stimulus than the United Kingdom, and given daily revelations of waste and mismanagement in the Building the Education Revolution program and other programs, will the government cut its wasteful spending to reduce the upward pressure on interest rates?

Mr SWAN—The member for North Sydney asked me about the government’s preparedness to put in place a fiscal strategy that deals with the challenges of the future. Indeed, we announced our medium-term fiscal strategy in the budget this year, and it takes into account fully the fact that at the moment we have weak growth globally and weak growth domestically. But, as the Prime Minister was saying before, as growth gradually returns and as the private sector demand comes back, the stimulus is gradually withdrawn and, of course, the Reserve Bank from time to time will make adjustments to interest rates—which are at 50-year emergency lows—because fiscal policy and monetary policy should work together when an economy grows. Of course, the logical proposition that those opposite are putting forward here is that in this country at the moment we should pull the rug out from under the recovery by getting rid of stimulus.

They want to walk into this House and pretend that there is some element of fiscal responsibility in their approach when, only a few days ago in the Senate, they knocked off a savings measure worth $9½ billion over 10 years: the means testing of the private health insurance rebate. That measure is an essential part of the medium-term fiscal strategy that we put in place in the budget, particularly in the context of the need to make savings for the long term, given the ageing of the population and the fact that we had to put in place justice in the pension system by giving a $30 increase in the base rate of pensions. What we demonstrated there was long-term fiscal responsibility—of the type, I assume, the opposition should be thinking of. But, the problem is, they are not. Over there they are a complete rabble. They are incapable of putting together an alternative fiscal policy. They are incapable of fronting up to their responsibilities in the Senate, where they should be passing long-term fiscal sustainability measures that we have put in place to make sure the budget is in good shape to cope with the ageing of our population as we go through the next 40 or 50 years.

The government are very serious about our medium-term fiscal strategy, very serious about applying our two per cent expenditure cap when growth returns to above trend, and very serious about doing all of those things that we outlined in the budget to make sure this country is in great shape for the future for our children and our grandchildren. But we understand the responsibilities of the here and now. The responsibilities of the here and now are that the economy requires substantial stimulus to support demand to keep the doors open in retail, to keep the construction sector going, and to give confidence a boost, given how weak the rest of the world is.

The end result of the resilience of the Australian economy, of our economic stimulus and of the lowest rates in 50 years in terms of interest rates and the confidence of the Australian people is the strongest growing advanced economy in the global economy. Those opposite should be celebrating that fact and celebrating the fact that Australians have come together to face down this global recession and produce some extraordinary results. But of course they are not capable of that. All they want to do is play a petty po-
The political game. They are not capable of supporting measures in the national interest, and for that they should be condemned.

**Telstra**

Mr **NEUMANN** (2.17 pm)—My question is to the Minister for Competition Policy and Consumer Affairs and Minister for Small Business, Independent Contractors and the Service Economy. Minister, what are the benefits to consumers and competition of the telecommunications reforms announced yesterday?

Dr **EMERSON**—I would like to make special mention of, and thank, the member for Blair for his question, because we have had several conversations about the National Broadband Network and the importance of efficient telecommunications in his own electorate. The announcement yesterday that the government will require Telstra to structurally separate, together with the reforms announced to the telecommunications regulatory regime, will promote competition and provide better outcomes for consumers. Stronger competition in the telecommunications sector will help put downward pressure on prices, benefiting businesses and consumers right around the country.

Stronger competition will also lead to better telecommunications services and will help promote innovation in the sector. These are fundamental microeconomic reforms. They will finally deal with the longstanding shortcomings of the telecommunications regulatory regime. Telstra is one of the most highly integrated telecommunications companies in the world, and that means that Telstra has been able to maintain its dominant position in most areas of the telecommunications market. A more effective regulatory regime will help ensure competitors have fair access to Telstra’s network and will help prevent anticompetitive conduct. The anti-competitive conduct and access regimes in the Trade Practices Act have been widely criticised as being cumbersome and not providing sufficient certainty for investment. The government will reform the Trade Practices Act to simplify the access regime and ensure greater certainty.

These reforms are integral to the government’s plan to roll out the National Broadband Network, which will be an enormously powerful enabling technology for small business in particular. To take one example, the superfast National Broadband Network will enable small businesses to undertake high-quality videoconferencing facilities, and that will extend their market reach and save time and travel costs.

Through our nation-building infrastructure investment and microeconomic reform program, the Rudd government is supporting jobs and small businesses today by building the productivity-raising infrastructure of tomorrow, and there is nothing more important in infrastructure than the National Broadband Network.

**Building the Education Revolution Program**

Dr **STONE** (2.20 pm)—My question is to the Deputy Prime Minister, the Minister for Employment and Workplace Relations, Minister for Education and Minister for Social Inclusion. I refer the minister to the Colbinabbin Primary School in my electorate, which has been told that it must move one of its existing classroom blocks 3.8 metres, destroying $6,000 worth of concrete ramps, power upgrades, floor coverings and other refurbishments installed only last year as a result of local school council fundraising. This is to make way for a school hall under the Primary Schools for the 21st Century program. Does the minister agree with the school council president, who has written, ‘There has been a very disappointing disregard for the real needs of this school, as as-
sessed by the local school community. Such a waste of investment is very disappointing’?

Ms GILLARD—I thank the member for Murray for her question. I can certainly say to the member for Murray that I agree with the statement of one of her local principals, the principal of the Nanneella Estate Primary School, who said, ‘We’re pleased to have received enough funds to rejuvenate the school and create a modern learning area.’ I certainly agree with that statement.

Mr Turnbull—Mr Speaker, I raise a point of order on relevance. This is a very precise question about a particular school. The minister should address her attention to that school.

The SPEAKER—Order! The question goes to the funding to a school under a particular program.

Ms GILLARD—I can certainly indicate to the member for Murray my support for the 200 projects in the 101 schools in her electorate and the investment of $121 million, of course an investment that she voted against. On the specific matters that she has raised in relation to a local school, I am very happy to look at those specific matters.

Can I say generally that it has been drawn to my attention that the member for Sturt, the relevant opposition shadow minister, in a media release on 16 June said this:

The Opposition has received hundreds of complaints about the mismanagement of the so-called ‘Building the Education Revolution’ … I also note that in an article in today’s Canberra Times, ‘hundreds’ has been dropped by his office to having received ‘60 complaints’.

Mr Briggs—Mr Speaker, I rise on a point of order. Even under your own guidance, this is not relevant to the question.

The SPEAKER—Order! The Deputy Prime Minister is responding to the question. I will listen very carefully to the way in which she relates the material to the question.

Ms GILLARD—The member for Murray has raised an issue about a local school and I am making this very simple point and it is no more complicated than this: I presume that this matter is one of around 60 complaints the opposition says it has. That is a complaints’ record of 0.25 per cent, one-quarter of one per cent, for the biggest school modernisation program in the nation’s history. I will of course investigate the member for Murray’s complaint and I will respond to her directly. On the question of Building the Education Revolution, 9,500 schools and more than 24,000 projects: what is clearly lacking amongst the opposition is a sense of perspective.

Ms Julie Bishop—Mr Speaker, I rise on a point of order. On a number of occasions, the Deputy Prime Minister has said that she will come back to the House with the answer. On a number of previous occasions, the Deputy Prime Minister—

The SPEAKER—Order! The Deputy Leader of the Opposition will resume her seat. There is no provision in the standing orders that covers the request that the Deputy Leader of the Opposition believes she is making. Therefore, there is no point of order. It is not my duty to make critique about responses. But in the response, the Deputy Prime Minister indicated that she would respond directly to the member for Murray.

Ms Julie Bishop—Mr Speaker, I raise another point of order. Following on from what you just said, on a number of occasions the minister has said she will come back to the House with an answer. I have eight questions where she said—

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

Mr Tuckey interjecting—
The SPEAKER—The member for O’Connor will resume his seat. Excuse me! If the member for O’Connor would first let me deal with the matter raised by the Deputy Leader of the Opposition—and there is really no need for that sort of behaviour of slamming down that book—I simply say, in finality, to the Deputy Leader of the Opposition, for the last time I hope for this question time, that there is no point of order. If the member for O’Connor has a point of order, he has the call.

Mr Tuckey—Thank you, Mr Speaker. I draw your attention to the *House of Representatives Practice* and the many examples given of the need for ministers to answer questions, if belatedly, and the conventions and the precedents surrounding that practice, which of course has brought great credit to past governments.

The SPEAKER—Order! I call the member for Forde.

Building the Education Revolution Program

Mr RAGUSE (2.28 pm)—My question is also to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. What effect is the Building the Education Revolution program having on jobs?

Ms GILLARD—I thank the member for his question and I know that he is concerned about supporting jobs in his local community during the days of a global recession. Of course, Building the Education Revolution is about urgently supporting jobs, small businesses and tradespeople in every community across the country during the global recession. One reason schools were chosen for this economic stimulus is that they are in every community across the country. So we are not only supporting jobs and tradespeople in the city but also supporting jobs and tradespeople in rural and regional areas.

Thousands of people are having work supported to deliver these school upgrades.

As I have had cause to say in the House in the past, there are more than 24,000 projects at around 9,500 schools. I would like to take the House to just one and to its support for local jobs. At the Belgian Gardens State School in the member for Herbert’s electorate, the $3.2 million that has been received through the Primary Schools for the 21st Century program and the National School Pride Program is supporting local jobs. The builder, Dickinson Constructions Pty Ltd, is hiring a range of subcontractors, providing work to local businesses including: Amalgamated Pest Control; NatSteel, Garbutt; Townsville Concrete; A Gabrielli Construction; Scott Blocks; Corradini Engineering; G James Glass and Aluminium; Colonial Sheetmetal; Best Doors; High Performance Plumbing; K and F O’Donnell Electrical, Castletown; Cleveland Trade Centre; Project Hardware, Galton; Mark Von Senden Plastering; Alec Morrossi; and RST Airconditioning. So jobs are being supported at this local school as the school engages in the biggest school modernisation program this nation has ever seen.

Given that in this question time there have been questions about the state of the economy and the need for support for jobs, can I say to members opposite and to all members of the House that what this one example shows is how economic stimulus through the biggest school modernisation program in the nation’s history is supporting jobs for local people. That is supported on this side of the House. It is to be deeply regretted that those opposite cannot see their way clear to supporting local jobs.

Building the Education Revolution Program

Mr RAMSEY (2.31 pm)—Almost not surprisingly, my question is also to the Dep-
uty Prime Minister, the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. I refer the minister to a congratulatory letter she wrote to the Australian Technical College - Spencer Gulf and Outback, announcing that it had received a $75,000 National School Pride Program grant to extend a shed as part of the Building the Education Revolution program. As the college has informed the students that it will close at the end of the year, does the minister believe that this $75,000 represents value for money?

Ms GILLARD—I thank the member for Grey for his question. I understand the member for Grey has been interested in and concerned about the future of this Australian technical college. Of course, when the government was elected we were elected with a commitment to deal with the future of each ATC, and there have been different solutions entered into in different parts of the country.

Opposition members interjecting—

Ms GILLARD—My comments go to the question of whether or not it is closing, so that is directly relevant—

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

Mr Pyne—Mr Speaker, I rise on a point of order. The minister was not asked a question about trade training centres and Australian technical colleges. She was asked a question about the National School Pride Program. A $75,000 grant took—

The SPEAKER—The Manager of Opposition Business will resume his seat. The Leader of the House has a point of order.

Mr Albanese—Mr Speaker, I rise on a point of order regarding disruptive conduct. It is very clear that those opposite are embarking on a deliberate strategy to disrupt question time. This year, we have had over 1,000 points of order moved by those opposite, more than 200 from the Manager of Opposition Business, and I would ask you to take action against clearly frivolous points of order.

The SPEAKER—Order! The Manager of Opposition Business has raised a point of order that can be covered by one word: relevance. I am in no position to know the actuality of where this technical college came from, but I would assume that, in the preamble to the response, the Deputy Prime Minister was setting out the circumstances of that technical college, and I am not in a position to adjudicate. That is why an occupant of the chair is in no position to direct the response. On the point of order from the Leader of the House, these are matters for judgment by the chair. I have listened to his point but, on this occasion, I do not agree with him. The Deputy Prime Minister is responding to the question.

Ms GILLARD—Thank you very much, Mr Speaker. I was asked by the member for Grey about the ATC in his electorate. I am responding directly on the ATC in his electorate. His question is asking me, effectively: is that ATC closing and, consequently, is the money being spent on a facility that is closing? I could not be more relevant than (a) to explain whether or not this ATC is closing and (b) to explain what is happening with the Building the Education Revolution money.

On the first point, the future of the ATC he directly asked me about, which I was addressing before the point of order stopped me speaking, the future of that ATC is still under discussion and being worked on. A decision to close that ATC finally has not been taken. On the question of the Building the Education Revolution money and how it relates to the ATC I was asked about, it is dealt with under the guidelines in the same way as the
way any other proposition about the possibility that a school may amalgamate or close—that is, money is not spent on that school until the question of amalgamation or closure is clear. So the answer to the member’s question is that the money is being held; it is not being spent. As the future of the ATC is still being worked through—

Mr Ramsey—Mr Speaker, I rise on a point of order. I feel as though the minister is somewhat misleading the House in that the students—

The SPEAKER—The member for Grey will resume his seat. It is fairly disingenuous to indicate that, under the standing orders, the member is able to stand on his feet and argue a case. That is not the purpose of the point of order. To those who are brave outside this chamber in comments about conduct and who have not offered submissions about it, I simply say that they should tread carefully. We have all collectively—those of us who were not elected at the last election—allowed a situation to develop where we on different days have different opinions about what should be done, but I caution the member for Grey for following the bad habits of others. The Deputy Prime Minister is responding to the question.

Ms GILLARD—Can I conclude by saying to the member for Grey: obviously, the money will not be spent until the future of the facility to which he refers is clear.

QUESTIONS WITHOUT NOTICE

Emissions Trading Scheme

Ms GEORGE (2.38 pm)—My question is to the Treasurer. Why is it so important that business gets the certainty it needs from the implementation of the Carbon Pollution Reduction Scheme, and why is it so vital for Australia to move forward towards the low pollution economy of the future?

Mr SWAN—I thank the member for Throsby for her question, because it is indeed vital for our economy that the Carbon Pollution Reduction Scheme be passed this year. It is vital because it is needed to deliver investment certainty to support the economic recovery. It is vital to deliver investment certainty that is needed to support new investment—of course new investment vital for a low pollution economy. And it is vital to support the green jobs of the future.

The business community is convinced of this need for certainty. We had the BCA earlier this year say:

In the interests of business certainty, the BCA calls on the Senate to pass legislation this year to establish a Carbon Pollution Reduction Scheme—a complete repudiation of the position of those opposite. There was the statement from the Ai Group:

AI Group has consistently called for the legislation to be passed this year. This is critical to establish the degree of certainty business requires in assessing medium and longer-term investment decisions.

So two of the major peak business organisations in this country are supporting the passage of this legislation because it is important for certainty, it is important for investment and of course it is important for jobs.

We had a report from the Climate Institute out this week which demonstrates the nature of the challenge that the economy is facing. This report ranks Australia’s low-carbon competitiveness as 15th out of 19 countries
that have been surveyed. So we have a very long way to go. This low ranking reflects the energy-intensive structure of our economy, the predominance of coal-fired electricity generation and our large untapped energy efficiency potential.

Of course, Treasury modelling shows that economies that act early to address these challenges will face lower long-term costs. So not just is it important to get going in terms of sustainability; it is important to get going so we can get a lower cost outcome. We on this side of the House understand the importance of this. Those opposite are so out of touch and so out of step they have no idea what to do about this vital piece of legislation so essential for our future economic prosperity. They are simply stuck in the past.

There was a good example of how divided they have become in their party room yesterday. It is pretty fair to say that their climate change policy could have been crafted for them by the cast of *The Flintstones*. You have the member for Goldstein over there: Barney Rubble. You have the Leader of the Opposition over here: Fred Flintstone. You have the brontosaurus up the back, the member for O’Connor, being very difficult. And, of course, you have a few running around the floor playing up. You have Pebbles over there, the member for Sturt; and you have Bamm-Bamm—

Dr Stone—Mr Speaker, I rise on a point of order. Clearly, this is irrelevant and an abuse of question time in this parliament.

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

Mr SWAN—Yes, Mr Speaker, this is a very serious issue which deserves a serious response from those opposite, and there is not one forthcoming. We on this side of the House have put forward a Carbon Pollution Reduction Scheme; we have had a green paper; we have had a white paper; we have had legislation; we have got the RET through. But what the country needs is certainty. The business community needs certainty to drive investment. It is absolutely critical to recovery and it is absolutely critical to prosperity in this economy for the long term.

Earlier today, I think, the former Leader of the Opposition had a few things to say about the need for the Liberal Party to stand for something. Mr Speaker, they should stand for business certainty, they should stand for a low pollution economy, they should stand for investment and they should stand for green jobs. They should do all of those things, but because they are stuck in the past, because they are incapable of taking a decision, because they are a divided rabble in the parliament, the country cannot get the certainty it needs and those opposite are frustrating important legislation that goes to the very core of our future prosperity.

**Building the Education Revolution Program**

Mr JOHN COBB (2.44 pm)—My question is to the Deputy Prime Minister, Minister for Employment and Workplace Relations, Minister for Education and Minister for Social Inclusion. I refer the minister to the construction of demountable classrooms at Mullion Creek and Errowanbang schools at a cost of $550,000. Is the minister aware that the schools have attempted to contact her office by phone and email to tell her that these demountables do not meet the needs of these schools and could be constructed by local tradesmen at half the cost? Minister, how does paying a 100 per cent premium represent value for our taxpayers?

Ms GILLARD—I thank the member for Calare for his question and for his reference to two of the 129 schools in his electorate that have 298 projects under the Building the Education Revolution program at a cost of $146 million. On the issue of the schools that
the member specifically raises, I am obviously happy to look at the issue that he raises. On the question, I am very happy to look at the issue—

Opposition members interjecting—

The SPEAKER—Now that the member for Bowman, it seems, will allow me to give the call to the member for Cowper, the member for Cowper has the call on a point of order.

Mr HARTSUYKER—Mr Speaker, I rise on a point of order going to relevance. These schools have tried to contact their minister’s office and she has not responded.

The SPEAKER—Mr Pyne interjecting—

The SPEAKER—Mr Hartsuyker will resume his seat.

Mr Pyne interjecting—

The SPEAKER—The member for Cowper is warned! He can raise a point of order but he cannot debate it. The Deputy Prime Minister is responding to the question.

Ms GILLARD—Can I conclude by saying that, given that track record—one diary matter raised during this parliamentary fortnight which was completely incorrect; one building comparison raised by the shadow minister for education which, on investigation, proved to be completely incorrect—and against that background, I am sure the member will understand why, when matters are raised with me in question time by opposition members, what I say is: I will investigate them. And I will investigate them.

Energy Efficient Homes Package

Mr BEVIS (2.49 pm)—My question is to the Minister for the Environment, Heritage and the Arts. Would the minister update the House on the rollout of the government’s Energy Efficient Homes Package? What steps has the government taken to maximise the benefits of the package for Australian households?

Mr GARRETT—I thank the member for Brisbane for his question, knowing the great interest he takes in seeing homes in his electorate getting ceiling insulation from the government’s Energy Efficient Homes package, which has now provided roof insulation to some 289,000 Australian households and solar hot water for over 70,000 households. Critically, the estimated reduction in greenhouse gas emissions from the residential sector is around 470,000 tonnes of greenhouse gas emissions over the next year alone and over half a million tonnes if we include solar
hot water. This is the largest ever rollout of energy efficiency to Australian households. It is producing jobs and it is reducing greenhouse gas emissions as well. We have some 7,300 businesses now registered to take part in the insulation program. That translates into thousands more individual installers and thousands of jobs. Let us be very clear: these jobs would not now be underway if the coalition had had their way, because they opposed these measures.

We on this side of the House are committed to ensuring that there is value for money for the work that is done. I am aware that there have been reports of some issues with the rollout of the scheme. That is why I want to assure the House that I will continue to monitor the effectiveness of the compliance measures that are in place and I will not hesitate to adjust them, if required, to ensure that each and every installer of insulation around this country provides the best possible service to their customers. We are also committed to ensuring that all issues and complaints, whether from installers or households, are dealt with effectively. Part of this process means ensuring the accuracy of complaints so they can be properly followed up. I can inform the House that we have followed through on some particular issues that were raised by the opposition in question time on 19 August. The member for Hinkler referred to a company called AllSafe Energy Efficient Products, providing, he said:

.. 14 different examples of fraudulent and misleading practices by unscrupulous operators ...

He went on to say:

There has been no further response to—

the installer’s—

14 areas of complaint from the department or the minister’s office.

I can inform the House that there has been further response on the issues raised by the member for Hinkler—a response in fact from the general manager of AllSafe Energy Efficient Products, sent to me on 20 August and titled ‘Incorrect statements made by the member for Hinkler in parliament on 19 August 2009’. In this letter the general manager says:

We wish to preface that Mr Neville has misrepresented the nature of comments made by AllSafe Energy Efficient Products’ Bundaberg franchise.

It goes on to say:

Our outlet, as a longstanding provider of insulation to the region, recently provided comment to the Bundaberg media regarding what measures consumers could take to ensure they were dealing with a reputable insulation contracting company, and as a result of the media exposure we are advised that on 18 August Mr Neville’s office representative … contacted our Bundaberg office under the guise of requesting advice on how consumers could avoid less reputable insulation contractors.

He writes:

I am assured that our franchisee in Bundaberg has not lodged 14 complaints regarding other insulation installers. Further to this, I would have thought that Mr Neville or his representative would have acted more responsibly and with a greater sense of fair play than to take information provided in good faith by an unauthorised office junior as the express opinion of AllSafe Energy Efficient Products.

Mr Garrett—he says—

to be frank, we believe that Mr Neville’s comments in parliament were political point-scoring.

He goes on to say:

If anything, we actually fear that his comments only serve to hamper your intended policy of stimulating the economy and employment.

He goes on to say, in fact:

I am told by our Bundaberg franchisee that his operation has employed 12 new staff as a direct result of the government’s stimulus package.
These jobs would not have been available if the coalition had had their way. They have been undermining the most successful rollout of energy efficiency in our history, they are undermining the thousands of jobs that go with a rollout of ceiling insulation and they are now undermining the good reputation of insulation businesses.

It is very disappointing, but here is one more example of the opposition’s complete failure to support or comprehend the need for us to take action on climate change generally. I note what the Treasurer said when he made his remarks previously about having to stand for something, because there is the title of a song that comes to mind, and that is simply this: You’ve Gotta Stand for Something or You’ll Fall for Anything. You only need to read the reports in the papers today about the party room. I have to say I have some affection for the member for Bradfield’s habits and hobbies. I know he enjoys playing guitar. I know he rides a motorbike.

Mr Dutton—You’re the biggest fraud in this parliament, Garrett.

The SPEAKER—The member for Dickson will withdraw.

Mr Dutton—I withdraw.

Mr Morrison—Mr Speaker, I rise on a point of order. Given the length of the answer, the minister’s verbal emissions permit has expired.

The SPEAKER—The member for Cook will leave the chamber for one hour under standing order 94(a).

The member for Cook then left the chamber.

The SPEAKER—The minister has the call. The minister, in conclusion.

Mr Garrett—Thank you, Mr Speaker. As they vacate the parliament of Australia, I make the following point. I think I recognise the significance of the member for Bradfield’s contributions generally, but you need only to read the reports of the response to the member’s speech in the coalition party room rejecting emissions trading which ‘triggered loud applause and a cascade of supportive speakers’. I have fronted a few audiences in my time, and it is very rare that you get a standing ovation for going backwards, and that is what the coalition is doing.

Building the Education Revolution Program

Mr Hawke (2.56 pm)—My question is to the Deputy Prime Minister, the Minister for Employment and Workplace Relations, the Minister for Education and the Minister for—ahem!—Social Inclusion.

Honourable members interjecting—

Mr Hawke—Well, I didn’t give her that title!

The SPEAKER—Order! The member will get to his question.

Mr Hawke—I refer the minister to the fact that, before the Primary Schools for the 21st Century program was announced in February, schools in New South Wales were charged $285,000 to construct a seven-core modular library. Minister, considering the Annangrove Public School in my electorate is now being charged $727,000 for the same library under the Primary Schools for the 21st Century program and already has a functioning library, and that the P&C wanted a hall built instead, does the minister maintain that this represents value for money?

Opposition members interjecting—

The SPEAKER—Order! The question has been put, and then we have interjections on blank air, even before the question has started to be responded to. Members on my left will remain quiet.

Ms Gillard—I thank the member for Mitchell for his question. I think it is a bit unfortunate that he cannot say the words ‘so-
cial inclusion’ without choking, because I would have thought that kind of fair and decent treatment of all Australians ought to be an objective shared by all members of the House. Clearly I am wrong about that.

The member for Mitchell raises with me the question of building costs under the Building the Education Revolution program. The member for Mitchell has raised this with me in the past in relation to the Baulkham Hills school in his electorate, which he raised in this parliament. What he raised at that time was an assertion that the school was being asked to accept a new hall rather than an extension to an existing hall. In making that claim in this parliament, the member for Mitchell was wrong. Having investigated the matter, of course the school is not having its hall pulled down. The proposal is to have the existing hall back-converted to provide two classrooms and to have a new hall built.

Ms Julie Bishop—Mr Speaker, I rise on a point of order. This may have been an answer to a previous question. We are asking about Annangrove Public School, and I would ask the minister to be brought back to this question.

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

Ms Gillard—I was asked about matters relating to building costs under the Building the Education Revolution program. I am simply making it clear to the member for Mitchell—who I assume is interested in schools in his electorate and, consequently, would be interested in the answer—that the assertion that he made in this parliament about Baulkham Hills High School is not correct. The member has come in today and made an assertion about another school in his electorate. I am sure I would be forgiven for making the remark, given that the current average of the member for Mitchell for raising these matters accurately in this parliament is zero. I will look at the matter he has raised with me, test whether or not it is accurate and respond to it—but, of course, the member for Mitchell made an inaccurate statement in this parliament last time he questioned me. I will test whether or not his current claims are accurate. On the basis of his track record, one needs to be very sceptical about the things said by the member for Mitchell in this place.

Climate Change

Ms GRIERSON (3.00 pm)—My question is to the Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change. Why is it important, Minister, to have a coherent and unified position in combating climate change?

Mr COMBET—Earlier, the Treasurer made the case for the Carbon Pollution Reduction Scheme because of its importance in generating business certainty. The most significant barrier—the barrier to the passage of the Carbon Pollution Reduction Scheme and the reductions in greenhouse gas emissions in our economy that would follow—is the coalition. The fact of the matter is they are stuck in the past on this important public policy issue. After one year of leadership of the coalition by the member for Wentworth, the coalition still have no policy on this issue. In fact, the sceptics have gained ground and the evidence is that the coalition are splitting on this issue. In fact, the reports following the Nationals conference a couple of weeks ago demonstrate that none other than Senator Barnaby Joyce has assumed a leadership role on climate change policy in the coalition. This is what Senator Joyce had to say in establishing his claim to leadership on this public policy matter:
I am not sceptical about climate at all. I walk round in it every day. I breathe it, I know it is there.

At least it clarifies something: he does know that climate exists! But that is about as far as you can take it.

In recent times the Nationals have split from the Liberals on this issue by dumping any commitment to an emissions trading scheme. It is clearly the position of the Nationals that they are opposed to emissions trading. That is their stated position. Only two months ago the member for Wide Bay, the Leader of the Nationals, stood with the Leader of the Liberal Party, the member for Wentworth, and made a commitment to the government’s emissions reductions targets by the year 2020. The Nationals have now also dropped that commitment; they have abandoned that position.

And the disunity on that side of politics on this issue is getting worse. Only today the Leader of the Opposition, the Leader of the Opposition in the Senate, Senator Minchin, and the member for O’Connor articulated three different and completely contradictory positions on the issue of amendments to the Carbon Pollution Reduction Scheme. Senator Minchin adopted quite an interesting stance, particularly given his experience as a parliamentarian. Senator Minchin’s position is that the government should formulate the amendments for the opposition and the opposition can then consider them. I will tell you what: we will give you an amendment. Just vote for it! Just stand up and vote for it; do the right thing. The Leader of the Opposition has a different position. He articulated what we understood to be the policy of those opposite, and that is that the Liberal Party will formulate its amendments and put them forward. We look forward to that position. I will come back to it. The member for O’Connor had another different position altogether—at the doors, of course. The member for O’Connor indicated that a majority of the coalition party room opposed the Carbon Pollution Reduction Scheme, opposed the targets and opposed the emissions trading scheme and that it was all going to get voted down. They are a shambles on this important policy issue—a complete rabble.

Then we see the media reports today. The minutes of the coalition party room meeting were published, I think, in the Age today with all the lists of those who stood up and spoke against emissions trading.

Mr Hockey—The minutes? What are you talking about?

Mr COMBET—They read like the minutes. The member for Menzies, who we understand to be the policy commissar for the Liberal Party, opposes it, we understand. The member for Tangney got up. We know him to be a sceptic. The member for Mackellar had a few things to say. She is not in the chamber at the moment, but she has advanced quite an interesting theory on these matters in the past. Apparently, she believes that the burning of cow dung is the principal contributor to emissions problems in the international economy and that we are to try to provide some kind of oven for those across Asia to address this issue. Their position is a shambles. What needs to happen here is some unity and some ordinary discipline demonstrated by major political parties on that side of parliament over this important issue. They need to sort out their position, articulate a policy, formulate amendments to government legislation, put the amendments forward, sit down with the government and negotiate a stance. Get your act together.

Mr Turnbull—In the absence of any answers, we should have at least a debate about this schools program. I seek leave to move a motion of censure against the Deputy Prime Minister.

Leave not granted.
DEPUTY PRIME MINISTER
Suspension of Standing and Sessional Orders

Mr TURNBULL (Wentworth—Leader of the Opposition) (3.06 pm)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Leader of the Opposition moving immediately:

That this House censures the Deputy Prime Minister for her inept management of the $16.2 billion school halls funding program which has been plagued by repeated examples of waste and mismanagement culminating in a $1.7 billion blow-out in the Primary Schools for the 21st Century component, exposing it as little more than a cynical political attempt to promote the Deputy Prime Minister and the Rudd Government at the taxpayers’ expense and in particular for:

(1) rolling over to State Governments by allowing them to “cream off” so-called project management charges which divert funds from schools;

(2) joining forces with her state counterparts to demand schools use their preferred contractor mates, rather than local tradespeople;

(3) bullying schools to accept mass produced demountables and “one size fits all” projects, rather than what local communities want, with the threat that if they speak out, they will get nothing;

(4) ignoring advice from Principals, education experts, the Education Union, building firms, planning experts, and the Opposition about how to improve this program;

(5) providing funding for projects in schools that are closing;

(6) designing a program that effectively treats public and non-government schools very differently, allowing non-government schools the flexibility to build the projects they want or need, while government schools are forced to work within the rigid and incompetent confines of State bureaucracies;

(7) forcing all schools in Australia to display taxpayer-funded signs which have been declared political advertisements for the Government by the Australian Electoral Commissioner;

(8) being the first in line to take credit for any good news stories, but refusing to take responsibility for the litany of problems, or for the waste and mismanagement of such an extraordinary amount of taxpayers’ borrowed money; and

(9) treating this Parliament and the Australian taxpayer with contempt by failing to take responsibility for this debacle and give the frank answers demanded of a Minister in charge of a multi-billion dollar program.

In any other government at any other time in our history, a $1.7 billion blow-out in the cost of a major public spending program would be regarded rightly as an unforgivable dereliction of duty by the responsible minister in the conduct of their portfolio, but not this government and certainly not this minister.

This Deputy Prime Minister is scornful of all or any scrutiny. She is disdainful of all or any attempts to hold her to account for the spectacular waste and mismanagement occurring under her watch. Rather than answer legitimate questions—51 of them—about the debacle she calls her Primary Schools for the 21st Century, she has come into this House on a daily basis and dismissed all scrutiny of this program as nitpicking and has accused the opposition of having a lack of perspective. Nitpicking! This is a minister who has taken a $14.7 billion commitment of borrowed money and rolled it out with such indecent haste and with such staggering and wasteful incompetence that it has turned into a public policy fiasco that will now cost Australian taxpayers $16.2 billion.

Not only is this program running away over its projected cost, it is a one-size-fits-all program that ignores the pleas from school communities to give them the buildings and the facilities they actually want and need. Every day, more and more principals and
parents feel compelled to come forward with horror stories of faceless bureaucrats imposing on them buildings that cost more than they should and that do nothing to address their needs. As each day passes, we see the squandering of hundreds of millions upon hundreds of millions of dollars in money borrowed from future generations. Every day, this Deputy Prime Minister walks into parliament and refuses point blank to answer questions about the failings in her portfolio.

We have never seen a Deputy Prime Minister more willing to treat this parliament and the Australian taxpayer with such contempt by refusing to answer for her mismanagement, and it is a mismanagement which we warned the government about. Back in February when they proposed this school hall program, when the ‘Julia Gillard Memorial Assembly Hall Program’ was rolled out and announced in this House, we said that we had very grave doubts about the capacity of the government to spend $14 billion—in the days when it was only $14 billion—on school halls through state governments in two years. We proposed instead a different approach that reflected the difference in our values, because the difference between us and Labor is that Labor believes government knows best. The Julia Gillard memorial assembly hall is what you need whether you know it or not—that is the message from the Deputy Prime Minister.

We proposed a $3 billion schools stimulus program based on the Investing in Our Schools program, which would have reached out to school communities and said to them, as our program did when we were in government, ‘What do you need? What do you want? What is the project, the building, the renovation, the equipment that you need? Let us know what it is and we will support it.’ If the government had taken that counsel—and it is not too late for them to take that counsel—then they would at least ensure they would actually have school projects being built that represent what the schools need.

Today we have heard about the Colbinabbin Primary School. The Deputy Prime Minister dismissed that with contempt. That is just a bit of nitpicking, apparently. The President of the School Council, Ramon Rathjen, said:

The choices regarding the expenditure of BER funds have been virtually nonexistent as the one-size-fits-all approach has not satisfied our particular needs.

He went on to say:

We feel obliged to raise our concern in order that funds do deliver value for money.

At Colbinabbin, the school community is concerned about delivering value for taxpayers’ money, but the Deputy Prime Minister is not. What does that say about the values of this government? The parents and citizens of a small school in rural Australia want to get value for money. They want to see the government delivering value for money. They want to see expenditure on projects that are really needed. The Deputy Prime Minister does not care. She dismisses it as nitpicking and accuses us, and no doubt the P&C at Colbinabbin, of having a lack of perspective.

Then we have heard today also of the bizarre funding saga at the Annangrove Public School. Having received an $850,000 grant, the school is told they are going to get a library. However, they already have a library that they are more than happy with. The school asked for a hall and a library was the least desired option offered to them by the education department. In other words, they got the thing they wanted the least.

It gets worse. The library they are getting is essentially a demountable. In February, the New South Wales Department of Education and Training was costing these libraries at $285,000—that is what it said they cost. They are now being charged $727,000 for a
library they did not want and do not need—a $442,000 mark-up in seven months. Where has that money gone to? Does the Deputy Prime Minister care? She does not care. She says that is just nit-picking. The school cares; the school is concerned; the citizens of Australia—the taxpayers of Australia—are concerned about this.

So we have seen right through this program the inevitable consequence of Labor’s wasteful, hasty, reckless borrowing and spending. They are spending so much money in such a rush that they are wasting it and imposing on schools facilities they neither want nor need. And who benefits from it? Nobody benefits but the Deputy Prime Minister herself. Whether the school hall is wanted or needed or not, there will be a big sign imposed by law until March 2011 proclaiming the greatness of the deputy dear leader herself. This is a disgraceful waste of public funds and it reflects an indifference to recognising the importance of managing our public finances in the public interest.

The SPEAKER—Is the motion seconded?

Mr PYNE (Sturt) (3.16 pm)—I second the motion, Mr Speaker. This suspension of standing orders should be carried because this part-time Minister for Education deserves the censure of the House, not least because of the waste and mismanagement over which she has presided since February this year, but primarily by the parliament of Australia because of her utter inability and her refusal to be responsible and accountable for the decisions being made to spend $16.2 billion of taxpayers’ money.

She has been asked 51 questions in this House about examples of waste in Building the Education Revolution. She claims that she has received 49 complaints. This is of a piece with the spin that we always get from this government because, at the same time, the Deputy Prime Minister says that the federal government is not responsible for the spending of the money. It is block grant authorities; it is state and territory governments. So, of course, the complaints would have largely gone to the block grant authorities and the state and territory governments. But yet again, this is the spin you expect from the government.

Today she tried to claim that I had said we had 60 complaints in my office. I checked with my staff. We said that we had 60 complaints in our hands alone yesterday. That does not include the hundreds of complaints, the hundreds of concerns, we have received from parents and citizens, from principals, from teachers—from ordinary Australians across Australia—since February. They have come to us mostly anonymously because, as somebody said to me, ‘This government has a mean streak a mile wide.’ This is a vindictive government, an intimidatory government. The guidelines themselves require that principals and parents and citizens’ chairs do not speak out for fear of losing their funding. The Victorian and Queensland governments have made that absolutely clear: if schools speak out, they will lose their money.

Most of the concerns we have received have come via emails, phone calls and letters but they are too concerned about the funding going to their schools and being ripped away from them, even though they may not want the ‘Julia Gillard Memorial School Hall’ being imposed on them, because they know how vindictive and how intimidating this government is. It is not a defence for the minister to say that she has had 49 complaints.

Over the last six months, this opposition has raised issues: about profiteering; about state skimming; about project management costs—$565,000 for six months’ work; about unwanted projects when schools had plans
already in place for things they actually wanted; about the fact that public schools have no choice about what they get and private schools are spending the money on things that they want; about uncontrolled spending, as you have heard today about the Annangrove School, which is just another example, and we have raised many; about senseless edicts from bureaucrats, like moving a hall 3.8 metres, which wastes $60,000; about hard-earned money that school communities have raised through lotteries, raffles and cake stalls and stupid edicts from bureaucrats; about one-child schools receiving $250,000; about one classroom costing at least $850,000; about grants going to schools that are closing; about priority being given to $3.8 million for display signs and $3.5 million for plaques; and, finally, about the $1.7 billion blowout in the program, taking money from social housing and from science and language laboratories in needy schools—at least 146 across the country—in order to prop up the ego of the Deputy Prime Minister, who can never be wrong, who can never take responsibility, who will never be accountable and who will never answer a question.

This minister is like the air stewardess on Flying High, or the scout cub leader on Friday the 13th or—for those who do not understand those movies—the captain of the Titanic saying: ‘Climb on board. Everything’s going really well.’ It is only taxpayers’ money! There is nothing to worry about; it is all perfectly safe. But, in fact, this is taxpayers’ money, Deputy Prime Minister. It is $16.2 billion. It is supposed to be the flagship of the government’s spending and it is a shambles. It is a shemozzle and you should be censured by the House for your failure to keep this program under control.

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (3.21 pm)—I think it falls to me to introduce a thing called facts into this debate. I am not surprised that the Titanic came to the mind of the shadow minister when he gave his contribution because, with this motion to suspend standing orders, raised against the backdrop of, I think, the flattest question time that we have seen in many a long day from the opposition, what we have in fact seen today is the leader of a divided party just drowning. He is not even waving; he is just drowning. It is an embarrassing performance from the opposition. Let us remember that, at the start of this parliamentary fortnight, the opposition were out backgrounding, trying to capture any journalist they could find to write about their fiery question time attacks and the great assault that they could find to write about their fiery question time attacks and the great assault that they were going to lead on Building the Education Revolution and on this government. But, as we move out of this parliamentary fortnight, what have we seen? We have seen the media spotlight on the poor tactics of the opposition and we have seen newspapers editorialising against the performance of the Manager of Opposition Business.

As this parliamentary fortnight draws to a close, let me assure the House that my greatest risk of injury in relation to Building the Education Revolution is getting knocked over at a local school by a Liberal member who wants to get in the photo shot and push me out of the way. That is my greatest risk of injury in relation to Building the Education Revolution. I certainly cannot afford to wear high heels when I go to local schools; I need plenty of traction on the ground, as they thump and buff at me to get in the shot. But of course whilst they conduct themselves like that out in their electorates, when they come into federal parliament and into federal parliament alone—it is only in this green chamber; only in this bubble—they criticise Building the Education Revolution. Back at home, they cannot wait to get in the shot.
They then walk into this parliament and make criticisms. The shadow minister puffs himself up and gets red in the face when all these criticisms roll out. But of course when we look at these criticisms, held up to the light, the opposition's criticisms have, overwhelmingly, turned to dust. Most particularly, the criticisms made by the shadow minister himself have turned to dust.

With respect to the criticism about Berri-dale—hehere he is with his 'per square metre' facts and figures—we actually went and had a look at that and, no, it was not true. Then the member for Sturt is in the chamber saying that I gave a solemn promise to the member for Bradfield to visit one of his schools and I have not honoured that promise and I have not got back to him—and, of course, when we hold that criticism up to the light, it is just not true.

Sometimes when allegations are raised we ask members if they will forward some evidence to help us investigate them. For example, we did that with the member for Mayo. He came back and said he would not forward the evidence. Then, of course, we have the member for Mitchell, who had the temerity to get back up on his feet today. The last allegation he raised in this parliament was simply not true. Then the member for Cook—who, I think, has been excluded from the parliament today for inappropriate conduct—raised an issue about Cecil Hills school and a comparison with another school building. When we held that up to the light, it was just not true. We had the Deputy Leader of the Opposition in here talking about administrative fees in the Northern Territory. We held that up to the light and it was just not true.

Members opposite might come in here with their litany of allegations, but if they are going to make allegations in this parliament then they need to actually show some evidence in relation to those allegations. Time after time after time, they have failed that test. They have made a series of false claims about Building the Education Revolution. They have made claims about cost blow-outs. The last schools program that required a government to go back to budget and get more money to fund it because of cost blow-outs was the Howard government’s Investing in Our Schools program. Then the opposition get a newspaper to publicise claims that they have broken down the number of science and language centres in schools in Labor seats versus non-Labor seats and that they found a deep and dark conspiracy distorting, apparently, away from coalition held seats. But when that claim is looked at objectively it is, of course, not true. The number of science and language centres in Labor seats, as a percentage, is actually less than the number of seats that are held in the House.

But perhaps the most breathtaking denial of the opposition about all of this—which really makes you have to wonder about how out of touch they are not only about the values and aspirations of ordinary Australians but also about a simple thing called reality—is that the Leader of the Opposition is now trying to write history backwards and say that the position of the opposition all along on Building the Education Revolution was that it was a damn fine idea, but they were always worried about the implementation and the rollout of it. Well, Leader of the Opposition, I do not know whether the stress of your job and the divisions in your party room are playing tricks with your memory, but they were always worried about the implementation and the rollout of it. Well, Leader of the Opposition, I do not know whether the stress of your job and the divisions in your party room are playing tricks with your memory, but that is simply not true. You marched into this parliament and, when asked to vote for the biggest school modernisation program in the nation’s history and asked to vote for supporting jobs in Australia in every community around the country during the days of a global recession, you did not talk about implementation risks—you simply said no. You
sat on those seats over there and you voted no.

The SPEAKER—Order! The minister should refer her remarks through the chair.

Ms GILLARD—The opposition voted no in the divisions on school stimulus, they voted no in the divisions on economic stimulus and, when asked to support schools around the country, they sat on those seats over there and they just said ‘No.’ Of course, they have sought to cover up that ‘No’ ever since. They seek to cover up in their electorates by jumping in the shot and pretending they are associated with the project. They seek to cover up by saying, from time to time, ‘It’s all waste,’ and then on other days they say, ‘Some of it’s waste.’ On some days they say, ‘We’re opposed to all of it,’ and then on other days they say, ‘We would have run a smaller program.’ At some point, they have to come into this parliament and answer the very simple question: ‘Given you just voted no, if the position of the opposition is not simply a blanket no to all of this funding then how much of this funding would you have delivered as a government?’

Mr Hockey interjecting—

Ms GILLARD—What are the names of the schools who would have missed out under the program that would have been run by this opposition if they had been in government? They are bandying figures around now like $3 billion. If it would have been a $3 billion program, they should produce the names of the thousands of schools that would have missed out if they had been the government. No-one will take them seriously on this point until they do.

The shadow Treasurer is wont to wander around the media and compare this campaign to the campaign about Australian workplace agreements and the raising of individual examples in this parliament. I say to the shadow Treasurer: the problem with that perspective is that, when we were campaigning against AWAs, we knew where we stood on them. We knew what we would have done if we had been the government, and we had a fair work policy. The one thing the opposition does not know on Building the Education Revolution is where it stands on it because it does not want to tell the truth about which schools would have missed out.

I conclude by saying that people around the country who support education support this program. If you ask Therese Temby, the Chair of the National Catholic Education Commission, she will say she supports it and that it is being delivered well. If you ask Bill Daniels, the Executive Director of the Independent Schools Council, he will say he supports it and that it is being delivered well. If you ask school communities around Australia, they will say they are delighted by it. Yes, in a program of this size and scale there are going to be the occasional problems. But the shadow minister, when put to the test, is in the media today saying he has 60 complaints. That is a complaint rate of 0.25 per cent in the biggest school modernisation program in the nation’s history, which is being delivered urgently in order to support jobs. I know the Leader of the Opposition has a difficult life and I know the opposition is fundamentally divided on this, but this has really been pathetic by the opposition. (Time expired)

Question put:
That the motion (Mr Turnbull’s) be agreed to.
The House divided. [3.36 pm]
Wednesday, 16 September 2009 HOUSE OF REPRESENTATIVES 9783

(The Speaker—Mr Harry Jenkins)

Ayes............ 61
Noes............ 81
Majority........ 20

AYES
Abbott, A.J. 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. Marano, N.B.
Markus, L.E. May, M.A.
Mirabella, S. Meylan, J.E.
Nelson, B.J. Pearce, C.J.
Pyne, C. Ramsey, R.
Randall, D.J. Robb, A.
Robert, S.R. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. Simpkins, L.
Slipper, P.N. Smith, A.D.H.
Somlyay, A.M. Southcott, A.J.
Stone, S.N. Truss, W.E.
Tuckey, C.W. Turnbull, M.
Vale, D.S. Washer, M.J.
Wood, J. Ferguson, L.D.T.

NOES
Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.E.
Burke, A.S. Byrne, A.M.
Campbell, J. Champion, N.
Cheeseman, D.L. Clare, J.D.
Collins, J.M. Combet, G.
Crean, S.F. D’Ath, Y.M.
Danby, M. Debuss, B.
Dreyfus, M.A. Elliot, J.
Ellis, K. Emerson, C.A.

Ferguson, M.J. Garrett, P.
Geoghegan, J. George, J.
Gibbons, S.W. Gillard, J.E.
Gray, G. Grierson, S.J.
Griffin, A.P. Hale, D.F.
Hall, J.G. * Hayes, C.P. *
Irwin, J. Jackson, S.M.
Kelly, M.J. Kerr, D.J.C.
King, C.F. Livermore, K.F.
Macklin, J.L. Marles, R.D.
McClelland, R.B. McKew, M.
McMullan, R.F. Melham, D.
Murphy, J. Neal, B.J.
Neumann, S.K. O’Connor, B.P.
Oakeshott, R.J.M. Owens, J.
Parke, M. Perrett, G.D.
Plibersek, T. Price, L.R.S.
Raguse, B.B. Rea, K.M.
Ripoil, 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. Symon, M.
Tanner, L. Thomson, C.
Thomson, K.J. Trevor, C.
Turnour, J.P. Vamvakian, M.
Zappia, A.

* denotes teller

Question negatived.

QUESTIONS WITHOUT NOTICE

Asylum Seekers

Dr STONE (3.39 pm)—My question is to the Prime Minister. I refer the Prime Minister to his 2007 election eve declaration. He said that a Labor government would turn back asylum seeker boats because—

Government members interjecting—

The SPEAKER—Order! The member for Murray has the call.

Dr STONE—I repeat—

Mr Albanese interjecting—

The SPEAKER—Order! The Leader of the House!
Dr STONE—I am quoting the Prime Minister’s statement on the eve of the 2007 election: ‘Deterrence is effective through the detention system but also your preparedness to take appropriate action as … vessels approach …’ Prime Minister, with over—

Mr Albanese interjecting—

The SPEAKER—Order! The Leader of the House!

Mr Albanese interjecting—

The SPEAKER—Order! The Leader of the House is warned. The member for Murray has the call.

Dr STONE—With over 32 boats and over 1,500 unauthorised arrivals since August 2008, when the government began unravelling the immigration policy of the coalition, and with the interception of three more boats in the last few days, will the Prime Minister now concede that he has lost control of who comes into Australia?

Mr RUDD—I thank the member for Murray for her question, which I know would have been personally authorised by the member for Wentworth, the Leader of the Opposition. And I know that the question would also have been authorised by the member for North Sydney as a member of the tactics committee. The honourable member referred to—

Opposition members interjecting—

Mr Hockey—Mr Speaker, I rise on a point of order. The point of order is relevance. I would ask the Prime Minister to have the courage to move a substantive motion if he wants to make those allegations.

The SPEAKER—That is not a point of order.

Mr Baldwin interjecting—

The SPEAKER—The chamber really should come to order. I simply say to the member for Paterson that the behaviour of the chamber on both sides has led to the delay, so that sort of commentary is hardly assisting—or an intelligent observation of what is going on. The Prime Minister has been about the only person who has not said anything very much since—

Opposition members interjecting—

The SPEAKER—As I said earlier, there have been many brave people who have been making comments outside the chamber about the conduct of the chamber. Many of them are people who have had greater tolerance from the chair than they perhaps deserved. I simply make the point that most of the chamber—except, now, a handful of exceptions—thought that this was an opportunity for them to have interjections out into the ether. The Prime Minister has been asked a question. Obviously it raised emotional responses from a lot of people. But that is something that members will have to learn to live with. The Prime Minister has the call to respond to the question.

Mr RUDD—I would have thought it was unremarkable to observe that a question like that would have been asked with the support of the tactics committee of the Liberal Party and the National Party. I am not sure whether it would have necessarily had the support of the member for McMillan or the member for Pearce or the member for Kooyong or other members in this place, but there you go.

The honourable member asked questions about asylum seekers and referred to some statistics on that question. I would remind the honourable member that in the period of the Howard government there were around 13,663 arrivals in Australia. In the period that this government has been in office—and this is the most recent figure that I have available—as of 30 August, for this year, it is 1,025. Secondly, the honourable member referred to changes in government policy. I presume the honourable member is referring...
in particular to the report that the government released in July 2008, called ‘New directions for detention policy’. Recommendation 12 of the report read as follows:

The committee—

Referring to the relevant parliamentary committee—

recommends that, as a priority, the Australian Government introduce amendments to the Migration Act 1958 to enshrine in legislation the reforms to immigration detention policy announced by the Minister for Immigration and Citizenship.

The day the report was released, the member for Murray, who was a member of the parliamentary committee, said, ‘Labor is very much echoing what we did.’ When asked whether she accepts the recommendations, she said, ‘I do.’

Dr Stone—Mr Speaker, I want to make a personal explanation after—

The SPEAKER—That comes at the end of question time. You will join a long queue today.

Dr Stone—I just make the point—

The SPEAKER—No, the member for Murray will resume her seat. She has indicated that she was going to make a personal explanation at the appropriate time, and I have indicated that she joins a long queue of people who wish to today.

Economy

Mr PRICE (3.48 pm)—My question is to the Prime Minister. Will the Prime Minister update the House on preparations for the G20 summit in Pittsburgh, and are there any misrepresentations of the views of the G20 leaders attending the summit?

Mr RUDD—I thank the member for Chifley for his question. The honourable member asks about preparations for the Pittsburgh summit. The Pittsburgh agenda will cover the implementation of government stimulus. It will cover also the question of the implementation of reforms to financial markets. It will also go to the question of the proper resourcing of the IMF and its long-term reform to help underpin long-term stability in global financial markets. It will also deal with, among other things, appropriate exit strategies in the medium term and the stimulus arrangements across the G20 economies. For the Australian economy this will be an important meeting—part of a long-term process of dealing with the global dimensions of what has been a fundamental assault on the global economy.

The honourable member also asks about certain statements being attributed to G20 leaders. In this House just now, we have had the opportunity to listen, in the suspension motion, to the Leader of the Opposition providing the parliament with a long lecture on the integrity of public administration, a long lecture on being accountable to the parliament, and I presume that also means being accountable for the integrity of the statements that you make to this parliament. Earlier in question time today, the member for North Sydney asked a question of the Treasurer and referred to a G20 member, the Prime Minister of the United Kingdom. He said this in his question:

I refer the Treasurer to the remarks overnight of someone he keeps referencing—the British Prime Minister, Gordon Brown—that his government would ‘cut costs, cut inefficiencies, cut unnecessary programs and cut lower priority budgets to wind back the British fiscal stimulus.’

The member for North Sydney then went on to ask a question of the Treasurer. There is a problem with this. The British Prime Minister made no such statement. The text of the British Prime Minister’s statement, delivered to the Trade Union Congress yesterday—the relevant statement from which I presume the member for North Sydney has built his question—reads as follows:
Labour will cut costs, cut inefficiencies, cut unnecessary programmes and cut lower priority budgets.

There is no reference to ‘to wind back the British fiscal stimulus.’ There is no reference to the British fiscal stimulus.

Opposition members interjecting—

Mr Rudd—Those opposite seem to think it is an unremarkable thing to refer to a statement directly from the British Prime Minister when he said no such thing. Can I say this to the honourable members opposite as they seek to shout and hope that this matter simply disappears: what did the British Prime Minister have to say in this speech about stimulus, Member for North Sydney? The British Prime Minister said the following about stimulus:

Just this morning I met with the head of the ILO to discuss the best way of protecting jobs. In two days time I will be working for British jobs at the EU summit, stressing the need to implement fiscal stimulus packages in full without stopping them prematurely.

There is one reference to the word ‘stimulus’, I am advised, in this entire speech by the British Prime Minister. What we have from the member for North Sydney is a deliberate misrepresentation of the statement by the British Prime Minister to infer that the British Prime Minister had said that the UK government was winding back its stimulus strategy. It is not in the statement by the British Prime Minister at all. It has been deliberately added by the member for North Sydney in order to make a point. This goes to the heart of this member’s integrity. I would ask you now to make proper recourse to the devices of the House to stand at the dispatch box and make a personal explanation as to why this misrepresentation occurred.

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

PERSONAL EXPLANATIONS

Mr Hockey (North Sydney (3.54 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr Hockey—Yes, by the Prime Minister.

The Speaker—Please proceed.

Mr Hockey—I refer to my question where I said:

I refer the Treasurer to the remarks overnight of someone he keeps referencing—the British Prime Minister, Gordon Brown—that his government would ‘cut costs, cut inefficiencies, cut unnecessary programs and cut lower priority budgets’ to wind back the British fiscal stimulus.
I stand by my question. The Prime Minister ought to grow up.

**QUESTIONS WITHOUT NOTICE:**

**ADDITIONAL ANSWERS**

**Energy Efficient Homes Package**

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (3.55 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The minister may proceed.

Mr GARRETT—I table a letter from Allsafe Franchising Pty Ltd, Bundaberg.

**PERSONAL EXPLANATIONS**

Mr TURNBULL (Wentworth—Leader of the Opposition) (3.55 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr TURNBULL—Yes, grievously.

The SPEAKER—Please proceed.

Mr TURNBULL—In the course of her remarks in the debate about the schools program today, the Deputy Prime Minister said that I had never publicly described our alternative proposal for schools of $3 billion over three years, on the basis of the Investing In Our Schools Program. Just to assist the Deputy Prime Minister, who is obviously very busy trying to pick up the blunders in her own department, I refer her to pages 181 and 182 of *Hansard* of 4 February.

Mr TRUSS (Wide Bay—Leader of the Nationals) (3.56 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr TRUSS—Yes, indeed.

The SPEAKER—Please proceed.

Mr TRUSS—An article today by ABC Rural online about the decision to allow Filipino bananas into the country states:

Mr Burke says it was the National Party, and Warren Truss as the then Agriculture Minister, that initiated the process in 2000.

I have read the transcript and, frankly, I cannot see any reference that Mr Burke made such a statement. He would not make such a statement because he knows that it is false. The decision to open the door to Filipino bananas was made during the term of the current government not the previous government.

The SPEAKER—I should explain that I do have a list of speakers and whilst I am against having lists for things in the parliament and people should earn the right by jumping up to speak, people have had the decency to give me a nod that they wish the call. The member for Cook actually did it before question time and before we had a disagreement about his behaviour.

Mr MORRISON (Cook) (3.57 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr MORRISON—Yes, on a number of occasions.

The SPEAKER—Please proceed.

Mr MORRISON—I refer to a press release by the Australian Sex Party, which was issued just the other day. It makes a reference to a number of claims about what I have said which are untrue. It says:

Mr Morrison has proposed a change to our national censorship laws …

It further says that I had said:

… consensual adult erotica could potentially be more damaging than guns.

This is not true. What I said related to state laws, the New South Wales Classification ...
(Publication, Films and Computer Games) Enforcement Act 1995. I said that the exemption that applies to parents that enables them to show kids pornographic material should be removed as it appears not only in this act but in a number of other acts. My other comment was that if we can protect our children from guns we can certainly protect them from porn.

On another matter, today during the debate over the proposed censure motion the Deputy Prime Minister indicated that I had made claims in this place about schools in my electorate that are untrue. I do not know how the minister was able to announce the results of an investigation she has not undertaken. During question time, I provided her with the follow-up information to those schools. So I do not know how she can claim they are untrue when she did not know what the school was.

**The SPEAKER**—Order! The member should not debate.

**Mr BRIGGS** (Mayo) (3.58 pm)—Mr Speaker, I wish to make a personal explanation.

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

**Mr BRIGGS**—Yes, most viciously.

**The SPEAKER**—Please proceed.

**Mr BRIGGS**—In the Deputy Prime Minister’s speech in response to the House censuring her performance, she alleged that I refused to provide her office with more detail on the questions I raised last week in parliament. In fact, what I told the Deputy Prime Minister both verbally and in writing yesterday was that all the information is contained in the questions I had asked in this place. In addition, I said that given her department was handing out this money, surely they would have all the details. I seek leave to table the letter and the *Hansard*.

**The SPEAKER**—Is leave granted?

Leave not granted.

**Dr STONE** (Murray) (3.59 pm)—Mr Speaker, I wish to make a personal explanation.

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

**Dr STONE**—Most grievously.

**The SPEAKER**—Please proceed.

**Dr STONE**—During question time, when I asked the Prime Minister about his statement at the time of the election about his government intending to turn back asylum seekers, I was grossly misrepresented by a selective quote which seems to have been the Prime Minister’s attempt to not answer the question.

**The SPEAKER**—Order! The member should not debate.

**Dr STONE**—He referred to Senator Evans’s principles of detention and also to a report of the Joint Standing Committee on Migration which had been tabled literally only weeks after I had joined that committee. That was selective misrepresentation of my remarks and I categorically say they were a misrepresentation.

**Mr HAWKE** (Mitchell) (4.00 pm)—Mr Speaker, I seek leave to make a personal explanation.

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

**Mr HAWKE**—I do, Mr Speaker.

**The SPEAKER**—Please proceed.

**Mr HAWKE**—During question time, the Minister for Social Inclusion, not being very socially inclusive, sought to suggest that I made false claims about the Baulkham Hills North Public School in relation to Building the Education Revolution funding. I did no such thing and, indeed, I quote the words of the Baulkham Hills North Public School
P&C president who said that, in accepting the funding for a much needed hall, ‘strongly rejected being bullied into accepting a design that will never meet the needs of the school and is a waste of taxpayers money’.

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

Mr HAWKE—I seek leave to table the email from the Baulkham Hills North Public School P&C president.

Leave not granted.

Mr PYNE (Sturt) (4.01 pm)—Mr Speaker, I seek leave to make a personal explanation.

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

Mr PYNE—Yes, Mr Speaker.

The SPEAKER—Please proceed.

Mr PYNE—Emma McDonald, the education reporter for the Canberra Times, wrote today: ‘Opposition education spokesman Christopher Pyne said his office had received at least 60 complaints.’ I have never spoken to Emma McDonald about this matter, so I do not know how she could claim that I said any such thing. She did speak to my media adviser yesterday who, in response to the question, ‘Are 49 complaints about right?’ said, ‘Well, that can’t be right because we have at least 60 here in our own hands.’

The SPEAKER—The member has explained and will resume his seat.

Mr Albanese interjecting—

Mr Pyne—No, it said that I had said it, you fool. I said no such thing—I didn’t speak to her.

The SPEAKER—Order! The member for Sturt! The Deputy Leader of the Opposition has the call.

Ms JULIE BISHOP (Curtin) (4.02 pm)—Mr Speaker, I seek leave to make a personal explanation.

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

Ms JULIE BISHOP—Yes, I do.

The SPEAKER—Please proceed.

Ms JULIE BISHOP—in the House today on the censure motion, the Deputy Prime Minister said:

We had the Deputy Leader of the Opposition in here talking about administrative fees in the Northern Territory. We held that up to the light and it was just not true.

In my question on 8 September 2009, to which the Deputy Prime Minister refers, I said:

I refer the member to the Northern Territory government’s internal advice that nearly 13 per cent of the schools stimulus package funding will be soaked up in project management fees …

I seek leave to table the internal advice of the Northern Territory government which states that the stimulus package funding project management fees will be 12.94 per cent.

Leave not granted.

QUESTIONS TO THE SPEAKER
Questions in Writing

Mr MORRISON (4.03 pm)—I have a question to you, Mr Speaker.

The SPEAKER—Technically, I could leave and say we have gone past the time for questions, but I will take the question.

Mr MORRISON—Under standing order 105(b), regarding questions in writing that are 60 days overdue, I draw your attention to question in writing No. 813, in which I asked the Minister for Families, Housing, Community Services and Indigenous Affairs to provide details on the social housing stimulus program. I ask that you write to her and ask her to give an explanation as to why it has not been answered.

The SPEAKER—I will take the action required of me. I cannot really chastise the
member for Cook for not asking his question before the personal explanations because I chastised him about something else that prevented him from being here at that time. I now know why he had to raise the question with me at this stage. I will take the action that is required of me under the standing orders.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (4.04 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:

- Migration Act 1958—Section 486O—Assessment of detention arrangements—2009
- Personal identifiers 553/09 to 567/09—Commonwealth and Immigration Ombudsman’s reports.
- Government response to Ombudsman’s reports.

Debate (on motion by Mr Pyne) adjourned.

MEMBER FOR BRADFIELD

Suspension of Standing and Sessional Orders

Mr ALBANESE (Grayndler—Leader of the House) (4.04 pm)—by leave—I move:

That standing order 76 (exceptions to confining debate to the question) be suspended for the duration of the speech later today by the Member for Bradfield on the second reading debate on the International Tax Agreements Amendment Bill (No. 1) 2009, and that the Member speak without limitation of time.

In speaking very briefly to the motion, for the benefit of members on both sides I understand that the member for Bradfield will be giving his valedictory speech this afternoon at five o’clock. I put on record the appreciation that members of the government have for him as a longstanding minister in the former government and also as the member for Bradfield. On a personal note, I record the genuine concern that the member for Bradfield showed as the Chair of the Sydney Airport Community Forum from a period when he took over from the member for North Sydney. He visited my electorate, met with my local constituents, listened to their concerns and took action on that basis. Also, as late as last week, he assisted in the launch of the Good Gear Guide concerning safety of motorcycle riders. While we have had ideological and political differences in this chamber, the member for Bradfield leaves with the respect of all members of this chamber. I wish him, Gillian and his family well in his post-parliamentary life.

Question agreed to.

MINISTERIAL STATEMENTS

Fiscal Policy

Mr TANNER (Melbourne—Minister for Finance and Deregulation) (4.07 pm)—by leave—The role and scope of government spending has once again become central to the national economic debate. Commentators, the opposition and members of the community have all expressed strong views on the fiscal policy settings the government should adopt in the midst of the worst economic downturn since the Great Depression. In this environment, it is appropriate for the government to clearly articulate its approach to government spending, the reasons for current fiscal policy settings and its plan for fiscal policy into the future.

Yesterday marked the anniversary of the collapse of Lehman Brothers—an event which catapulted the global economy into its worst economic downturn since the Great Depression. At an unprecedented speed advanced economy after advanced economy entered recession. Millions of people lost their jobs, small businesses or homes. Eight
of Australia’s top 10 major trading economies have experienced recessions. The economies of the OECD member countries contracted on average 4.6 per cent through the year to June 2009.

Thankfully, in Australia we were in a position to act early and decisively and to date we have managed to steer clear of the worst of the global downturn. This is in no small part due to the hard work of Australian workers and small business owners. But the challenges remain, with growth unlikely to return to trend for some time and loss of full-time employment from the economy to continue, as seen in last week’s unemployment figures where the number of full-time jobs fell by 30,800. There remain clear and present dangers to the Australian economy.

The combination of the government’s early decisions to guarantee wholesale borrowing by the banks and bank deposits; the aggressive easing of monetary policy by the Reserve Bank of Australia; and the government’s stimulus packages have worked in tandem with hard work by Australians to protect our economy from the worst of the downturn.

Those opposite like to believe that the aversion of recession in Australia is somehow down to good luck. Those opposite argue that the stimulus was not necessary, that the Australian economy would have avoided recession without the substantial injection of money into the economy in the form of pensioner and personal income tax bonuses. Those opposite protest that planned spending on infrastructure over the next 12 to 18 months should be withdrawn now and that it is no longer necessary because the crisis is over.

But the facts speak for themselves. The Australian economy contracted 0.7 per cent in the December quarter last year, before the effects of the stimulus had moved through the economy. In the subsequent two quarters, the Australian economy grew 0.4 per cent and 0.6 per cent, giving an annual growth rate of 0.6 per cent over the year to June. Treasury estimates that if it were not for the government’s fiscal stimulus, the Australian economy would have contracted by 1.3 per cent over the past year. Growth is still well below trend and below the level necessary to avoid rising unemployment. There will continue to be significant spare capacity in the economy over the next 12 to 18 months. Continued stimulus, in the form of infrastructure spending, will support jobs as the economy returns to trend growth. Without this government spending, more jobs would be lost and we would risk stalling the recovery. The government’s fiscal stimulus has been carefully designed to diminish as the economy strengthens. Its impact on growth will diminish over the coming quarters. As stimulus is increasingly withdrawn through 2010 we expect a recovery in private activity to gather pace.

The government is firmly committed to countercyclical fiscal policy. In good times, when the economy is booming this means not adding excessively to demand through new government spending. This helps stop the economy from overheating and helps keep pressure off interest rates. In bad times this means not increasing taxes to cover lost revenue and increasing government spending to support jobs and growth.

The Commonwealth budget has been hit hard by the global downturn. The end of the mining boom and plunging company profits have contributed to a projected $210 billion loss in revenue over five years. Facing such a large drop in revenue, the government had two choices—allow the automatic fiscal stabilisers to work, or work actively against the stabilisers, cutting back savagely on government spending.
At times the opposition have argued for the government to make pro-cyclical cuts to the budget. They have not proposed any savings, and have opposed a number of government savings in the Senate, but they do argue for cuts and criticise the government for running temporary deficits during an economic slowdown.

In the 2007-08 budget and pre-election period, the previous government committed to $117 billion in new policy over five years. This pro-cyclical spending put upward pressure on inflation and interest rates. At the height of the boom, with the economy growing at around four per cent annually, the previous government was projecting growth in government spending of 4.5 per cent in real terms in 2007-08. This level of spending meant that despite there being an underlying cash surplus in 2007-08 of 1.7 per cent of GDP, the budget was actually in structural deficit of around 1.2 per cent of GDP or roughly $12 billion. Record company tax receipts stemming from the mining boom created a temporary revenue surge that delivered large surpluses.

Spending in real terms grew at a historically strong rate from 2003-04 at an average of 3.7 per cent per annum over the five years to 2007-08. This figure does not include the massive election spend that took place in the 2000-01 budget where real spending grew by 9.1 per cent. In dollar terms the increase in spending is just as extraordinary. Over the four years to 1999-2000 it grew by $18 billion, from 2000 to 2004 it grew by $57 billion and it grew by a further $62 billion in the final four years of the Howard government.

This was all funded by extraordinary growth in tax receipts. Over the six years to 2007-08 growth in tax receipts averaged 8.1 per cent per annum. In the election budget of 2000-01 tax receipts grew by 12.6 per cent.

Yet from 2003 to 2007 there were virtually no significant savings measures in the budget.

The Rudd government is continually running the ruler over spending and its own operations, delivering $55 billion in savings over the government’s first two budgets. These savings have included:

- introducing a means test on the private health insurance rebate, delivering $1.9 billion over four years;
- reducing the cap on the amount of concessionally-taxed money individuals can tip into superannuation, delivering savings of $2.8 billion over four years;
- introducing a means test on the baby bonus to better target family assistance, delivering savings of $354 million over four years.

The razor gang 1 and razor gang 2 processes, within the Department of Finance and Deregulation, have helped identify savings in the government’s operations of approximately $5 billion over five years. These savings are about improving the way the government does its business, for example:

- information and communication technology—improving the efficiency of ICT business-as-usual activities has, in the first year of the reforms, resulted in savings of close to $100 million. Over four years the savings will be around $1 billion.
- government advertising—in 2007 government agencies spent $254 million on campaign advertising; in 2008 that was slashed to $86.6 million, saving close to $170 million.
- imposing an additional two per cent efficiency dividend on the public service—yielding $1.8 billion over five years.

The federal budget deficit is currently forecast to be 4.9 per cent of GDP in 2009-
10. This has been necessary to insulate the Australian economy from the global recession. The alternative would have been to cut back on government spending, all but guaranteeing a recession in Australia. This deficit is significantly less than most other advanced economies. For example, the UK is forecasting a deficit of 12.4 per cent of GDP this year.

Australia has lower debt and lower deficits than any of the major advanced economies. International rating agencies have reaffirmed our AAA credit rating. Net debt in Australia is projected to peak at 13.8 per cent of GDP in 2013-14. This compares to an estimated 80 per cent of GDP for advanced economies collectively by 2014. In the United States and the United Kingdom net debt is projected to increase to 83 per cent of GDP, and in Japan it is projected to peak at 136 per cent of GDP.

While it is appropriate to run temporary deficits during an economic downturn, it is critical that there is a clear path back to surplus once trend growth resumes. Revenue will not return as fast as it has disappeared over the past 12 months. Tax receipts as a percentage of GDP have dropped from 24.6 per cent of GDP in 2007-08 to 22 per cent of GDP today and will only recover to 23.2 per cent by 2012-13. The government has a plan to bring the budget back to surplus as the economy recovers by:

- allowing tax revenues to recover naturally as the economy improves, while maintaining our commitment to keep tax as a share of the economy below the 2007-08 level on average;
- holding real spending growth to two per cent a year, once economic growth is above trend—until the budget returns to surplus; and
- requiring new spending to be offset by savings.

We are taking the responsible decisions to deliver on this strategy. In the budget, we:

- delivered $22.6 billion in savings over the forward estimates, to meet the cost of key reforms; and
- held real spending growth to under two per cent in the years the economy is projected to grow above trend (2011-12 and 2012-13).

Delivering a sustainable fiscal strategy requires an ongoing commitment to finding savings and improving value for money. This is why the government has decided to keep the razor gang operating in my department and find savings and efficiencies through a series of strategic reviews covering various areas of government operations. For example, the razor gang is currently undertaking a review of duplication and overlap in a range of grants and other programs. This review aims to consolidate programs across government and deliver administrative savings.

Spending on grants soared over the last five years of the Howard government, from $494 million in 2003 to over $4.5 billion in 2007. The number of individual grants also increased substantially, from 7,500 to 49,000 over the same period, leading to greater administration costs and fragmentation of effort. The razor gang review now underway is aimed at streamlining grant delivery to maximise value delivered to the community.

The government is seeking to instil in the bureaucracy and its ministers a culture of driving out waste and reprioritising spending. Driving efficiency and delivering value for money are now core business of government. The savings process for the 2010-11 budget has already commenced, with all portfolio ministers receiving a letter from me asking for savings options ahead of their formal budget bids. The government have brought forward this process because it is a crucial part of our strategy to return the
budget to surplus. This will be the third budget in a row that ministers have been asked to identify savings.

Since coming to government we have also developed coordinated procurement standards and practices which will progressively save the government millions of dollars in coming years. These are part of practical reforms which are delivering better value for money for taxpayers. Recently released centralised tenders for government travel services will drive efficiencies and economies of scale in the $500 million a year the government currently spends on travel services. Through smarter purchasing we will be able to save taxpayers millions of dollars every year. The government are also developing coordinated procurement strategies for telecommunications, property services and office equipment. We are saving around $15 million per year through a volume-sourcing arrangement with Microsoft.

The Rudd government’s fiscal strategy is anticipated to return the budget to surplus by 2015-16. This strategy assumes that savings initiatives will be passed by the Senate. The opposition has blocked a number of such measures, including reform of the private health insurance rebate which will save $9.5 billion over 10 years. The government’s fiscal policy has been and will continue to be responsible, countercyclical and sustainable. Through allowing temporary deficits, the government has protected the Australian economy and Australian families from the worst of the international recession.

The challenge of returning the budget to surplus is a good deal tougher than it looks. The cyclical factors that masked a structural deficit in 2007 are unlikely to return soon. The impact of population ageing is looming. While it is crucial that spending discipline is imposed as the economy returns to normal growth trends, that will not be enough to return the budget to surplus by itself. The challenge is bigger.

The Rudd government are committed to returning the budget to surplus and keeping a tight rein on government spending. That means tough decisions on programs and entitlements, and continuous improvement in the efficiency of government processes. We intend to set Australia on a path to long-term prosperity and sustainability. Our country cannot afford the complacency of recent times. Our economic challenges have become a lot tougher.

The DEPUTY SPEAKER (Ms AE Burke)—While the minister waits for the time to be announced, I would like to welcome the high school students up in the gallery. I am hoping very much that it is Box Hill High School up in the gallery. Can you hear me up there? I was hoping it was the students from my high school, whom I have not been able to go and visit.

Mr TANNER—I ask leave of the House to move a motion to enable the member for North Sydney to speak for 14 minutes.

Leave granted.

Mr TANNER—I move:

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

Question agreed to.

Mr HOCKEY (North Sydney (4.22 pm)—There are many factors which have helped Australia avoid recession, and I will deal with those in more detail in the not too distant future. But the coalition has consistently said that the government’s spending was too large and out of all proportion to the task at hand. Thus, the Prime Minister displayed excessive sensitivity with an answer to a question from his own side at the end of question time, when in fact he is now in the business of separating out fiscal stimuli
from overall government expenditure—and I will talk about that in a moment. The coalition has said there has been considerable waste and mismanagement in the Australian government’s spending, best evidenced by the amount of money that has been put into education and all the examples illustrated by the coalition in this House. There have been 51 questions in relation to examples of excessive spending, waste and mismanagement.

The Minister for Finance and Deregulation made a number of criticisms of the coalition’s record of economic management in office. I want to say that we are very proud of our economic record. We ran an underlying cash surplus for 10 years of the 12 years we were in office. When we came into office, the ratio of government expenditure to GDP was 25.6 per cent. This was reduced to 24 per cent when we left office, at the same time that the current Prime Minister said that the reckless spending had to end. When we came into office, we inherited net debt of $96 billion; when we left office there was no net debt, with $45 billion in the bank. The Australian economy doubled in size while the coalition were in office. In 1995-96 nominal GDP was $518 billion; in 2007-08 nominal GDP was $1.1 trillion.

The finance minister also asserts that from 2003 to 2007 there were virtually no savings measures in the budget. That is completely wrong, for a number of reasons. I was a member of ERC and attended ERC and I can promise him there were numerous savings in the budget. Let me give two very good examples—firstly, the coalition’s Welfare to Work initiative, which the Labor Party, who are now in government, actually opposed all the way. That initiative was saving billions of dollars over time, particularly with the reforms to the disability support pension in the 2005-06 budget which were designed to slow the growth in working age welfare payments.

The second obvious reform was to the Pharmaceutical Benefits Scheme in 2006. It reversed the unsustainable growth of the PBS and saved $3 billion over 10 years. Oh, how they forget—probably because, as my memory serves me, they opposed both of those initiatives.

The finance minister further asserts that the budget in 2007-08, the final year of the coalition government, was in a structural deficit of around 1.2 per cent of GDP. This is untrue. I note that OECD and IMF data show that the budget was in a structural surplus at the end of the coalition government. Finally, I note the minister for finance’s claim that the government is continually running the ruler over spending. How interesting it is that the Prime Minister is now trying to separate the stimulus packages from overall government expenditure, as if they are totally unrelated. Before the 2007 election, the current minister for finance—he should listen to this—promised to cut consultancies by $395 million by 2009-10. What we now find is that this government has awarded $885 million of consultancy contracts since the 2007 election, including over half a billion dollars worth last year. These figures confirm this government is the highest spending government on consultancies in Australia’s history—No. 1, numero uno.

It is widely recognised that there are a number of factors that have contributed to the standout performance of the Australian economy. Indeed, the finance minister himself cites several, including the hard work of Australian workers and small business owners. Amen—we all agree. There were also the government’s early decisions to guarantee bank deposits and wholesale borrowing by the banks, which we recommended to the government. We think it is important. Amen—we all agree. Another reason was the aggressive easing in monetary policy by the Reserve Bank and the government’s fiscal...
stimulates. We welcome the change in rhetoric from the Treasurer and the Prime Minister, compared with the minister for finance. The minister for finance recognises that there were other factors that may have saved us from recession, but of course the Prime Minister deems that only his actions as an emperor have delivered Australia from the aggressive teeth of a global financial crisis.

There was an interesting observation made by the Reserve Bank in its minutes of the 1 September board meeting. It said:

Members noted that it was hard to disentangle the contribution that Asian demand, fiscal stimulus and easier monetary policy had each made to the better-than-expected outcomes.

I have noted in this House before that there were five key reasons why Australia did not go into recession. Firstly, this government inherited the most unbelievably generous public finances of almost any government in the world at that particular point in time. There was no net debt. There was $45 billion in the bank. In addition, growth was above trend, at 4.2 per cent, and unemployment was around four per cent. So that is a fantastic springboard from which to go into an economic downturn. That is the first reason.

Secondly, the Australian financial system did not have the structural problems of the US financial system or others, because we introduced the Wallis reforms. We introduced the Financial Services Reform Act and passed it through this place. We gave APRA significant powers and significant resources to properly supervise all financial institutions. I said in this House yesterday that President Obama could only wish that he had the regulatory framework that the Australian government inherited when they came into office.

Thirdly, the Reserve Bank implemented massive cuts in interest rates. The RBA reduced the cash rate by 4.25 per cent, from 7½ per cent to three per cent—one of the largest cuts in the developed world. The cash rate is now the lowest in a generation, and that had a huge impact because of the transmission. A lot of Australians have variable interest rate home loans, so the transmission rate from the cash rate right through to the home was significant and fast.

Fourthly, Australia’s export sector continued to perform remarkably well during the economic downturn. Continued strong growth in China has led to export volumes from Australia being maintained at high levels, and this is almost a unique position for a developed country; most suffered very substantial declines in export volumes due to their high dependence on manufactured goods and their lower exposure to the fast-growing Asian region. I might add that the terms of trade even today are more generous to the government than they were to us in the last stage of the Howard government. Even the Minister for Finance and Deregulation may concede that. I also add, as I said yesterday in this place, that the variable exchange rate made a real, positive difference to Australia at a crucial period of time. I gave credit to Bob Hawke and Paul Keating for floating the Australian dollar with the support of the coalition. That floating exchange rate had a big impact; we went from near parity with the US dollar to 60c, and that continued to make our exports competitive.

Fifthly and finally was the government’s stimulus package. We recognise that if you throw enough money at an issue it will have some impact. Of course it is going to have an economic impact if you spend more than $16 billion on building school halls. If you throw more than $23 billion in cash at people, they go out and save or go out and spend—whatever the case, it is going to have some impact. Our argument has always been not just about the quantity of spending, which has been all out of proportion to the need of
the Australian economy, but also about the poor quality of much of that spending.

The Building the Education Revolution program is a case in point. I was surprised today that the government did not accept the censure motion on Julia Gillard, the Deputy Prime Minister. Normally, if there is a censure about something so significant, the government would accept the censure motion. But they refused to accept that censure motion today; in fact, there was a debate about the suspension of standing orders. The fact is, as I think the Leader of the Opposition and the Manager of Opposition Business in the House put to this place in a very comprehensive way, it is quite clear that the Building the Education Revolution program is out of control. I can see the minister for finance grimacing. We are asking if it is value for money. We are asking, essentially, if the minister for finance, who is the custodian of the taxpayers’ money, is satisfied that he is getting value for money out of this $16 billion program, and the minister for finance knows that it is a dud when it comes to value for money and he knows how wasteful it is.

There was a moment not long ago when a billion dollars was a lot of money. Two billion dollars was a lot of money. Three billion dollars, even for a National, was a lot of money! Four billion dollars was a lot of money. But I tell you what: $16 billion on one school program is a hell of a lot of money—and a real impact when it comes through in the form of higher taxes and higher interest rates.

On 19 May the Secretary of the Treasury, Dr Ken Henry, outlined the economic growth projections on which the budget was based. He said:

We have forecast zero growth in 2008-09, negative growth of ½ per cent in 2009-10 and growth of 2¼ per cent in 2010-11. We have then projected two years of growth of 4½ per cent, followed by four years of growth of just under 4 per cent, falling to 2¾ per cent in the next year, 2017-18.

On 27 May in this House, the Treasurer said: The government’s strategy to return the budget to surplus is outlined in the budget papers. We stand by the strategy.

Yesterday in the Sydney Morning Herald, we had the Treasurer starting to move away from the budget forecast of economic growth. It is a subtle shift in the government’s language, but the government are now walking away from their ambitious budget forecast of above-trend growth for six years from 2011. They are walking away from it because it is essential to get those growth figures to pay back the government debt, and they know, as we said at the time, that the government’s debt repayment strategy was fundamentally flawed because the Australian economy would not grow at the ambitious rates that this government laid down in the budget. We knew that. We said at the time that the government’s debt repayment strategy was structurally flawed.

Now, under the cover of the last two days, the Treasurer and the Prime Minister are starting to walk away from their own budget. They are walking away from the growth figures in their own budget. The Treasurer, who is known to be a slippery creature at the best of times, in his slippery way actually started to walk away from the budget numbers only yesterday and now when MYEFO comes out will not release the proper 10-year outlook that he set the benchmark for in the budget, because he knows, as we know, that the government’s plan to repay the debt for all this wasteful spending was overly ambitious and that the debt will be lead in the saddlebags for a generation of Australians to come. (Time expired)
MATTERS OF PUBLIC IMPORTANCE

Stimulus Package

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

The waste and mismanagement in the Government’s stimulus spending package.

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 McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (4.37 pm)—I move:

That the business of the day be called on.

Question agreed to.

AUTOMOTIVE TRANSFORMATION SCHEME BILL 2009

Returned from the Senate

Message received from the Senate returning the bill and informing the House that the Senate does not insist upon its amendment disagreed to by the House of Representatives.

PERSONAL PROPERTY SECURITIES BILL 2009

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (4.38 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

HIGHER EDUCATION SUPPORT AMENDMENT BILL 2009

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (4.39 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (No. 1) 2009

Second Reading

Debate resumed.

Mr ZAPPIA (Makin) (4.39 pm)—I welcome the opportunity to speak on the International Tax Agreements Amendment Bill (No. 1) 2009, which gives force of law to taxation agreements reached between Australia and the British Virgin Islands and the Isle of Man. The purpose of these agreements was outlined by the Assistant Treasurer in his second reading speech in the House on 19 March 2009 and fundamentally relates to, firstly, overcoming double taxation that may presently occur in relation to certain income of individuals flowing between Australia and the British Virgin Islands and the Isle of Man; and, secondly, the prevention of tax
avoidance and evasion. It is my view that these measures may also lead to the detection and successful prosecution of other criminal activities. I am pleased to note that these agreements may be the first of others to come with other countries, because if these measures are to be effective in tax avoidance and evasion then we need to also close the loopholes currently available in those other countries.

We live in a global economy in which funds are instantly moved from one country to another. There was no better example of the global financial economy that has been created than watching the international domino effect of the global financial crisis. What is required but is not yet in place in our global financial system is a uniform set of financial regulations and tax laws. The reality is that we are unlikely to see that for some time, although I understand that uniformity of financial regulations is under consideration by the G20 countries. A paper put out by the OECD with respect to work on countering international tax evasion says:

Since the beginning of 2009, international tax evasion and the implementation of the internationally agreed tax standard has been very high on the political agenda, reflecting recent scandals that have affected countries around the world, the spotlight that the global financial crisis has put on financial centres generally, and the recent G20 London summit. In July 2008, the G8 Heads of State and Governments urged “all countries that have not yet fully implemented the OECD standards of transparency and effective exchange of information in tax matters to do so without further delay, and encourage the OECD to strengthen its work on tax evasion…”

I am certainly encouraged by that statement. There will, however, continue to be low-tax jurisdictions around the world and, whilst that is the case, there will continue to be tax avoidance and tax evasion schemes created by individuals and by global corporations—tax avoidance schemes which deprive Australia of legitimate taxes and which other Australian taxpayers ultimately carry the burden for, either through higher general tax levels or through cuts in government services.

For the year 2005-06, the most recent year for which data was available, the Australian Taxation Office estimates that $5.3 billion flowed from Australia to tax havens in overseas countries. Some of those transfers may well have been legitimate. I strongly suspect, however, that most would have been for tax minimisation or avoidance purposes. On the basis of average tax rates, the tax that may have been avoided by the transfer of $5.3 billion to overseas tax havens would be around $2 billion. That is a significant sum of money. I also note that Project Wickenby has raised over $300 million in lost tax liabilities since it was established in 2004. It is my belief that what we are able to recover is only a minuscule amount of the revenue that is lost each year through international monetary transfers and other tax accounting schemes used by multinational organisations and individuals in order to avoid tax—tax avoidance schemes that are not perpetrated by the millions of hardworking wage-earners who pay their tax weekly.

There is of course a second but equally serious matter associated with the transfer of money to overseas tax havens, and I refer to the transfer of funds raised through criminal activities. The exchange of taxation information between Australia and the British Virgin Islands and the Isle of Man will undoubtedly make it more difficult for criminal organisations or individuals to use these islands to deposit their proceeds of crime. Of course, every time a loophole or a criminal opportunity is closed those engaged in criminal or tax avoidance activities are forced to change their operations. Again, I quote from the document I referred to earlier. On harmful tax practices, it says:
The challenge of combating offshore tax evasion is not new, but it has grown more complex and more serious given the increase scope for illicit use of the international financial system in a globalised world.

That is why it is important to pursue similar agreements with other tax haven countries, and I note the positive references made by the then Assistant Treasurer, now the Minister for Financial Services, Superannuation and Corporate Law, in his second reading speech about Hong Kong, Singapore, Liechtenstein, Switzerland, Luxemburg and Austria. I also note that, to date, Australia has signed tax information exchange agreements with Bermuda, on 15 November 2005; Antigua and Barbados, on 1 February 2007; Netherlands Antilles, on 1 March 2007; and, more recently, with the British Virgin Islands, on 28 October 2008, and the Isle of Man, on 29 January 2009. Equally encouraging is that since November 2008 almost 40 agreements have been signed or announced around the world.

With respect to the legitimate allocation of taxing rights agreements—which, for example will ensure that government employees of the British Virgin Islands working in Australia in a British Virgin Island government office will not be taxed in Australia—I note that the majority of those people affected will be government employees, students and retirees. These are not tax evaders or tax avoiders but legitimate taxpayers who should not be double taxed. In fact, if they were it would be unlikely that they would want to work in the country where they were going to be double taxed. This, in turn, might make it very difficult both for them and the government they were most likely going to be employed by.

This bill supports those taxpayers who do the right thing and targets those who do the wrong thing. I quote again from the same document I referred to earlier on. I quote a statement which I believe was associated with the G8 declaration at L'Aquila in Italy on 8 July 2009 and which appears in annex 1 of an OECD overview of work on countering international tax evasion:

In this difficult time, the protection of our tax base and the efforts to combat tax fraud and tax evasion are all the more important, especially given the extraordinary fiscal measures adopted to stabilise the world economy and the need to ensure that economic activity is conducted in a fair and transparent manner.

For the past 12 months we have been debating in this chamber issues associated with the global economic recession—issues which firstly arose from the global financial crisis but which, in turn, have required extraordinary levels of commitments by governments around the world. These commitments undoubtedly rely on the tax bases of the individual countries. I believe those tax bases have been undermined by people using tax havens around the world to evade or avoid taxes.

We have seen in recent years a trend towards more uniformity in all kinds of laws relating to global matters, and that is a good thing. When it comes to tax laws, it will be a much bigger hurdle to overcome to ensure that there is consistency of tax laws around the world. If there was, then it would make it very difficult for people wanting to perhaps place their operations in a low-taxing country because such countries would not exist. Nevertheless, it is, and should be, an objective of countries around the world, and I am heartened by reports that countries are looking to do exactly that. I understand the work that is currently underway by the G20 countries and others to ensure that some uniformity is progressing and progressing at a good rate.

Likewise, the exchange of information between countries is critical. In fact, it is crucial in identifying funds that have been
placed in different bank accounts in different countries solely for the purpose of avoiding tax. This bill goes a long way towards overcoming some of those obstacles, to identifying some of those funds that have been transferred from one country to another. I think we are moving in the right direction and many of the tax havens that in years gone by had been used by either criminals, tax avoiders or tax evaders have now been closed down. This is another step towards doing that. I commend the bill to the House and look forward to seeing similar agreements being put in place between Australia and other countries where such tax havens exist.

Mr ROBERT (Fadden) (4.51 pm)—I rise to talk on the International Tax Agreements Amendment Bill (No. 1) 2009 and do so proudly looking at the coalition’s track record of initiating, growing, developing and nurturing bilateral tax agreements. In fact, from 1996 until when the coalition lost office in 2007, over 30 treaties have been signed with 19 different countries. It is demonstrable of the coalition’s commitment to ensuring foreign investment, providing opportunities for all Australians and ensuring Australian businesses overseas both are competitive in the environments they operate in and are not punitively damaged in any way by double taxation or information losses. It is telling to look at the 19 countries which, in the great and glorious times of the coalition government when the nation was debt free, signed taxation treaties—Argentina, Belgium, Canada, East Timor, Finland, France, Japan, Malaysia, Mexico, New Zealand, Norway, Romania, Russia, Slovakia, South Africa, Taipei, United Kingdom, United States of America and Vietnam. So it is pleasing to stand here and lend some comment on the two agreements that this bill is seeking to enact with both the British Virgin Islands and the Isle of Man.

In 2001, the coalition provided a significant commitment to look at a whole raft of international tax arrangements through the Securing Australia’s Prosperity policy document. In reviewing those arrangements, the coalition put forward a range of reforms with the sole intent of ensuring that our businesses were competitive not just in Australia but also overseas and that Australia’s status would continue to be maintained, and indeed enhanced, as a great place for foreign companies to invest foreign dollars and for businesses to sink their roots and call Australia a business port of call. That began bilateral negotiations with many countries, in the areas of double taxation and information sharing, to ensure that there were no punitive areas that would damage people working in the government’s base or those seeking education or looking at educational institutions. Many of the agreements that were signed included the exchange provisions that met OECD standards and provided a range of reciprocal assistance between agencies which were invested with the issues of tax collection. The opportunity to sit down in dialogue with different nations and to pull down barriers stopping mutually beneficial investment certainly strengthened relationships between countries. Those 19 countries and over 30 tax treaties went a long way to helping out in that environment.

Today we are looking at a bill which gives force of law to the tax agreements between the government of Australia and the governments of the British Virgin Islands and the Isle of Man. The agreement with the British Virgin Islands, signed on 27 October last year, deals with the allocation of taxing rights with respect to certain income of individuals, and the agreement with the government of the Isle of Man deals with the allocation of taxing rights with respect to certain
income of individuals and the establishment of a mutual agreement procedure in respect of transfer pricing adjustments. The agreements are significant inasmuch as they add to the 19 previous ones, meaning there are 21 significant agreements at a bilateral level which deal with the issues of tax. But they also continue the great work of the coalition in dealing with the issue of tax havens. The coalition can stand very proudly on its record of tax reform at both a domestic and an international level. No-one can discount the courage of the member for Higgins, and indeed the entire Howard government, in reforming taxation, especially through bringing in a GST. The measures today continue, in some part, that reform process, by adding to the 19 bilateral tax agreements.

The agreement with the British Virgin Islands ensures that those employed by governments will not be subject to double taxation. It takes away a punitive measure that may seek to ‘double dip’, if I may use the words from Seinfeld, into the salaries of those who are working hard in the British Virgin Islands. It also provides that any income received from government services is taxable only in the one country. The provision of course does not apply to those earning income from private business or commerce. It also ensures that education related payments received by students are exempt from tax. This is good news for students who have so viciously felt the weight of the Labor government’s initiatives, those in the regional areas who were looking at missing out on incentives just because they took a gap year. It is encouraging to see the government make a move to ensure that education related payments received by students in the British Virgin Islands are exempt from tax. The agreement also provides an exemption for students from Australia or the British Virgin Islands from paying income tax on money received from their resident country for the purposes of education and maintenance.

It is important to recognise that the bill covers not only the British Virgin Islands but a favourite part of the world for me—the Isle of Man. The agreement between Australia and the Isle of Man provides for a complete exchange of information in both criminal and, importantly, civil tax matters. This will remove the ability for Australian taxpayers to use the Isle of Man as a tax haven. It is important to realise, if I may use Japan as an example, that companies in Japan are proud to pay tax. They are proud to be part of a society in which they can earn, develop a profit and then put back into their nation. The idea of tax havens, where people try to escape their fundamental responsibility to contribute to their nation, its people and its values by passing back some of their profits through taxation, should be a moribund idea to all of us in this House. A well-ordered, well-managed, well-operated and simple tax system is paramount for the success of a nation in going forward, which is why, as a coalition, we can draw great pride from our tax reform, not only the brave efforts of the GST but onwards as we move forward towards greater tax reform.

This House looks forward with great interest to the Henry tax review. We look forward with great interest to where Labor is taking tax reform in this country. This House can be assured that the Henry tax review will be scrutinised in keen detail to ensure that the tax system that Labor was envisaging continues to be robust but fair; continues to be significant in its breadth across business; becomes simple; rewards innovation; seeks to lift up business; and will not punitively damage Australians who are looking forward to raising a family and earning an income. The Henry tax review must be built on solid standards. It must seek to deliver to this country the fairness and the balance that the
tax review and reforms delivered under the Howard-Costello years.

The Labor government is certainly on notice that the bill that they bring forward after the Henry tax review is brought down will have the weight of scrutiny applied to it. The great tax reform that this House has seen in the last 12 years should not be undone by an ideology that is bent on punishing small business, a return to collectivism and a return to unions coming into businesses. That the Treasurer has said that only collective agreements can deliver productivity is both reckless in its statement and false in its premise. In the last 12 or 13 years under the Howard-Costello reign we saw productivity increase substantially. We saw real wages increase 24 per cent compared to the previous Hawke-Keating government where real wages went backwards by 1.9 per cent. The House can be assured that that review will receive significant and due attention.

The SPEAKER—I remind the House that standing order 76 was suspended earlier today for the duration of the speech by the member for Bradfield and that the member may speak without limitation of time.

Dr NELSON (Bradfield) (5.01 pm)—I thank the Prime Minister, the Leader of the Opposition—my leader—and all of my colleagues who are here from this chamber and from the other place. You humble me by your presence and you honour the people I represent by being here. I thank you very much. It is with a sense of privilege, deep gratitude and team achievement that I make my final contribution to the parliament of Australia.

During preselection in 1995, I was asked how long I might serve. Though it was impossible to define, I knew that I would know when the time had arrived—and that time is now. Before dealing with more substantive issues though, I perhaps should deal with the two most consistent things that have been raised in relation to me from the time I arrived in parliament: the first is my earring and the second is my hair. The media enjoy evaluating me and I might as well give them something to throw around. The truth of it is that, at the age of 17, my then girlfriend suggested I should get an earring. I thought, ‘If that’s what it takes, I’ll get an earring.’ Later, having gone through part of an economics degree and having spent a year in the workforce, I began thinking about what would be a useful way to spend my life. I decided that I would try to study medicine. My mother’s reaction upon informing her in 1977 that I had been accepted to medical school was not, ‘Isn’t it wonderful? My son is going to be a doctor.’ Instead, her immediate reaction was, ‘That’s great. You’ll have to take your earring out now.’ I did intend to, but you can forget you have them in. I arrived at the medical school to enrol and the first bloke I met said, ‘Get that thing out of your ear, son.’ The second person I met, who gave me a very long lecture in an explosive manner, I subsequently learned was John Chalmers, the Professor of Medicine. He said, ‘Get that thing out of your ear. You will never get anywhere here with that.’ I said to him, ‘I am here to study medicine. I am not here to go through a fashion parade. I do not care what anybody ever says to me, I am not taking it out.’ Then my ex-wife, Kate, gave me a diamond earring. Then, some 12 or 13 years ago, once I had put my private life into receivership, my good friend Bruce Shepherd and his wife decided I should meet a woman. That woman turned out to be my wife of almost 10 years now, Gillian. As the men here and listening would empathise with, about six months after we decided to get married she started on about the earring. She said, ‘Blokes your age look stupid with earrings.’ I thought, ‘If that’s what it takes, I’ll take it out.’ The reason for taking the House’s time
with that is that it is often said that I took my earring out to ingratiate myself with John Howard. I can only say to you that John Howard not once ever raised the earring. But, if he had, I would have had a second one put in!

I arrived in Bradfield in late 1994. When we had the first election campaign, I had this diamond earring. The campaign committee agonised over whether the earring would be displayed for the purposes of the campaign brochure. We decided to display it. We then received hundreds of the pamphlets back in the mail with the ear cut out and circles around the earring saying, ‘What is this thing?’ Two people an hour would ring and say, ‘I am not voting for a bloke with an earring,’ and then hang up. But the highlight of the campaign was three days before polling day. Five very serious, stern-faced ladies from the electorate arrived in my office. I knew it was a serious matter because they all declined a cup of tea. They all sat on the opposite side of the table to me and the appointed spokesperson leaned forward and said, ‘Dr Nelson, I will get straight to the point: you have an earring.’ I said, ‘Yes.’ She said, ‘We believe you are a homosexual.’ It is not that funny! I struggled with my thoughts, and I said, ‘I am not. I can assure you that I am not.’ At this point this woman leaned across the table, banged her fist down and said, ‘Yes, but can you prove it?’ The point is that not all challenges that one is offered in public life are ones to which you ought to respond!

The second issue is the hair. Annabel Crabb, up in the press gallery, has very nice hair. She has written that mine has been tested in wind tunnels and the like. Just to put this into some perspective, I too, Prime Minister, once had hair like yours that was soft, flexible and parted easily to one side. But I knew it was time to change when I had year 5 from Lindfield Public School from my electorate here six years ago and I explained to them what we do. My wife is still trying to find out! I said, ‘You only have one life and one chance to use it in a way which makes this country even better than the one my generation has enjoyed. We are making decisions today about the sort of Australia in which you will live when you are half dead at my age.’ At that point, I got the first question: ‘Dr Nelson, why is it that the hair on one side of your head sticks up higher than the other?’ Once I related this to my wife, she made an urgent appointment for me to see a hairdresser, and so I go every month.

I begin on a serious note by thanking my children. My son, Tom, and my daughter, Emily, made the greatest involuntary sacrifices for me to serve first the medical profession through leadership of the Australian Medical Association, and then the people of Bradfield and my country, as its member. I spent more time, through their 22 years of life, travelling, at meetings, in conferences, in parliaments, at functions and on the phone than I have spent with them. And I am not alone in this place in that regard.

They were seven years old when I returned as President of the Australian Medical Association from 10 days away in remote Aboriginal communities. The self-imposed objective was to bring to the awareness of middle Australia the appalling health, premature death and existential despair of Indigenous people. Returning to Hobart late at night I went to kiss them good night. Emily roused and I apologised for my long absence. She replied: ‘That’s all right, Daddy. You’re trying to help the Aborigines.’ Emily and Tom, you are my greatest achievement.

It was for the Aborigines and to play a role in building a better Australia that in September 1994 I resolved to sell my home and move to Sydney. Having provided medical care to low-income families for almost a dec-
ade, I knew that the horizon of MPs in such communities is entirely consumed by life’s day-to-day struggles and I wanted to do more. But I love Tasmania and have asked that my ashes be spread at Adventure Bay, Bruny Island, 40 or 50 years from now, hopefully.

I am who I am and have done what I have only because of other people. My father died six days before the 2004 election. He did not see me go on to be defence minister and Liberal leader. That is an experience that both the Prime Minister and my leader, the opposition leader, have also had. My father was a decent, thoughtful and intelligent man possessed of deep concern for the poor, the voiceless and victims of excess. My mother taught me that life’s value would ultimately be found in the people and the causes to which it was committed. My mother said that power was an instrument to be used in the service of those who had none and that in that service would be found fulfillment. I thank the Jesuits for seeking to instil in me the imaginative capacity to see the world through the eyes of other people.

I only came to the parliament through those who believed in me. Bruce Shepherd has been a second father; at times, also, like a second son. We met 20 years ago. I told him I did not like him. Uncharacteristically he refrained from a profanity, offering instead his first advice, ‘Never pass an opinion on someone you have not met.’ He later taught me the absolute importance of believing in a cause and bleeding for it.

Rhondda Vanzella made me, politically and personally—through 15 years of selfless sacrifice for Bradfield, the Liberal Party and my family. Doug Thompson dispensed encouragement, support and always a Slim Dusty story. Whether campaigning, making wedding plans or managing kids, Doug and Monique were always there.

Don Glover was the Bradfield Liberal who really had the courage to back me at the most crucial time in 1995. I was then mentored and supported by Betty Flick, Peter and Norma Beckley, John and Angela Carrick, Les Taylor, Robert Longstaff, Felix Venn Brown, Geoff Selig, Tony and Lee Hall and many, many others.

I would not have arrived here without Bill Heffernan; nor would I have remained without Tony Staley. Nor could I have done anything without my staff: Lee Hall, Ben Franklin, Sarah Cruickshank, Yaron Finkelstein, Simon Berger, Deborah Chan, Jaci Armstrong and ‘Hudson’ in my electorate office—to name but a few. Peter Hendy, Catherine Murphy and Maria Fernandez served me magnificently as chiefs of staff. To the many ministerial and leader’s staff, especially Peta Credlin, I owe you all a debt that cannot be repaid. You all made me better than I deserve to be.

I thank the Liberal Party for believing in me and for giving me extraordinary undeserved opportunities. I came to my Liberal belief through life, absorbing it through reflection upon and familiarity with the hard work, self-sacrifice and idealism of just everyday people. I am a better person and a stronger Liberal for the path that I chose.

It has been an honour to serve Bradfield, an extraordinary electorate populated by educated, hardworking people who are imbued with a deep sense of commitment to service—volunteerism, philanthropy and the best interests of Australia. These are people who give much but ask little, deserving much better than the devastating environmental vandalism being imposed upon them by the New South Wales government’s rampant overdevelopment.

I arrived here in 1996 in the company of men and women who will forever be accorded a very special place in my life. Phil
Barresi, Gary Nairn, Jo Gash, Danna Vale and Warren Entsch. It takes an effort to arrive in parliament as a crocodile farmer and cattle producer and leave as a gay rights activist with an earring, but that is Entschy. Amongst many others, they taught me a great deal.

I had intended to cross the floor in 1997 should the government relax cross-media ownership laws to allow the Packers to get Fairfax. I did not want to create a future in which they and Mr Murdoch would ultimately control the way my kids were going to think. I told the Packers so. I also held strong views on native title—Pauline Hanson had become a lightning rod for grief and anger that many Australians felt about changes in our country from the Keating era that they neither understood nor wanted—and mandatory sentencing in the Northern Territory.

Although I wanted to be a minister and to drive policy, I had all but given up believing it would ever happen when, in December 2000, John Howard asked me to be Parliamentary Secretary to the Minister for Defence. I was surprised because I sensed that John believed me risky, with an earring and a questionable background for Liberal politics. But I learned of John Howard that he respected people who challenged him provided they had an intellectually sustainable basis for their argument and refused to parade it through the media. I later learned that it was Peter Reith who convinced John Howard to give me a go. Maligned by unions, the media and their fellow travellers, Peter Reith is one of the finest men that I have met in politics.

We were in Aboriginal Australia together when he was employment minister, accepting my proposal to establish an organisation to facilitate volunteerism in Aboriginal communities.

My proudest achievement as parliamentary secretary for Defence was rebuilding the propellant factory at Mulwala. Defence had planned to close it, which would have meant we would import all our ammunition and lose 750 direct and indirect jobs, creating a human and social tragedy, not to mention a strategic failure. Madness.

I relished my four years as Minister for Education, Science and Training. The then departmental secretary, Peter Shergold, wore a tie adorned with tumbling pigs—all the way through 2002—and I was a bit too polite to ask him why. Finally he explained to a large gathering of stakeholders in the Main Committee room at the end of the consultation year on higher education reform that he called it his ‘pigs might fly’ tie. He considered that my chances of getting university reform through the cabinet, let alone a Senate controlled by four Independents, fell into the ‘pigs might fly’ category. But we did get it through: $11 billion more for the sector, with limited deregulation, governance reform, performance funding pools, scholarships, 25,000 more publicly-funded places, new medical schools, a transformational opening up of the private sector and access to income contingent loans. The ‘pigs’ tie is framed and it now hangs in my office.

Voluntary student unionism was delivered only by belief, persistence, negotiation and a judgment that I exercised at a critical juncture to test it in the Senate without knowing what the outcome would be. The schools agenda pursued by the current government is essentially that which we drove and legislated in 2004: national performance benchmarks in literacy and numeracy; a common school starting age; plain-language report cards; national standards for teaching; measurement and publication of school performance; principal autonomy; direct funding to schools; and the development of a national curriculum. The states had four years to comply, otherwise they would lose the Commonwealth money. That is why they are do-
ing it. The Rudd government deserves credit for implementing the agenda, and I thank both the Prime Minister and his government for doing so and for standing up to the intransigence that I experienced from their Labor cousins in the states over the four years that I was the minister.

I also make no apology for requiring schools to fly the Australian flag and to teach values. It was right to drive values education in the knowledge that character is destiny. A values-free education risks producing values-free adults. The problem too often is not that young people have not learned our values; it is that they have.

I also believed that our nation had failed in creating a culture in which young people felt that their lives were measured by the educational choices that they made. If they did not get an outstanding university entrance score, a university degree and a BMW then, in some way, they felt they were of lesser value—lesser value to their families and lesser value to their country—than those who did. It was right to confront this orthodoxy and renew the political and policy emphasis on apprenticeships. No person’s life is valued by the educational choices that they make.

We must never return to the class war in school funding. Those parents who choose to send their children to Catholic and independent schools had to be defended from those who were engaged in the politics of envy. All those children receive less public money for their education, deserving this nation’s support for their education and parental sacrifice.

I thank John Howard and Peter Costello for their belief in science and research, doubling funding to the Australian Research Council and allocating an additional $8.3 billion to the nation’s research and innovation agenda.

Defence remains the most demanding yet personally satisfying role that I have had in my public life. It was far more demanding than being opposition leader, which was difficult in different and less important ways. Management of the portfolio, reform of it, major procurements, intelligence, foreign policy and overseeing Australia at war—including 10 deployments—was gruelling. Acquisition of the four C-17 Globemasters, the three per cent real compounding increases in Defence spending over the next decade, two additional army battalions, three F100 Aegis equipped air warfare destroyers, two 28,000-tonne LHDs and a $3 billion recruitment and retention package are the most significant legacy decisions that I leave Australia. I thank then Prime Minister John Howard and then Treasurer Peter Costello for their belief in those decisions and for their support of them. The most important, though, was de-risking the transition to the Joint Strike Fighter with the purchase of 24 FA18F Super Hornets. I drove it, I am proud of it, and I was right.

I also record my quiet admiration for a man who made mistakes and recognises them but whom I found, in my dealings with him, to be intelligent, decent, thoughtful and principled. I regard him as arguably the most misunderstood and misrepresented figure in recent history, and that is President George W. Bush. It may not be fashionable to say this, but it is true. I supported the toppling of Saddam Hussein in the post September 11 world. He may not, in hindsight, have been an immediate threat, but he was an inevitable one.

To their families, I will never forget SAS Sergeant Matthew Locke, Private Luke Worsley, SAS Signaller Sean McCarthy, Lance Corporal Jason Marks, Trooper David ‘Poppy’ Pearce, Captain Mark Bingley and SAS Trooper Josh Porter, who gave their lives on my watch operationally in the ser-
vice of Australia as a consequence of decisions that I made, that I supported and that I administered. My life, my attitude to it and that of my country was forever changed by carrying responsibility for equipping them and placing them in harm’s way. Their sacrifice transcends and endures far beyond any contribution that I have ever made or ever will. I thank every man and woman who wears the uniform of our three services for what they do in our name and under our flag, in the defence of Australia’s interests and values.

I did not expect to become the leader of the parliamentary Liberal Party. I could have sat back after the election defeat in November 2007 and waited. For my own self interest, I was advised to do so. But that is not me. I knew it would be a crucial period for managing individual and collective grief at losing government and losing some of its key figures, embracing our legacy, framing the new government and setting an alternative vision for the country.

I had my reservations about the apology to the forcibly removed generations of Aboriginal Australians. I respected the legitimate conservative opposition to it in sections of my own party and the Australian community. I publicly aired my reservations deliberately as a device to bring my party to the ‘sorry’ table because I strongly believed that morally and politically it was the right thing to do. I stand by every word I said that day. I note that more Indigenous children are being removed today than ever were in the period for which the apology was offered.

Petrol—and Fuelwatch was a crock!—pensioners, carers, wheat marketing, same-sex couples and climate change: nothing was easy but what of value ever is? And the cardboard cut-out was my idea!

There are, in my opinion, five key challenges that face this country. The first is the prosperity that we will offer the next generation of Australians. It will require amongst other things: continuous taxation reform that is critical to incentive and Australia’s international competitiveness; a flexible labour market characterised by individual choice and protection; relentless pursuit of trade liberalisation in the knowledge that isolationism will never make us safer; major reform of teacher training, which can be done without spending additional money; appointment of classroom teachers to universities as lecturers, tutors and researchers; performance benchmarks and financial rewards for teachers; and quality assurance as a prerequisite for ongoing teacher credentialling. I ask the Prime Minister also to consider implementing the 2005 report chaired by the late Dr Ken Rowe into the teaching of reading. It will do more to transform lives and lift our productivity than any other single measure in Australian schooling.

Also at the time I floated with John Howard, whose blood pressure for some inexplicable reason went up at this point, that in modern Australia, in the 21st century, the CSIRO, which had been established at a time when little research was being done in Australian universities, should be amalgamated with the ANU and that some of its regional important satellite activities amalgamated with relevant regional universities. I still believe that is the case. It would immediately give Australia a global top 10 research and teaching institution. It would drive economies of scale and it would also drive research even more effectively in regional communities relevant to the communities in which it is undertaken.

The second challenge in my view is that of the dysfunctional federation. The greatest constitutional challenge that faces this nation is the relationship between the three tiers of government, and how the money is raised. This is obviously quite a different world
from that of Henry Parkes and those who gave us the Federation and the Constitution that served us so well for most of the 20th century. It is now failing us. It will require bipartisan leadership in a process to develop options for reform and to put them to the Australian people. Whatever the differences between us politically, it is obvious wherever you live in Australia, whatever your politics, that the relationship between the three tiers of government is at the heart of many of the issues that we debate here on a day-to-day basis.

The third key challenge is that of the environment. It is time for our generation to begin to live on environmental interest instead of the environmental capital that has sustained us since the industrial revolution. On climate change, let us not be a nation of intellectual lemmings. Why introduce the biggest change to the economic architecture in this nation in my lifetime with a tax on everything—massive churning of money through the economy as we emerge from the deepest economic downturn in 80 years—for no environmental gain in the absence of a global agreement? To legislate an emissions trading scheme in a country responsible for 1.4 per cent of global emissions before knowing what the three major emitters will do defies not only logic; it also violates Australia’s best interests. The dictum in medicine is uberrima fides—to always act in the utmost good faith. The interests of everyday Australians who want action on climate change but are ignorant of the cost to be imposed on them by those who do know what those costs are must surely be placed ahead of political advantage by both sides of politics.

The fourth challenge is that of the defence of Australia and, increasingly, our interests and values throughout the world. To those Australians who question our deployment to Afghanistan, please understand that our generation is engaged in an epic struggle against resurgent totalitarianism. This is a global insurgency driven by disparate groups. They have hijacked the good name of Islam to build a violent political utopia. More than 100 innocent Australians have already been murdered in Bali, Jakarta and New York at the hands of these people. They were murdered by people whose attitude to religious freedom, the rights of women and the liberating power of education violates everything for which this country has stood in its short history. We cannot leave our children held hostage to a force that they may never control. That is why it is so important that the political will be maintained in the leadership of the country from both sides of the political divide.

The fifth challenge, as I see it, is the cohesion of our society. Whether it is drug use, gambling, homelessness or the plight of Indigenous Australia, Liberals should be no less concerned for these issues than economic fundamentals. If we are falsely perceived as accountants aspiring to run an economy rather than men and women committed to building a better society we will be harshly judged. If all economic and scientific questions were ever solved, all important problems would remain still unanswered. I also caution the nation’s leadership as I leave. We have to be very clear about our values and our beliefs, never allowing Australia to become a country of cultural aimlessness. Whether by birth or by migration, we are Australians defined as we are by our institutions, triumphs, failures, heroes, villains, adversities, literature and culture. We cannot ever abandon what Arthur Schlesinger described as ‘historic purpose’ in building the future that we want.

The Liberal Party’s future lies in its past, never forgetting from where we come, who we are and for whom we exist. Liberals gave
Australia its first refugee, its first woman and its first Aborigine as members of parliament. Neville Bonner’s life of grace, humility and principle in the face of extraordinary adversity has been an inspiration to me personally. As the first Aboriginal Australian elected to the parliament, he considered his greatest achievement as being there. When Robin the Hughes asked him in 1992, he said:

They no longer spoke of boongs or blacks. They spoke instead of Aboriginal people.

Robert Menzies, in 1942, arguably the most important year in Australia’s history since 1788—a seminal year for the Liberal Party—spoke and wrote of the forgotten people. I have said this to my colleagues before and I will say it again today. He wrote:

Salary earners, shopkeepers, skilled artisans, professional men and women…

…farmers….politically and economically they are the middle class. Unorganised and unselconscious, not rich enough to wield power in its own right and too individualistic for pressure politics, and yet,

he observed:

…they are the backbone of the nation….and in their children they see their greatest contribution to it.

Two years later in 1944, again Sir Robert, to those who had come to Canberra to form what would become the Liberal Party emerging from the political dramas of the UAP, said:

What we must look for is a revival of true liberal thought, one that will work for social justice and security. True liberals have great and imperative obligations to the weak, sick and unfortunate. In his vision of Australia, this country would owe to ‘every good citizen, not only a chance in life—but a self respecting life.’ As Liberals we must always place our principles and Australia’s best interests ahead of what we think are our political interests. In my opinion and experience, one follows the other.

Thank you to my many friends and colleagues with whom I have worked, past and present. Tony Smith, Bruce Billson, Bob Baldwin and Mitch Fifield, you are men of courage and character. I will never forget it. Thank you, Peter Costello, to you and your family. Thank you for the central role that you have played in making this a more confident, prosperous and stronger country. I thank you for your support of me and I will never forget it. I wish my leader, Malcolm Turnbull, every well-deserved success for the future that will come through perseverance. To my Liberal colleagues, that future is in our hands. It is entirely in our hands.

I also thank Prime Minister Rudd for the considerable courtesies shown to me since we ended hostilities as political leaders. I thank the Prime Minister also for his commitment to screen every newborn baby for deafness. If we choose to do so, we can set a vision for our country where every child born profoundly deaf can, with a cochlear implant—if that is what their parents choose—and an appropriate program be able to hear, speak and be fully integrated into a normal school by the time they start at the age of five. A previous prime minister once said ‘no child would live in poverty’. All of us support that aspiration but, as Christ himself recognised, there would always be poor. But this is something that we can do. There is not a lot of money involved. Most of it is already in the system. It requires political will and it also requires a good heart. I know on this issue especially you have both.

I am asked at the moment—and, Peter Costello, you would be asked the same—whether I would encourage young people to go into politics. To young Australians, I say never abandon your idealism. Never give up believing that you can make a difference to
your community, your country and the world. The way each of us lives affects our world. You can make a decision early in your life to live in a way which changes the world. Never confuse position with principle and power. Arguably the most significant backbencher in history was William Wilberforce, who 200 years ago eschewed position to successfully challenge the repugnant economic orthodoxy of human slavery.

Success, in my experience, relies on three things. The first is to keep an open mind to other people and other ideas. None of us is right about everything, which is part of what is wrong with our system. Those who close their minds set themselves up for failure. The second is to constantly nurture and protect the inner integrity of your intellect: your ability to formulate ideas and express them to challenge and change the attitudes and opinions of other people. The third criterion for success is ultimately about the respect that we show to one another, whether in our community, the parliament or, indeed, our world.

To all Australians I say: never lose your sceptical attitude to political figures who think themselves better than others or who exploit your hard work. But I also say, as I leave, that this country is extraordinarily well served by the men and women across the spectrum that are here: Liberal, National, Labor, Independent, Greens and a variety of other parties. I came in with a degree of cynicism; I leave with great confidence that our country is well served by what happens here—as hard as it may be to see it, at times, on the evening news. Though some are occasionally worthy of scorn, relentless attacks on politicians’ remuneration diminishes the nation that they serve.

I will continue to pursue my vision of the Australia that I believe in. It should be one in which we value the health and integrity of human life as much as we do achieving our economic objectives. We should see that the barriers to the creation of wealth are the real enemy of equitable and fair social policy. We should nurture the idealism of young people. We should urge them always to embrace values for the world that they want and not just to accept values for the world they think that they are going to get.

Every Australian should know that he or she will be cared for, but in return we expect every Australian to make a contribution to this society from which we all derive a benefit. Ultimately, we should strive to be an outward-looking, intensely competitive, compassionate country, reconciled with its Indigenous history and imbued with values of hard work, self-sacrifice, tolerance and courage.

Finally—I know you are thinking it: he hasn’t mentioned his wife!—I thank my wife, Gillian, and my daughter, Rebecca. Gillian endured much on my behalf in the service of my electorate and of Australia. After losing the Liberal leadership last year, she remarked in a typically understated way, ‘It’s not a positive working environment.’ Gillian, for your support, encouragement, love, belief and balanced wisdom, I thank you. Whatever people think of me—and I know it was harsh—Gillian Adamson would have made an outstanding first lady. Thank you.

Mr Rudd (Griffith—Prime Minister) (5.42 pm)—Mr Speaker, on indulgence: there are times in this place when we see it at its best, and we have just seen one such time. The reason we are here on this side of the chamber for this last address by the member for Bradfield is very simple: we on this side of the chamber regard him as a decent human being. That is the reason we are here. To have risen to the leadership of your political party is a mark of the esteem in which your
colleagues hold you. For the parliament to assemble as one reflects something deeper in terms of their evaluation of the person. That says a lot about you, Brendan.

I am glad that you have set to rest the story of the earring. It occupied so much of the time of the then opposition tactics committee. But you have now put all of those questions to rest by your clear rendition as to the sequence of events and why they occurred. Mind you, I responded quite keenly to your remarks about being confronted by that posse of, I presume, Liberal Party matrons asking you for the removal of your earring. Had you been confronted instead by Labor Party preselectors they would have asked you to add one and to get a nose piercing as well—hence the difference in our political traditions. On the question of hair, mate, in my case I say, ‘Let he who is without sin cast the first stone.’ I am glad you have also set to rest who came up with that extraordinary calumny of the cardboard cut-out of me. I hope it has raised much money at Liberal Party fundraisers.

You mentioned also the importance of Gillian, Emily and Tom and Rebecca. It is right and natural, of course, that you say that on this occasion. But, having spent some time discussing our families together, I know for a fact how much they mean to you. It is a good reflection on you and a good reflection on them that you have been offered to this place with their support. Also in our discussions going back some years you made mention of the impact on you personally of your father dying just before the 2004 election. We spoke at that time, you may remember, because my mother died the day before that election. I often think that in this place and more broadly in the Australian community there is a text to be written on something simply called adult grief. However old we are when our parents die, and however old they may be, it makes it no less searing and no less acute. I remember well our conversations at that time.

As the Leader of the Labor Party, I thank you also for your decision to join with me in the apology to Aboriginal Australians. This was important. Those of us who are experienced in this place know full well the range of views and tensions within political parties on the various matters we discuss and debate in this place, and of course we are conscious of those which existed within your party and the coalition. I think it is a testament to your leadership that you prevailed in that difficult internal discussion within your side of politics, because in fact the national interest was served by that decision. The fact that we were able to gather together as one as a national parliament and speak with one voice on the question of the apology to Indigenous Australians will be something which echoes down the decades way beyond the time when you, I and others present are in this place. Our resolve then was to turn that into a genuine turning point for the long-term future and the relationships between Indigenous and non-Indigenous Australians. At best we have made one small step in that direction, but that small step would never have been taken absent the critical events of that day in this place when you joined with me in that apology, for which I thank you.

In this place we will be remembered for smaller things and larger things. One of those things which may seem to be small in Brendan’s contribution will in time come to be seen as large. Let us call it in this place today the Nelson initiative on hearing. There are something like 500 littlies born each year who have significant hearing impairment. I knew very little about the incidence of hearing impairment in kids. We had no experience of that in my family or my circle of friends and acquaintances, the normal way in which we become familiar with things. So in
a number of discussions we have had in my office in the time, as you said, since hostilities ceased, you have raised this with me and we have done some work on it. As you know, we have made an important first step, which is to get the Commonwealth and states to agree that every child in Australia will be screened at birth for their hearing. That is the first step. Is Bruce Shepherd here with us today? I have offered him honorary membership of the Labor Party, given my backing of Brendan Nelson’s initiative on this, the Nelson initiative. The second step is what then happens in terms of the proper and universal provision of cochlear implants to children so diagnosed. That is the next piece of work to be done, and we will work our way through that. This Nelson initiative may be regarded by some as small. Aggregated over the years, thousands and thousands of little people, who become big people, will have normal hearing and normal speech because of this thing that has been done here, and it is a good thing done between us.

I said we were remembered for small things and larger things. One of the larger things for which Brendan will be remembered will be for his role as education minister and as defence parliamentary secretary and as defence minister. These are important and challenging portfolios. Being defence minister of Australia during a time of armed conflict is a doubly challenging enterprise. Each of us who occupy positions of responsibility in this place at a time when our men and women in uniform are under physical threat in foreign fields to which we had sent them understands something of the responsibility which falls on one’s shoulders, and that responsibility was well discharged by Brendan as defence minister.

I conclude where I began. You made reference to the Jesuits. I was never educated by the Jesuits myself—there was not one in Nambour—but the Jesuits’ aphorism ‘give me the child of six and I will give you the man’ is well applied in the life we see before us today in Brendan Nelson. To sum up a parliamentary career and to do so with such obvious, visible and understandable emotion is a hard thing to do in this place, but you have done it well today, Brendan. You will be remembered for it and for the achievements which you have reflected upon as well.

You mentioned before having your ashes interred on Bruny Island. Mate, that is just a bit too morbid! There is a lot of other stuff to do in the meantime. Lighten up. I am sure others will respect that in due season. Am I right, Gillian? Just lighten up a bit. Good. And the kids? Lighten up? Got it. That may be attended to, but I have a suspicion, Brendan, and more than a suspicion, that you will be doing more in the public interest of Australia in the months and years ahead. The parliament salutes you, the Australian Labor Party salutes you and I as Prime Minister of Australia salute you and your contribution to this place as well.

Mr TURNBULL (Wentworth—Leader of the Opposition) (5.51 pm)—Mr Speaker, on indulgence: Brendan, on behalf of the Liberal Party and the coalition, I want to thank you for your years of service to our party, to the electors of Bradfield and to the people of Australia. I also thank you for your remarkable address. You quoted Robert Menzies’ ‘Forgotten people’ speech from 1942. Nothing in our pantheon can equal that, of course, but you gave a speech today which will be cited for decades to come. It was humane and humorous—we always wanted to know about the earring too, Prime Minister, and now we know the answer was ‘cherchez la femme’! It was also as complete as it was compelling. You gave a clear understanding of our past, our history, and a clear vision for the future. And you revealed so much of yourself, the man we know who has served...
this nation so well for so many years—so passionate, so compassionate, so committed to helping those who are not well off, particularly Indigenous Australians, for whom you have always laboured hard, from your very earliest days as a young medical practitioner.

You served our nation as an education minister, as a defence parliamentary secretary and as a defence minister. You served our nation vitally well in all of those roles. You secured record government investment in the Australian Defence Force—an average of three per cent real annual increase in defence expenditure out to 2015-16. At so many times in the past, investment in our defences has been neglected, and you certainly addressed that with the commitment that you have shown to everything you have done.

As you noted, you oversaw the deployment in our region of Australian troops who helped successfully to restore stability to the Solomon Islands and East Timor. You implemented far-reaching reforms to boost recruitment. You understood, as not all defence ministers have, that the core of our defence forces is the men and women, the human capital—far more important than the steel, the guns and the bombs. You recognised that humanity in our defence forces is our most precious asset.

Your achievements as education minister were truly remarkable. That is testified to by the fact that so many of your initiatives are being continued by our successors in government in the Labor Party. You developed and you implemented the Our Universities: Backing Australia’s Future package. You made the pigs fly, as you described it. You were able to take that on—a comprehensive reform package for our higher education system which increased the Commonwealth investment in that sector by $1½ billion over four years.

But perhaps most importantly you put in place an agenda for higher standards and greater consistency in Australian school education, including requiring publicly available information about performance in schools, plain English report cards and the explicit teaching of values in our schools. Your remarks about that today, as I said a moment ago, will be read and re-read for many years to come—a very keen insight.

You also introduced the Investing in Our Schools Program. Far be it from me to introduce a note of current affairs into these remarks, but that was a very popular and effective program. It had the result, both in your hands and in the hands of your successor, our deputy leader, of investing substantial Commonwealth moneys into school infrastructure that schools and their communities actually wanted.

As our leader—when you took over the toughest job, of leading a political party after a defeat—as a minister, as a colleague and as a friend, you have always been consultative. The Investing in Our Schools Program is a good example of that, in the way you reached out to school communities and said: ‘What do you need? How can I help? I want to listen to you.’ That is an example, or perhaps a piece of advice, that you might be able to share with your friend now that the hostilities have ceased.

I commend you, finally, Brendan, on the touching remarks you made about family. Gillian, all of us understand the sacrifices that spouses of members of parliament make. Brendan spoke eloquently of that. Really you, Gillian, and all the other wives and husbands of members of parliament are the unsung heroes of the struggles we engage in. You feel the blows more keenly than we do, because we can strike back but you simply
have to share the pain and support your loved one. Brendan, you spoke beautifully for yourself, but you spoke powerfully for all of us when you spoke of family. On behalf of the Liberal Party, the coalition, the opposition and, joining with the Prime Minister, the two leaders here in the House of Representatives, we salute you, we thank you, we respect you and we know that you will go on to serve Australia well in many capacities in the years ahead—and the business with Bruny Island will be a very, very long way in the future!

Mr COSTELLO (Higgins) (5.58 pm)—Mr Speaker, on indulgence: I will not detain the House too much longer, but I do just want to fill out a little of the picture, if I may. When Brendan first came into the House I was the Deputy Leader of the Liberal Party. I cannot explain to colleagues what a shock it was when Brendan went up to Bradfield and sought the Liberal Party nomination. It was not his earring; it was not his hairstyle; it was the fact that Brendan had come like a whirlwind and was about to take by storm the safest bastion of Liberalism on the North Shore of Sydney—which had been lined up by candidates over previous decades, much as is occurring now—without a great background in the party and with his previous position as President of the AMA.

Many people will think that the Liberal Party would actually respect the presidency of the AMA. We really just considered it another trade union, Brendan—its members were maybe a little more educated than your ordinary unionists but it was certainly no less dedicated to its members’ interests. We dealt with many of the officials of the AMA over the years, including Bruce Shepherd, who had been one of your distinguished predecessors. The fact that Bruce was behind your bid did not help it at that stage! Bruce had actually tried to recruit me to run for the Joh for PM campaign in 1987, I think it was—but that it is a story for another day.

Brendan took the electorate of Bradfield by storm. When he came down here, I have to say that it was a real breath of fresh air. He immediately made his presence felt. There were many people who thought Brendan Nelson ought to go straight onto the frontbench. He had had a distinguished career, he had been President of the AMA, he had a following and he had come in as a high-profile candidate. We were going into government, and I think those years that Brendan sat on the backbench were probably a tough period for him. I can remember having discussions with him during that period as to whether his time would ever come. None of us ever knows how long we will be in government. We think that if we do not get into government in 1996 will there be a 1998. There nearly was not for us. And if one did not get into government in 1998, would there be a 2001? Brendan, I must say, served a tough apprenticeship in this House and did it with great distinction.

Brendan went on to serve in education, again with great distinction. I think the thing that we learnt about Brendan when he was the Minister for Education, Science and Training was not only that he was good at the nuts and bolts, at the spending. As somebody who ran 12 expenditure review committees, I never saw somebody come into an expenditure review committee who was more on top of his portfolio than Brendan Nelson was. There were people here who saw him recount statistics at the dispatch box. For a while, he was given the moniker ‘Rain Man’, after Dustin Hoffman in that famous movie. Let me tell you that he did not practise them for question time; he actually knew them. One of the most fatal questions one could ever ask Brendan in an ERC was how much money was allocated in sub-program 4(b)(vi) last year as compared with
this year and what increase should occur. Twenty minutes later, after Brendan had given you every statistic of every subprogram, you realised that there was no-one on top of detail more than Brendan was.

I think the thing that impressed us in education was that Brendan has always believed in values. It need not have been thus. But somewhere along the line, whether it was through the education of the Jesuits or through the school of hard knocks, Brendan developed very deep values in his life. Patriotism is one of them. There were some people who thought that maybe flags in schools was a little overdone, but patriotism was a very deeply and genuinely held value that Brendan had. It was not something that he put on in this House because he thought it would be politically popular. Education, which had obviously made so much difference in his own life, was something that he very deeply and passionately held.

His respect for the defence forces was something that was deeply and passionately held. Sometimes there is a suspicion that a politician who talks about the defence forces and its values is doing it for political gain. I must say that on occasions it is done here for political gain. We all know it. Brendan was not one of those people. He felt it genuinely and passionately. For a party that originally found Brendan a breath of fresh air—he was not your standard Liberal—he won us over during that period.

The other thing I would like to say about Brendan, and I do not know whether he learnt it as a doctor but he had the greatest bedside manner of any MP in this House. I think I only got sick once when I was a minister, but when you got sick you did not want Brendan to know because he would be at your bedside prescribing treatment or ringing you up. I would like to tell those six ladies in Bradfield he was at my bedside, but it was not what they thought!

There are people in the coalition who suffered the loss of loved ones, and Brendan would sometimes visit them in hospital on their deathbeds. Again, he was genuinely concerned about them. The bedside manner that Brendan had was second to none, and it came from a genuine and deep commitment to people. I think that is what gave him the respect of his colleagues in this place. It is a great honour, a huge honour, to be elected leader of your party. To win a ballot in contested circumstances was for Brendan a great honour. It was probably for Brendan the year from hell. He walked through the valley of the shadow of death on so many occasions, but I never saw him flinch. I thought some of the press coverage that was given to Brendan in that year was as bad as I had ever seen. I do not think Brendan was ever given a fair go in that year, and I am a connoisseur of bad press coverage. I have had my share, believe me, and so I can speak with some authority that through the course of that year Brendan had as bad as anybody should ever have. Yet, Brendan, you had great dignity and courage. You knew what we all know: there is no point complaining about press coverage, because they only redouble their efforts, which is why we love them so much. Gillian, of course, walked through the valley of the shadow of death with Brendan, and I know the stress and the strain that it was for her. I pay tribute to her for the year as well. It will not go down as the best year of your life, I am sure, but I think Brendan drew a lot of admiration and a lot of thanks.

I too want to echo what the Prime Minister has said. Sometimes this House is a great place. It is not always as some of you new members have seen it in recent times. It is a great place. On those occasions when people stand and make speeches and talk from their hearts you can see the House of Representa-
tives is really working as it should and gives them some latitude. Brendan had some policy advice for us tonight. Isn’t it nice to actually hear policy advice which is not turned into split or policy advice which is not turned into differences—policy advice which is genuinely expressed, deeply felt and may actually have some wisdom for all of us in the conduct of how we should go about our deliberations?

Brendan, you have elevated the House with a wonderful farewell speech but more than that you elevated our party and, I believe, the parliament by the contribution that you made and you have elevated public life in this country with what you have done. For a man who believes deeply in all of those values, values that you hold dear, we want to say that we respect you and we respect them. On behalf of the people of Australia, thank you for everything that you have done.

The SPEAKER—Order! I thank the House for their good humour, civility and respect and, despite his admission about the cardboard cut-out, it was exactly what the member for Bradfield deserved.

Debate interrupted.

PERSONAL EXPLANATIONS

Mr HOCKEY (North Sydney (6.08 pm)—Mr Speaker, I am sorry I have to do this after those speeches but I wish to make a personal explanation.

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

Mr HOCKEY—I do.

The SPEAKER—Please proceed.

Mr HOCKEY—I asked a question today of the Treasurer at 2.12 pm. The draft Hansard of my question was sent to my office at 3.35 pm. The draft Hansard is published on the intranet parliamentary website and is available to all members, senators, staff and others in the federal parliament. Hansard has just advised that when the draft Hansard was sent to my office it was also posted on the intranet parliamentary website. Over 10 minutes later at 3.45 pm the Prime Minister accused me of misquoting in the body of my question. However, the unaltered Hansard available for almost 15 minutes to the Prime Minister, his staff and thousands of parliamentary staff shows clearly the start and end of the quote I used in my question today.

My quote was entirely accurate, 10 minutes before the Prime Minister stood in this place and attacked me. I expect the Prime Minister to correct the record and apologise for his own sloppy behaviour. I now seek leave to table the actual parliamentary Hansard green, which I did not alter and which properly illustrates the quote.

Leave granted.

Mr HOCKEY—I also seek leave to table the Hansard from 30 May 2007, when the Prime Minister was guilty of his own sloppy behaviour.

Leave granted.

INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (No. 1) 2009

Second Reading

Debate resumed.

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) (6.10 pm)—I want to thank all the speakers on the International Tax Agreements Amendment Bill (No. 1) 2009. I must say I have never heard such profoundly important and sweeping speeches on a tax bill by the member for Bradfield, by the Prime Minister, by the Leader of the Opposition and by the member for Higgins as well as other speakers on this bill. I think the history will show that these were probably the most
uplifting speeches that have ever been made in a contribution to a tax bill. I will take the opportunity to congratulate all of those speakers on their civility and on the great contribution that they have made to the parliament here tonight.

This bill will give the force of law to two taxation agreements between Australia and the British Virgin Islands and Australia and the Isle of Man, which were signed in London on 27 October 2008 and 29 January 2009 respectively. The bill will insert the text of both agreements into the International Tax Agreements Act 1953. The amendments will provide for the allocation of taxing rights between Australia and the British Virgin Islands and Australia and the Isle of Man over certain income of individuals who are residents of Australia, the British Virgin Islands or the Isle of Man thereby helping to prevent double taxation.

These agreements, which were signed in conjunction with bilateral tax information exchange agreements between Australia and the British Virgin Islands and Australia and the Isle of Man, support Australia’s efforts to combat tax avoidance and evasion through enhanced international cooperation.

Question agreed to.

Bill read a second time.

Third Reading

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (6.13 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

HEALTH INSURANCE AMENDMENT (EXTENDED MEDICARE SAFETY NET) BILL 2009

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at the next sitting.

AUSTRALIAN CITIZENSHIP AMENDMENT (CITIZENSHIP TEST REVIEW AND OTHER MEASURES) BILL 2009

First Reading

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

Second Reading

Mr LAURIE FERGUSON (Reid—Parliamentary Secretary for Multicultural Affairs and Settlement Services) (6.15 pm)—I present the explanatory memorandum to the Australian Citizenship Amendment (Citizenship Test Review and Other Measures) Bill 2009 and move:

That this bill be now read a second time.

This bill amends the Australian Citizenship Act 2007 to implement the recommendations of the Australian Citizenship Test Review Committee that were agreed to by the government and to strengthen the eligibility requirements for citizenship by conferral for applicants under 18 years of age.

The bill also amends the act to provide for a reduced period of residence for certain persons in special circumstances to allow such persons to be eligible to become an Australian citizen.

In particular, schedule 1 to the bill:

• provides that certain applicants may be eligible for citizenship by conferral without a requirement to sit a test if the person has a permanent or enduring physical or mental incapacity which
means that they are not capable of understanding the nature of the application; demonstrating a basic knowledge of English; or demonstrating an adequate knowledge of Australia and the responsibilities and privileges of Australian citizenship;

• provides that the citizenship test must be successfully completed within a period specified by the minister in a written determination; and

• provides that to be eligible for citizenship by conferral, applicants who are under 18 years of age must be permanent residents at both the time of application and the time of decision.

Further, schedule 2 to the bill provides for a special residence requirement for persons seeking to engage in specified activities that are of benefit to Australia and for certain persons engaged in particular kinds of work requiring frequent travel outside Australia.

In April 2008 the Minister for Immigration and Citizenship appointed an independent committee to review the operation and effectiveness of the citizenship test.

Six months after the test was introduced it was timely to assess the effectiveness of the citizenship test. During this time there were also a number of concerns raised with the minister, predominantly fears that the test had created an unintended barrier for the more vulnerable migrants in our community to be eligible to become Australian citizens.

The Citizenship Test Review Committee was commissioned to examine the operation of the citizenship test since its introduction on 1 October 2007 and identify whether there were ways to improve the administration of the test and its effectiveness as the pathway for residents to become Australian citizens. The review committee undertook extensive community consultations before compiling their report and recommendations.

In its report, Moving forward: improving pathways to citizenship, the review committee made 34 recommendations to the government. The recommendations of the review committee focused on improvements to the content and administration of the test, on the citizenship application process and on ensuring that vulnerable and disadvantaged people were not excluded from becoming citizens because of the test.

The government wants a citizenship test that is part of a meaningful pathway to citizenship for all those aspiring to become Australians. It should fill our new citizens with confidence about their role in this society and about how they can contribute to making this nation vibrant and strong.

The government reforms to the citizenship test aim to encourage prospective citizens to learn and understand the rights and responsibilities we all share as Australians.

On 22 November 2008, the government announced its response to the review committee’s report, which has received widespread community support. This bill implements those recommendations agreed to by the government that require changes to the act.

The central finding of the review, which the government has endorsed, is that the pledge of commitment should be the centerpiece of citizenship testing.

By focusing on the pledge of commitment the government has placed democratic beliefs, responsibilities and privileges of Australian citizenship, and the requirement to uphold and obey the laws of Australia at the heart of the citizenship test.

The review committee recommended that the citizenship resource book and test questions be revised to reflect the new focus on the pledge of commitment.
The government has engaged educational and civic experts to revise the resource book and test questions. The resource book has been developed in two separate sections: of testable and non-testable information. The testable information will be based on Australia’s democratic beliefs and values, the responsibilities and privileges of Australian citizenship, and Australia’s system of government—the values outlined in the pledge of commitment.

In revising the resource book the government accepted the review committee’s finding that the level of English used in the resource book was closer to ‘native speaker’ rather than the legislative requirement of ‘basic English’. The revised resource book has been written in ‘basic English’ to make it more easily understood, particularly for those people from a non-English-speaking background.

The review committee expressed concern that there are no effective alternative pathways to sitting a computer based test which was, in effect, marginalising some people from becoming Australian citizens.

The government is committed to ensuring people who have a commitment to Australia, and who have a strong desire to become Australian citizens, have the opportunity to do so. To address this issue the government will develop a citizenship course which will provide an alternative pathway to citizenship for a small group of disadvantaged people whose literacy skills will never be sufficient to sit and pass a formal computer test, even though they understand English.

The government is committed to ensuring that new migrants have the best possible chance of understanding their responsibilities, rights and privileges as an Australian citizen. The citizenship course will be based on the material in the resource book. Participants will still be assessed on the legislative requirements of possessing an adequate knowledge of Australia and of the responsibilities and privileges of Australian citizenship, as well as on possessing a basic knowledge of the English language.

The citizenship course will ensure that the citizenship test caters for the needs of a broader range of people, particularly those who are disadvantaged and vulnerable.

In conjunction with these improvements, the Australian Citizenship Amendment (Citizenship Test Review and Other Measures) Bill 2009 seeks to implement the committee recommendations that were agreed to by the government and that require legislative change.

First, the bill proposes to amend the Australian Citizenship Act 2007 to allow for a small group of people who have a permanent or enduring physical or mental incapacity to be eligible for citizenship without having to first sit a citizenship test. These people will not have to sit a test if, at the time they make an application, they have a physical or mental incapacity which means that they are not capable of understanding the nature of the application; or demonstrating a basic knowledge of English; or demonstrating an adequate knowledge of Australia and the responsibilities and privileges of Australian citizenship.

This proposed amendment will ensure that the most vulnerable and disadvantaged of citizenship applicants will have a legitimate pathway to citizenship.

While the number of people affected by this amendment will be small, without it the government would be excluding a section of the Australian community from Australian citizenship.

In the past, these clients have often failed the citizenship test multiple times but had no other means of meeting the legal requirements for conferral of citizenship. Concerns
have also been expressed that some of these vulnerable people are fearful of doing the test and therefore are choosing not to become Australian citizens as a result.

Secondly, the bill proposes to amend the act to streamline the citizenship application process. This is in response to the review committee’s observation that the current process of multiple steps was inefficient for clients and the department. The proposed changes will streamline the application and test process so that most applicants will only need to come to the department once. This will make the process more responsive and provide timely outcomes for clients as well as making better use of departmental resources.

Currently a person must sit and pass the citizenship test before making an application. As a result, many clients sit the test months before they will meet the residence requirements for citizenship, which results in multiple contact with the department. The proposed amendments will allow most clients to make an appointment to lodge an application and subsequently have their application approved on the same day they successfully complete the test if all the legal requirements for citizenship are met.

The proposed amendments will also allow a time to be specified in a written determination made by the minister within which a person may commence a test and successfully complete a test after making an application. This is to make sure that an application can be refused if a person does not successfully complete a citizenship test within a reasonable period of time.

It is also proposed that the act be amended to require applicants for citizenship by conferral who are under the age of 18 to be permanent residents at the time of application and time of decision. The current act allows any person under the age of 18 to be eligible for Australian citizenship by conferral. This is a provision that was carried over from the Australian Citizenship Act 1948, the old act; however, the provision is being exploited and is undermining both the citizenship and migration programs.

Proposed amendments in this bill will require that applicants under the age of 18 must be permanent residents to be eligible for citizenship by conferral. This is consistent with current policy. This amendment will prevent children who are in Australia unlawfully, or who, along with their families, have exhausted all migration options, from applying for citizenship in an attempt to prevent their removal from Australia.

The amendments will ensure the integrity and consistency of the citizenship and migration programs.

These amendments bring about key changes that complement reforms to the citizenship test that are already underway. The bill will lead to a more streamlined citizenship process and one that will deliver fair and reasonable outcomes to clients of the department.

Schedule 2 to the bill seeks to amend the act to provide for a special residence requirement for persons seeking to engage in specified activities that are of benefit to Australia and certain persons engaged in particular kinds of work requiring regular travel outside Australia.

In particular the amendments contained in the bill will provide:
- a special residence requirement for certain people who need to be an Australian citizen in order to engage in a specified activity that would be of benefit to Australia, and the applicant needs to be an Australian citizen in order to engage in that activity and there is insufficient time for the person to satisfy the current resi-
A discretion was available under the old act, which allowed the minister to grant Australian citizenship to a person who: was a permanent resident; was not present in Australia; and was engaged in activities outside Australia that the minister considered were beneficial to the interests of Australia.

This discretion was repealed when the act was introduced in 2007 because it was being used in unintended ways and became subject to substantial fraud and misrepresentation. There was little to limit the use of the discretion and its application relied on a subjective test.

However, at the same time the previous government changed the residence requirement for citizenship from two years permanent residence in Australia to four years lawful residence in Australia (either as a temporary or permanent resident), including at least 12 months as a permanent resident.

As a result of not including this discretion in the 2007 act and increasing the residence requirement a small group of people with special circumstances have been significantly disadvantaged, including elite sports-people, international airline pilots, offshore oil rig workers and people requiring high-level security clearances. The act no longer enables the minister any discretion in relation to the current residence requirement to allow people in these special circumstances to be eligible for Australian citizenship.

The new special residence requirements in the bill will allow a pathway for the above groups to be eligible to become Australian citizens. In all cases the applicant will need to meet all of the other legal requirements for conferral of citizenship including being of good character and passing a citizenship test.

New section 22A introduces a special residence requirement for persons seeking to engage in specified activities that are of benefit to Australia.

This special residence requirement will allow applicants to be physically present in Australia for a shorter period of time compared with the general residence requirement. This is intended to provide greater flexibility for applicants who are seeking to engage in specified activities that would be of benefit to Australia, such as representing Australia at the Olympic Games where citizenship is a requirement to represent one’s country. Activities that could also be specified include those that may require an appropriate national security classification.

New section 22B introduces a special residence requirement for persons engaged in particular kinds of work involving frequent travel outside Australia, and who are unable to meet the general residence requirement because of the kind of work they are engaged in.

The amendments also insert new section 22C, which provides for the minister to make a legislative instrument specifying activities which require a person to be an Australian citizen which are of benefit to Australia.

The types of activities specified under this legislative instrument will, for example, include representing Australia in a particular sporting activity at the Olympic Games and the Paralympic Games for which citizenship is a requirement to represent one’s country. Activities that could also be specified include those that may require an appropriate national security classification.
The legislative instrument will also specify the organisations who may give the minister a notice that a person has a reasonable prospect of being engaged in a specified activity—for example, the Australian Olympic Committee, the Australian Paralympic Committee or a government agency involved in matters of national security.

The kinds of work to be specified under this legislative instrument will, for example, include those which require a person to frequently travel outside Australia because of that work, such as international airline pilots, crew members of a ship and offshore oil rig workers.

The kinds of work to be specified under this legislative instrument will, for example, include those which require a person to frequently travel outside Australia because of that work, such as international airline pilots, crew members of a ship and offshore oil rig workers.

The proposed special residence requirements provide clearly defined criteria for eligibility in law, which has been agreed to by parliament and, unlike the discretion under the old act, leaves no room for ambiguity as to who will be eligible for consideration under these provisions.

At this point I would like to briefly comment on the amendments which were moved by the opposition in Senate.

The opposition proposed that the minister should have a personal power, which he could not delegate, to grant citizenship to a person if he is satisfied that granting citizenship to the person would be in the Australian public interest because of the exceptional circumstances of the case, as long as the applicant was not present in Australia as an unlawful noncitizen at any time during the period of two years immediately before the day the applicant made the application and the person has sat and successfully completed a citizenship test.

It is clear that the shadow minister does not understand the government’s amendments or how the act works. The government amendments in the Senate did not represent a free pass to citizenship but rather a special residency requirement for a small group of people who do not have a pathway to citizenship.

The government amendments will still require applicants to meet all of the eligibility requirements in section 21 of the act, such as having a permanent visa, being of good character and having an ongoing commitment to Australia.

The opposition’s proposed amendments would have introduced so broad a discretion that it would have contained no permanent resident requirement, no time to be spent in Australia, no character requirements and no requirement to reside in or maintain a close and continuing association with Australia. These are all standard requirements for the conferral of citizenship, which the opposition would have thrown out the window. Australian citizenship is too valuable and important to be the subject of the personal opinion of the minister of the day—what one minister thinks appropriate will vary from minister to minister.

Indeed this amendment would create an industry for vexatious citizenship applications that the minister would need to consider. Anyone could put in an application for citizenship which would have to be personally seen by the minister and there would be absolutely no restriction on who could apply as long as you had a visa—you would not even have to be in Australia.

Also by moving these amendments they have completely contradicted themselves. They supported the government in closing off the ministerial discretion for children under 18 because it was being misused by a group of people who want to prolong their stay in Australia, yet they proposed to create another power which would allow the same people to apply to the minister for citizenship under a different provision.

On the other hand, the amendments that I have introduced by way of a special resi-
idence requirement for people engaged in specified activities or a particular kind of work provides a specific legal framework and clear eligibility requirements which will ensure that the special residence requirement is used appropriately and only applied to the group of people for which it is intended.

It will also ensure that applicants have spent some time in Australia and that they have an ongoing connection with Australia.

The proposed special residence requirements aim to strike the right balance in facilitating Australian citizenship for those who are unable to meet the general residence requirement due to the nature of their occupation yet who genuinely ‘call Australia home’ and wish to formalise that relationship with Australia by becoming Australian citizens.

The bill deserves the support of all members of this parliament.

I commend the bill to the chamber.

**Dr Stone (Murray) (6.34 pm)**—I rise to speak on the Australian Citizenship Amendment (Citizenship Test Review and Other Measures) Bill 2009. Madam Deputy Speaker Vale, as a member of the coalition, you would know, like others on this side of the chamber, that we introduced a citizenship test several years ago to ensure that non-citizen Australians understood the roles and responsibilities and obligations of citizenship when they had served a period of time, a residency requirement, in Australia; when they had been of good character and when they had not been unlawful during their period of time in Australia—and of course there were some other criteria. We wanted to make sure that citizenship held the value in Australian society that it should.

We were concerned that functional English be part of that citizenship test. We felt that it was difficult for a new Australian to understand the values, responsibilities and obligations that go particularly with citizenship—for example, being required to serve on jury duty, to defend the nation if called upon and to vote in the compulsory elections which are held in Australia as part of our parliamentary democracy. To fully participate as an Australian citizen exercising those responsibilities requires functional English, and so we included English testing as part of the citizenship test.

We are concerned about the amendments which are now being rushed through this chamber and which came through from the Senate literally just a few hours ago—in particular the one to do with elite athletes. That amendment is all to do with an obscene, desperate move to ensure that we have Ms Tatiana Borodulina able to have citizenship by 22 September so she will be eligible to compete for Australia at the 2010 Winter Olympics. This is not what our citizenship is all about. We are quite sure Ms Borodulina is a wonderful person. We have no question about how fast she can skate, either. The issue is: should we change the law of this country so people can meet the citizenship requirements—which is demanded of someone joining an Olympics team in Australia or someone competing in certain tennis tournaments. Should we have their residency requirements discounted in order that they can get citizenship faster and then represent Australia in elite sport? We think that that sort of behaviour is unbecoming for the Rudd Labor government. We are somewhat embarrassed that this amendment in the form put up by the government should even be here. But deal with it we will.

If the government feels that simply slightly changing the wording of the amendment—changing the reference from ‘elite sport’ to something called ‘specified activities’—disguises the absolute intent of this bill, you only have to look at the instrument which will be used in deciding who can
nominate a person for the special discount allowing them to receive Australian citizenship despite their time in Australia. That instrument specifies that nominations may only be brought forward from Tennis Australia or the Australian Olympic Committee. So I am afraid this is all about elite sportspeople being able to be given citizenship so that they can represent Australia even though they have not in fact served the appropriate time in the country for them to ordinarily be eligible for Australian citizenship.

You can imagine there are a whole range of people who may say: ‘We need medals. We love our medals. We love our sport.’ Let me assure you that the minister himself very quickly understood the embarrassing situation he had put the government in after his first media announcement of this new piece of legislation—the announcement made on 31 August, just a few days ago. In the company of Ms Borodulina, Minister Evans said he hoped the changes would lead to ‘more gold medals for Australia at sporting events’. There was an outcry, of course, across the nation. People said: ‘No, we are not that sort of country. We don’t believe in medals at all costs. We don’t believe our citizenship should be discounted and devalued in that way.’

Minister Evans is astute, and so the very next day the AAP reported these quotations from Minister Evans. In response to the question, ‘Are these measures all about a grab for gold for Australia?’ he said very definitively: ‘No, they are not.’ I am afraid that when the only organisations able to nominate candidates to receive discounted residency requirements for Australian citizenship are Tennis Australia and the Australian Olympic Committee, it is clear that this is sadly just a reference to Australian citizenship for medal prospects.

Quite clearly, the coalition does not support this amendment. On the other hand, we do agree that there are certain circumstances where an extraordinary human being can make an extraordinary contribution to our nation and it might be that, for whatever reasons, they have not been able to serve the four-year residency requirement that goes with an application for citizenship in this country. There was an example where an eminent scientist was serving his time in the Antarctic, which is not counted as Australian territory for citizenship purposes. I understand. He was a very eminent person who wished to become an Australian citizen and there were difficulties with his ability to meet the residency requirements.

We believe there may be a small number of other circumstances where the government of the day might choose to give citizenship to someone who can demonstrate that they have a very significant contribution to make to this nation. Therefore, we say that there should in fact be an amendment to this proposition, and that amendment would allow the minister to use his discretion in circumstances where there is an extraordinary person who is able to make a contribution to Australia and who, in receiving citizenship, will make that contribution to Australia.

We did have discretion like this some years ago, but the problem was that the minister’s discretion was able to be delegated and, in being delegated to a departmental official of the day, that delegation was abused and an unfortunate incident occurred. As a result of that, the ministerial discretion to grant citizenship on the basis of extraordinary national interest was removed, and right now no such discretion exists. We are proposing to amend the bill to reintroduce discretion for the minister, but that discretion would not be able to be delegated at all. It would also be transparent, in that any decision made by the minister to deliver citizenship to a certain person who demonstrated that their citizenship would be in the national...
interest would have to be both published on the departmental website and tabled in parliament. So there you have a transparent process and a process that cannot be delegated so it is not able to be abused by any other party.

We would also continue to require the person under consideration for that special conferment of citizenship to pass the citizenship test. We believe that that is a proper way to proceed. This amendment has no references whatsoever to how fast the person can skate or how hard they can hit a tennis ball. This discretion has nothing to do with medals to be won in the international arena. It is to do with a ministerial power which we do not expect would be used very often at all but which would be available where a person cannot meet the residency requirements but whose citizenship can be demonstrated to be in the national interest.

We are also concerned that there are people in Australia whose family, partners and children may be Australians and who have called Australia home for years but whose jobs require them to travel often and extensively outside the country. We know that it is difficult for people in those circumstances to apply for citizenship, because they will have great difficulty fulfilling the residency requirements that we now have in the Australian Citizenship Act. We have great sympathy for such people. They may work in the airline industries or the maritime industries—perhaps on oil rigs. We understand the difficulties these people might face. We agree that there should be some capacity for such people who meet certain criteria to gain Australian citizenship though their particular kind of work requires them to extensively travel outside Australia. But that situation, too, should not be automatic; it should be subject to ministerial discretion. We are therefore also proposing to amend the act to include a second ministerial discretion for awarding citizenship to offshore workers who cannot meet the residency requirements but who can demonstrate significant hardship or disadvantage because they cannot become citizens. I therefore move:

That all words after “That” be omitted with a view to substituting the following words:

the House defers consideration of the bill until the following have occurred:

1. the Government redrafts the bill so that it provides a simple ministerial discretion for those who cannot meet the residency requirements but whose citizenship can be demonstrated to be in the national interest; and

2. the Government redrafts the bill so that it provides a simple ministerial discretion for awarding citizenship to offshore workers who cannot meet the residency requirements, but who can demonstrate significant hardship or disadvantage.

These are second reading amendments; I will have more detailed third reading amendments when we get to that stage of the bill.

**The DEPUTY SPEAKER (Hon. DS Vale)**—Is the motion seconded?

**Mr Morrison**—I second the motion and reserve my right to speak.

**Dr STONE**—We have now circulated two amendments. There was a third amendment which we were considering, but this bill was, of course, introduced into the Senate. The Greens members in the Senate produced a virtually identical amendment to a part of the bill which originally required us to consider an exemption for citizenship testing for refugees who had come to Australia, had experienced torture and trauma when offshore and were experiencing a temporary physical or psychological disability. We were very concerned about that particular amendment. We felt that it would not serve the interest of the new refugee settlers at all, because they—particularly women from culturally very conservative backgrounds—
might have found it a lot more difficult to find access to English language classes.

We were also concerned, given that these particular refugees who had experienced torture and trauma still needed to be in Australia for four years before applying for citizenship. So describing their condition still as temporary was rather problematic. So we moved an amendment to the effect that people with a permanent or long-term physical or mental incapacity be exempt from sitting the Australian citizenship test. You will understand in my reciting those words that there is no reference to refugees or people experiencing torture or trauma offshore. We felt that that was not an appropriate way to go. The Greens felt likewise and their words were identical except that they substituted the word ‘long-term’ with ‘enduring’ physical or mental incapacity, so we were happy to support the Greens amendment, it being virtually identical to ours in sentiment. Therefore in the Senate we supported the amendments which changed ‘permanent physical or mental incapacity’ to ‘enduring physical or mental incapacity’ in relation to exemption for sitting the citizenship test.

We are very concerned about maintaining the integrity of the citizenship test, as I said before. We are very concerned that we never have our citizenship held in contempt. We do not believe that Australia, indeed a sports-loving nation, would appreciate having citizenship played with in a way that gave non-citizen elite athletes special concessions so they could compete in our name despite not having undertaken residency requirements that are required of all those who seek to reside permanently in this country as Australian citizens. We have deliberately not put a whole set of criteria around our amendment which gives a discretion to the minister to consider people whose citizenship would be in the Australian public interest. We have not put a great framework of special requirements around such consideration for the minister, because we believe in the integrity, transparency and accountability of the minister of the day, and I find it quite extraordinary that the Parliamentary Secretary for Multicultural Affairs and Settlement Services a minute ago implied that the minister, in using that discretion, would not take on board the character of the person or whether or not they were appropriate to consider for Australian citizenship. It is quite an extraordinary indictment of the minister of the day to suggest that he could not make an appropriate assessment or judgment.

We have, however, bound the residency requirements to our amendment for a person who is required to work offshore. There are a number of special residency criteria in our amendment. I refer to those. A person is eligible to become an Australian citizen if the minister is satisfied that granting a certificate of Australian citizenship includes meeting a range of residency prerequisites. They include that, at the time the person made the application, the person was engaged in work that requires them to regularly travel outside Australia; the person was engaged in that kind of work for a total of at least two years during the period of four years immediately prior to or before the day the person made the application; the person was ordinarily resident in Australia throughout the period of four years immediately before the day the person made the application; the person was present in Australia for a total of at least 480 days during the period of four years immediately before the day the person made the application; the person was present in Australia for a total of at least 120 days during the period of 12 months immediately before the day the person made the application; and, the person has demonstrated they would suffer significant hardship or disadvantage if they did not receive citizenship.
From these and other criteria—including that the person was not present in Australia as an unlawful noncitizen at any time during the four years immediately before the day the person made the application; the person was a permanent resident for the period of 12 months immediately before the day the person made application; and the person has met the requirements of subsection 2A of the citizenship test—you can see that we have bounded the ministerial discretion and that in the case of a person who must work offshore those boundaries are substantial. When the parliamentary secretary stood here and said that we had not looked carefully at what other criteria had to be considered, that was completely disingenuous. I can only imagine that the parliamentary secretary had not read our amendments. That of course could be possible, because this bill has been so extraordinarily rushed into both the Senate and this House. We understand that if Ms Boro dulina is not a citizen by next Tuesday she cannot in fact be considered for membership of the Australian Winter Olympics team.

Let me go back to where I began and say that we believe ministerial discretion is the appropriate way to deal with extraordinary circumstances where people cannot meet the residency requirements which are now to be applied under law when someone is seeking citizenship in this great country. We do not believe that you should trade off the rights to access Australian citizenship in the pursuit of medals for this country. We believe that is an abuse and misuse of the Australian Citizenship Act, and I think a lot of Australians would be embarrassed mightily if they saw this bill, in the form in which it has been presented, passing through this parliament. I therefore urge the government to consider, alternatively, ministerial discretion for someone who can demonstrate that citizenship would be in the national interest.

Let me also repeat that we have great sympathy for people who have to work offshore and who cannot therefore meet our residency requirements. We say that they too should be able to access ministerial discretion. In both cases this discretion should not be able to be delegated to any other party. In both cases any decisions made by the minister must be made transparent by being brought into parliament and also published on the departmental websites. We are supportive of the amendment moved in the Senate which has people with enduring physical or psychological, or permanent physical or psychological, difficulties and who cannot therefore understand and participate in a citizenship test, being exempted. We support that amendment. As I say, we had an amendment that echoed the words, but for one, in the Greens amendment.

There are other parts of this bill that we do support, and the parliamentary secretary referred to those. In particular, there has been some abuse in the past, with parents who have not been eligible for Australian citizenship using a loophole that existed in relation to their children’s eligibility criteria. We support that loophole being closed by this government.

Let me finally say that we must always uphold the integrity of, and show respect for, our citizenship as something that is not a right in this country. It certainly should not simply come at the time when you can tick a box and declare you have met the residency test. Amending a bill to introduce an act so that medals can simply be handed out to those who have a prospect of winning gold for our country in some elite sports event is a contempt in relation to the citizenship status of others in this country. I urge this government to restore the integrity of the citizenship test by accepting our amendments. That would mean that all Australians could continue to be proud of the way our Australian
Citizenship Act works and could rest easier knowing that it would not become something to be manipulated by either Tennis Australia or the Olympics committee when they have a prospect who arrives too late into this country to be properly considered as eligible for Australian citizenship. I commend our amendments to the House.

Ms GEORGE (Throsby) (6.58 pm)—I am pleased to have the opportunity to speak on the Australian Citizenship Amendment (Citizenship Test Review and Other Measures) Bill 2009, particularly because it brings back to the parliament the outcomes of the review that was conducted insofar as the new test that came into being in 2007. When the changes were introduced by the Howard government in 2007 I made a number of comments about the new testing procedures that were ushered in by that bill and pointed to what I believed were some serious shortcomings, particularly focusing on the new requirements for people to become citizens of our nation.

I take a particular interest in the bill before us tonight because my electorate, the electorate of Throsby, is built on a very solid foundation of successive waves of migration to Australia. We have very large numbers of migrants from diverse countries, particularly since the Second World War, who chose to make the Illawarra their home. I also have a personal interest in the measures outlined in the citizenship test review bill because of particular family circumstances and the fact that members of my family were able to become citizens of Australia, and naturalised Australians, under the regime that had applied in this country since the Nationality and Citizenship Act—known as the Australian Citizenship Act—was enacted back in 1949.

My concern was that in the changes introduced in 2007 the very strict requirements of satisfying the test could have had the unintended consequence of disadvantaging people like my family, who came to this country with no language competency but nevertheless were very delighted to become naturalised citizens and made a very significant contribution in their own way to the fortunes of the country. I thought that the onerous obligations in the test that came into being in 2007 might make it much more difficult for people who come to this country as refugees or as migrants—on whatever ground, be it skill or humanitarian—to become fully accepted as Australian citizens. I had this feeling that part of the discourse about the new test that was ushered in in 2007 was that tests had not applied previously. Of course, that was not the case. From the early days, since 1949, there had always been a reasonable test to ensure that people who wanted to become Australian citizens understood their rights and obligations and the privileges of citizenship and also had a basic knowledge of the English language.

As far as I am aware, in previous years applicants were asked to answer questions in simple English regarding their personal particulars, such as how long they had lived in Australia, and they had to understand that citizenship had rights and responsibilities. They were asked to demonstrate basic competency in and adequate knowledge of the English language. The citizenship test must have worked very well up until 2007 because 3½ million people—as I said, including my own family—were granted citizenship under those provisions. My family came to Australia as refugees under the United Nations program and were delighted to become citizens of Australia.

The new test, when it was introduced, brought in much more complex formal procedures. In my view, it required much higher levels of comprehension of the English language and an understanding of history, insti-
tutions, traditions and symbols. This went beyond a fair test to become an Australian citizen. The fact that people were required to answer questions by computer—with 20 multiple questions drawn randomly from a bank of 101 questions—raised issues not only about the level of fluency and literacy for many people who come to Australia but also about the need for them to be computer literate. For most people, the test would have been a quite onerous challenge if they had come to Australia without proficiency in the English language and without computer literacy.

So we were moving away from a requirement to have basic English speaking ability and a genuine desire to contribute to the nation to a much more onerous test, which really was a test of literacy that was accompanied by a resource book which required applicants to have a diverse and detailed knowledge of Australian history, culture and values based on this citizenship test resource book. I was very pleased that, on election to government, we agreed after a short period of time—I think it was six months—to appoint an independent committee to review the operation and effectiveness of that test. That committee was chaired by Richard Woolcott.

I want to quote just a few sections of the review’s findings because, in a very objective way, they confirm some of the misgivings that I had stated on the introduction of the Citizenship Amendment Bill back in 2007. In the words of the committee, they were gathered to identify and report on any unintended consequences arising from the introduction of the citizenship test, including any barriers which may have been created to the acquisition of citizenship by migrants, refugee and humanitarian entrants to Australia, regardless of background, education, skills or literacy, and to make recommendations to address these barriers if they so found them to be in place.

In their report Moving forward: improving pathways to citizenship the committee focused on improving the content and administration of the test, the application process for citizenship and, very importantly, ensuring that vulnerable and disadvantaged people were not excluded from becoming citizens because of the onerous requirements of that test. It was interesting to read in the report that statistics showed a decrease in the number of people applying for citizenship since the current test commenced in 2007. The committee commented on the statistics in the following terms: that if this trend should continue, it would be contrary to the bipartisan objective of promoting the taking up of citizenship.

The committee reported on their submissions and consultations. They said:

Throughout the consultations we were struck by the predominance of those representing arrivals in the refugee/humanitarian stream, a group that we soon came to recognise as the most disadvantaged, both by their circumstances and the nature of the … citizenship test which effectively discriminates against them.

They went on to say that their findings:

… are necessarily influenced by those organisations who responded to our invitations to consultation.

They pointed out that, in many of these consultations, the opening statements generally began with firm opposition to any form of testing but, once it was clarified that the government intended to retain some form of testing, people generally agreed on the need for a system of testing that is fairer and more accessible to all migrants, including the most disadvantaged. There was some contention that the current test was biased towards those who were literate in the English language, when the legislation in effect requires only a
basic knowledge of the language and in fact became exclusionary in nature.

In commenting on the resource book *Becoming an Australian Citizen*, which caused me some concern when it was introduced, interestingly, the committee came to the conclusion that the resource booklet was widely criticised. While many said that the book was interesting and provided information of which they had been unaware, most said that it represented a particular view of Australian society and history that might not be shared by all Australians. But, very importantly, as a basis for a test, it was seen to contain too much that was irrelevant to citizenship. There was agreement that the book should be rewritten and divided into testable and ‘nice to know’ sections. Of particular interest to the committee was a view put forward by English teachers and language and educational experts that the book was written at a level of English that was far too high for its intended audience, and that was certainly the view that I had expressed in my contribution on the earlier bill.

In looking at the findings produced by the Woolcott citizenship test review committee, I think they came to a very sensible position that the pledge of commitment should in fact be the centrepiece of citizenship testing, not the level of people’s literacy or understanding of Australian history, its institutions, its detailed political processes or knowledge of famous and legendary heroes, including from the sporting field. All that is very interesting, but it does not really serve the purpose of determining whether a person wants to be and will be an effective citizen of our nation. In making the pledge of commitment, which is the most symbolic affirmation of a person’s desire to become a citizen, a lot flows from that and it will necessarily require that the resource book and the test questions be revised to reflect the new focus on the pledge.

I understand that the resource book will now be developed in two separate sections of testable and non-testable information. The government has accepted the committee’s central finding that the level of English used in the resource book was closer to that of ‘native speaker’ rather than the legislative requirement of basic English. When the current resource book was assessed by linguistic experts it was found to be complex and difficult on a range of measures of reading difficulty. That submission was very forcefully made by teachers who specialise in the Adult Migrant Education Service and who participate in the programs that are run for newly arrived migrants. In future, the testable items will be based on the values contained in the pledge, and the non-testable information, while interesting and useful, will be made available for people to peruse in their own given time when they have the literacy and language skills to be able to delve into all that information in a more practical manner.

The committee also found, confirming a view that I had also held, that the sitting of a computer based test was in effect marginalising some people from becoming citizens. To address this issue, the government will now develop a citizenship course as an alternative pathway for those people whose literacy skills will never be sufficient to sit and pass a formal computer test, even though they might understand English at a basic level.

The bill before us proposes to amend the act in ways that I think will make the test a much fairer and a more genuine test of a person’s desire to become a citizen. It will allow for a small group of people who have suffered torture or trauma to be eligible for citizenship without having to first sit a citizenship test, and rightly so. These people will not have to sit a test if, at the time they make an application, they have a physical or mental incapacity which makes them unable to understand the nature of the application or
unable to understand or speak basic English or demonstrate an adequate knowledge of Australia and the responsibilities and privileges of Australian citizenship. It involves a small group, and I am pleased that the committee’s recommendation will be reflected on the passage of this legislation.

The bill also, sensibly, proposes to amend the act to streamline the citizenship application process. This was in response to the review committee’s observation that the current process of multiple steps was inefficient both for people sitting the test and for the department. Hopefully, once this legislation is carried, the streamline procedures will mean that applicants will only need to come to the department once, so a much more timely and responsive set of measures will be undertaken when people come to the department to sit the test and apply for citizenship. As has been previously indicated, there will also be a new requirement in the bill, and it is probably a little controversial in that it has aroused some debate in opposition to the proposal. The government has determined that, in future, we will require that applicants under the age of 18 must be permanent residents to be eligible for citizenship by conferment. As I say, this part of the legislation was contested by some members of the committee, but the majority opinion has led the government to also proceed with that amendment.

In conclusion, these amendments are well thought through and they will bring about key changes that complement reforms that are currently underway. The bill will also lead to more streamlined citizenship processes and ones that will deliver more reasonable and fairer outcomes, particularly for many of the potentially more marginalised and disadvantaged groups that come to our nation. As the committee stated in its conclusion:

The Committee considers that the government should encourage permanent residents to become citizens and be included as full legal members of the nation. To that end, any testing process should be encouraging participation and a sense of inclusion by learning more about Australia and the meaning of the Pledge, rather than excluding people or preventing them from taking the Pledge to become Australian citizens.

The changes proposed in the bill before us this evening will give effect to the objectives enunciated by the committee and the very thoughtful recommendations it has presented to government which, in my view, warrant bipartisan support.

Mr SIMPKINS (Cowan) (7.16 pm)—I certainly welcome the opportunity to speak tonight on the Australian Citizenship Amendment (Citizenship Test Review and Other Measures) Bill 2009. I think many of us have been involved in citizenship ceremonies and have welcomed new Australians to the team at local government offices or even in our own offices around the country. That is always a great moment. When I have the honour of conferring citizenship as part of the final ceremony for people who are becoming Australians, what I always like to emphasise is that the good thing about being an Australian is that you have rights. There are a lot of rights. There are a lot of benefits to being an Australian; there is no doubt about that. But there are also great responsibilities. I think it is important that all Australians, whether they are new citizens or whether they have been born citizens, acknowledge those responsibilities. The citizenship test was one of those responsibilities. It was an obligation for people to appreciate this country on a number of different levels.

During the citizenship ceremonies within the electorate of Cowan, I sometimes wonder whether in making the pledge to Australia some people truly understand what it all means. That is the reason I think the intro-
duction of the citizenship test was actually quite a positive thing. Indeed, you might also consider when people sit the citizenship test, particularly if they have come through the humanitarian stream with a non-English-speaking background, that it is a test or an assessment of the English language programs that are provided. You could almost look upon it as a test of whether our systems are working in bringing more people to Australia and helping them to integrate into the community, with the advantages and the opportunities that this great country offers.

I think it is important that I now speak a little more specifically about the bill. As I said before, I do welcome the opportunity to speak on the subject and particularly on the Australian Citizenship Amendment (Citizenship Test Review and Other Measures) Bill 2009. I preface my remarks with comments that a lot of people in Cowan bring to me. These are not just my feelings; there are a number of topics that the people in the electorate of Cowan feel are important enough to bring to me, whether it is in the shopping centres I visit, in my office, by email or by telephone calls. There is a concern about the integrity of the Australian immigration system and our border security measures, which a lot of people, including me, feel have been severely damaged by the attitude of this government and the changes that have been made to our immigration policies.

Eighteen months ago there were reports of the Christmas Island immigration facility being something of a white elephant—yet how things have changed. It is now full to overflowing, and the reason is clear. It seems that out there on the Arafura Sea the Australian government has effectively turned on the green light to people smugglers. The people smugglers have been putting up ‘open for business’ signs, and it seems like the federal government has handed them to them.

To restate my position on these matters, I will go back to previous speeches I have made with regard to certain people who try to arrive here on boats. I remind the House that Afghanistan has no ports. You cannot get on a boat in Kabul or Kandahar, but you can drive into Pakistan. You can go to an airport in Karachi or Islamabad and fly to Malaysia or to Jakarta. That is possible, but I cannot reconcile the claim of fleeing alleged refugees waiting in an airline departure area when a stop somewhere along the way would allow a claim for refugee status to be handled in the normal and legitimate ways. Although that point is a departure from this bill, given the strains on the existing facilities caused by the government’s soft and equivocal approach, it is entirely relevant.

I will, however, turn to the bill now, and there are three components of particular interest in it which I will cover. Firstly, I would mention that the bill provides for a reduced period of residence for certain persons in special circumstances so these persons can then become eligible for Australian citizenship. I believe that this is referred to as the ‘special event’ amendment. The second component is to amend citizenship residency requirements for people engaged in particular kinds of work requiring extensive travel outside Australia, including oil rig workers, pilots and, I believe, professional athletes. The third component is with regard to people with a permanent or long-term physical or mental incapacity being exempt from sitting the Australian citizenship test where they cannot understand or complete the test.

I will begin with making comments on the special event amendment that, as I understand it, has been included in this legislation to give consideration to a Russian speed skater, Ms Tatiana Borodulina, who requires Australian citizenship by next Tuesday, 22 September, in order to meet the qualifying period for competing in next years’ Winter
Olympic Games. The legislation in this part would serve to reduce the residency requirement after the minister receives a notice in writing from a person in a senior position in the Australian Olympic Committee or in Tennis Australia. After that notification, the minister can allow citizenship if the applicant has been a resident in Australia for two years and, broadly speaking, has collectively spent 180 days within the country.

It is worthwhile to examine this component of the legislation. I worry a little bit about whether there is a greater risk of further doors being opened and a precedent being set by enshrining this in this manner. I think that the ministerial discretion—what we are proposing, what the member for Murray has proposed—can examine these matters on a case-by-case basis. I just feel that it may be an athlete now, but the risks included in passing control beyond the minister, as is proposed by the government, may include a long line of imported athletes as well as claims beyond the Australian Olympic Committee and Tennis Australia. As it currently stands, if we leave just the Australian Olympic Committee and Tennis Australia in there, then I worry further about what other sort of person—that we might otherwise consider, or that the minister might consider as a good, appropriate, very beneficial person for Australian citizenship—might be lost. It is my view that this is a risky course of action and that the minister should be prepared to justify decisions on a case-by-case basis, utilising the delegations that have been proposed by the member for Murray.

With respect to the second component, which relates to certain persons engaged in employment that requires them to travel outside Australia and who previously have become residents, I can say that I support this sort of consideration. Certainly, if oil rig workers or pilots cannot satisfy the time requirements for eligibility of citizenship and they cannot do that because of their employment, some consideration is warranted under the way that we propose it. I say that because in Western Australia we have many oil rig workers and pilots, and certainly we do in my electorate—there is no doubt about it. They should not have their citizenship delayed or suspended because of the necessity of their employment and earning that living for their families. It is right however that those in these forms of employment should have such consideration. However, it would be better for this bill to be amended to allow ministerial intervention in individual cases as proposed by us. That being said, before each case comes to the minister they should have been here for four years, including having spent a minimum of 16 months onshore. I therefore advocate the use of ministerial intervention in this case.

I will now turn my attention to the third component of the bill. That component relates to people with a ‘permanent or long-term physical or mental incapacity’ being exempt from sitting the Australian citizenship test. Although it is understood that the government has agreed to recognise our concern and remove any reference to ‘torture and trauma’ on refugees as the only qualifying criteria for exemption of people from the test, they have done that only where this condition is not permanent. Beyond that change, the coalition will seek to amend the bill, replacing the government’s amendment to ensure that an exemption will only occur for those with a permanent or long-term physical or mental incapacity, not those with a temporary disability.

I have made my position and the coalition’s position clear on this bill, but before I conclude I would like to reflect on the feelings of my constituents regarding related matters. A great many of my constituents continue to raise with me the issue of border security and the integrity of the immigration
system. They do that because they are sick of the boats arriving in our waters and they remember when this was not the case.

With regard to the bill, I urge the government to accept the coalition’s amendments, because they will preserve the integrity of our immigration system and ensure the accountability of the minister, in whom responsibility for this system must in all cases reside.

Mr NEUMANN (Blair) (7.26 pm)—I am happy to speak for a few minutes this evening and continue tomorrow in relation to the Australian Citizenship Amendment (Citizenship Test Review and Other Measures) Bill 2009, which is important in terms of the amendment to the Australian citizenship legislation.

I listened to the member for Cowan. I just want to tell him that we take very seriously the responsibilities of the defence of Australia and border protection. We take responsibility for the fact that we have constitutional obligations under section 51 of the Australian Constitution. We were elected on a platform with the Americans, our engagement with Asia and our partnership with the United Nations. We have taken those obligations seriously in every term of a Labor government since Labor has ever been elected to power in this country. To claim that we would somehow open the floodgates to our borders and allow people to come to this country in some way is nothing short of disgraceful. It is not the Labor Party’s policy. It has never been the Labor Party’s policy. We are, by this legislation, improving the integrity and the fairness of the citizenship criteria and testing for those wonderful people who come to this country and want to make a contribution.

I say to the member for Cowan that the most common way that a person will come to this country and be illegal is by overstaying their visa—often dressed like any one of us here in this chamber. For him to use this legislation as a vicious attack on the Labor Party’s integrity, our defence of the realm and border protection is appalling. We take our responsibilities extremely seriously in this regard. The Australian Labor Party has been committed to ensuring there are no unnecessary barriers or extensive delays to the acquisition of citizenship. I was a delegate to the national conference of the ALP, this time and last time. We passed resolutions to include in our national platform the intention to support an inclusive citizenship process for new migrants.

I say to the member for Cowan and to all those people listening that we are determined to do this, because we think this is equitable and because we think this is fair in the circumstances. We want to make sure that those people who have come to this country—the six million people who have come to this country since World War I and who play such an important role in the life and community of this country—can get citizenship. I am very glad that four million of them have actually attained citizenship since World War II.

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Ms AE Burke) (7.30 pm)—Order! It being 7.30 pm, I propose the question:

That the House do now adjourn.

Swan Electorate: Community Football Competition

Mr IRONS (Swan) (7.30 pm)—Last week marked the conclusion of this season’s local community football competition in my electorate of Swan and I want to take the opportunity tonight to publicly congratulate all of the teams, players, umpires, coaches
and supporters who helped make the season a success in the Demons District.

Last week in the Demons District Grand Finals, Queens Park and Victoria Park competed in the under-13s age bracket, South Perth and Thornlie battled it out in the under-14s, Lynwood-Ferndale competed against South Perth in the under-15s, and South Perth and Victoria Park played out the showpiece under-17s match.

We must recognise the umpires, who never have an easy time and get it wrong 50 per cent of the time, depending on which team you are supporting. I was pleased to sponsor the umpire of the year, Jeff Bassett, who umpired the blue-ribbon under-17s final magnificently with the 21-year-old association president, Daniel Gibbons. I also congratulate Chris Winters and Alex Freemantle, who umpired the under-14s final; Mark Cook and BJ Stalenhoef, who took control of the under-13s; and Alex Mafrici and Shaun Gilbert, who were chosen to umpire the Demons Youth League Grand Final. Without the umpires, we would not have a game. Well, maybe we would have a game but it would be more like TV ringside. I think we must give them a bit of credit and the recognition that they deserve.

Perth Football Club is, of course, one of the oldest of the nine member clubs of the West Australian Football League. I played for East Perth in the 1980s. The club was formed in 1899 with the sole purpose of fielding a team in the Perth junior competition. The club has maintained this ethos and focus on junior sport for 100 years, and I have been pleased to continue this tradition in my role as the Director of Junior Development for Perth Football Club. While I am speaking about the finals, I would like to mention Luke Mann, who was from the South Perth under-17s club. Unfortunately, he got left out of the team last year and was very emotional about it, so this year he was picked in the team to play in the under-17s grand final and played in a winning premiership side. I congratulate him for that. I also want to mention Terry Murray, who was the district manager for the Perth Demons District junior competition for the last five years. He has been working tremendously for the district but has now finished his final year and he is retiring. I would like to recognise Terry Murray for the work he has done.

It is often tempting for governments to invest in the top end of sport, and there is a time and a place for doing so—for example, I have called for a rectangular stadium in Burswood for our 2018-22 FIFA World Cup bid. This stadium would be paid for from the economic boost that comes with holding the world’s biggest event and would have to be built only in the event of a successful bid. It would be a good investment in WA and in my electorate; however, most of the time investment in junior sport gets the best results. That is why I campaigned for the replacement of floodlights at the ground in 2007 before the last election.

Better facilities encourage more youngsters to play sport, building strong, healthy communities and ultimately creating state and national champions. I will continue to
campaign for such investment in junior sport development in Swan and would love to see a centre of excellence at the Lathlain Oval, also known as EFTel oval, to provide support to all sports within the district, with a particular focus on youth.

Perth’s youth focus over the years has led to a number of club players being recognised at the highest levels of the game. Champion ruckman Merv McIntosh and master rover Barry Cable are both members of the AFL Hall of Fame. In 2004 they were also named as inaugural members of the WA Football Hall of Fame.

I briefly mentioned earlier the lights that I campaigned for in 2007, and I would like to take this opportunity to say that that was the first time I met Brendan Nelson, who was then minister for Defence. During that time, we presented some medals that he had re-minted to a gentleman called Fred Harper, whom I have spoken about in this place before. He was 100 years old and had his medals stolen from him, Brendan and I presented those medals to him at a very emotional ceremony. That was the first time I met Brendan and I found him to be a fantastic bloke. We then went on to the football club and announced some funding for lighting for the football club, which was badly needed and has since been installed. I am happy to say that the government of today has continued the commitment. I would like to congratulate Brendan on a great career.

Volunteers

Mr Brian William Mier

Ms BURKE (Chisholm) (7.35 pm)—I thank the Speaker for turning up to allow me to do my adjournment speech this evening. I am very grateful. I rise tonight to speak about the outstanding work of local volunteers and the contribution they make to communities right across Australia, including some truly inspirational individuals in my electorate.

As a society, we often make the mistake of taking for granted the sacrifices that volunteers make in volunteering their own time for the betterment of our community. Most volunteers say that they do not do it for the recognition but to help others, and I am truly grateful for all the great work they do.

Recently I held the Caroline Chisholm Awards ceremony in my electorate. This is an awards ceremony I started about eight years ago to recognise the outstanding work of local volunteers in my electorate. We recognise those people who live in and/or volunteer within my electorate. I commenced the awards in the International Year of Volunteers, and it was such a success that we decided that we would keep the award going. The award and, obviously, my seat are named after Caroline Chisholm, who was famous for her work in assisting newly-arrived migrants in the 19th century. Caroline Chisholm was an outstanding volunteer. For all the work she did, over many years, for all the people she looked after, she never took one cent of remuneration. She died in abject poverty. She was returned to England and for many years was in an unmarked grave, but that has been rectified. Sadly, Caroline Chisholm has come off our $5 note, and I do hope that over time my seat will remain with her name, because she was a great woman to be honoured and recognised.

Caroline Chisholm was an outstanding contributor in her community for many years go, just like the Caroline Chisholm Award winners in our community today. This year we recognised over 80 volunteers, many of them from very large organisations but some of them individually. I would like to single out two. First, May Keeley. May was an award winner at the ceremony. She is an absolute standout. I have known May for many
years and I have appreciated her great work for the area. May has lived most of her life in Oakleigh and she has been performing volunteer work in and around the Monash community for around 74 years. May’s record of volunteering is immense and includes assisting newly arrived migrants with their English and helping teenagers find jobs during past recessions.

In one extraordinary act of generosity, May took it upon herself to take in an 11-year-old Oakleigh boy off the street and provide him with a three-course meal every night of the week for seven years—a truly amazing act. May has also been a tireless worker for the Oakleigh historical society and has recorded much of the history of the area. Oakleigh is one of the oldest suburbs in Victoria. This is the sort of community volunteering that often goes unheralded, but it is what makes our society tick. I want to put on the record my appreciation for May’s outstanding record of volunteering.

I also want to speak about the Box Hill Hospital volunteers. Box Hill Hospital is attracting a lot of publicity in my electorate at the moment. Sadly, this coverage focuses on the shortcomings of the hospital’s infrastructure, which overshadow the tremendous work of the staff, particularly the great volunteers. The hospital manages to survive because of the great base it has. I had the opportunity to present Caroline Chisholm Awards to many of the hospital’s dedicated volunteers, who do not usually receive the recognition they deserve. These volunteers commit huge amounts of their own time to help make the hospital a more comfortable place for patients and a more pleasant place to work for its staff. Volunteers such as Moya Slevision, who has been a stalwart of the volunteer team at the hospital for the past 18 years, Terry Bennetts, Daphne Mansbridge and Beverley Sidari make vital contributions to the day-to-day operations of the hospital. Volunteers such as Elizabeth Smith, Sally Fenton, Ainslie Walker and Annette Ward help to take the pressure off staff in the hospital’s emergency department, which is one of the most stressful environments in the hospital. These people dedicate volunteering hours to the emergency department and are a great help.

I am delighted to see that Leader Community Newspapers are supporting the Volunteers for Victoria campaign, which is striving to celebrate more than 80,000 volunteers across the state. This is a terrific initiative and I want to commend it. It must be remembered that volunteers are giving up their own time to perform these duties purely as gestures of goodwill and expect nothing in return.

On a very sad note, I want to recognise the passing of Brian Mier. Brian Mier was the Mount Waverley MLC between 1982 and 1996. Brian was a stalwart of my area. He served in the Victorian state government in the portfolios of Aboriginal affairs and consumer affairs. I want to give my deepest sympathies to Shelia and his sons David, Paul and Phillip.

**Mr Brian William Mier**

**Mr Jenkins** (Scullin) (7.40 pm)—I would like to associate myself with the remarks made by the member for Chisholm about the late Brian Mier.

**Spencer Gulf and Outback Technical College**

**Mr Ramsey** (Grey) (7.40 pm)—I want to take the opportunity to express my frustration with the announcement to students and parents last week that the Spencer Gulf and Outback Technical College is to close at the end of the year. I raised this matter in question time today, inquiring about the value the Deputy Prime Minister would put on the $75,000 she granted to the school under BER program for a building upgrade when she in
fact intended to close the school at the end of the year. But as serious as this question was, the real tragedy here is the minister’s ideological decision, according to the minister, to not yet announce the closure of the college but in fact bring it forward. This is despite the fact that the students have been told not to come back next year.

It is misleading and confusing for the students of the Spencer Gulf and Outback Technical College for the minister to claim no decision has been made, when in fact the students have been informed that they should not come back. The school will close because the minister has said it will not be funded next year. To pretend the decision has not been made is totally misleading. Of course the decision has been made and she should come into this place and say so. It is the middle of September, so when could we expect the minister to inform the school they have funding for next year?

The college has been a unique success story. With enormous local support and consultation, it was set up with three campuses to primarily service the cities of Whyalla, Port Pirie and Port Augusta and the surrounding regions. It is a personal disaster for those students who are currently at the school to find they will not be able to come back next year. Some who have dropped out of the mainstream schooling system will be forced to go back to their old schools where they were struggling. Others will just give up.

This Australian technical college presented great value to the taxpayer. It did not waste money on facilities, developing instead a partnership with TAFE and renting facilities in both Port Augusta and Whyalla. They have excellent staff, strong endorsement of local industry and a can-do approach. The closure of this college has more to do with the government’s intolerance of anything which does not conform with their dogma than any serious appraisal of the college’s capability and performance. The Labor Party opposed these colleges from day one and following their election set about dismantling them. I have a continuing complaint about governments who have one-size-fits-all policy and will not allow centres and projects with individual excellence to flourish.

The tri-city campus has achieved an engagement of many disenfranchised students who had been left behind by the state school system, encouraging them to complete their secondary education, complete their SACE, whilst indenturing them with employers and allowing them to complete the first year of their trade qualifications while still attending school. Industry has been extremely enthusiastic about the approach the ATC has taken, delivering apprentices with a year of their trade completed, equipped for an immediate start and a work orientated attitude. In many cases, they have already had a chance to observe them firsthand in the workplace. They cannot believe the college is being shut down.

The former coalition government established this technical college, working with the local community and business to address local needs. It is a tragedy to see it dumped. It seems it is largely because it is a creation of a coalition government. There have been so many success stories of young people who were lost in the mainstream accomplishing their dreams and fulfilling their potential through the college. My office has received a steady stream of contacts from angry and disillusioned parents and employers who cannot believe that, while the government talks about a skills training agenda, it is closing this success story which has climbing enrolments, strong support from local business and in many cases has provided a new
start for those who have dropped out of the secondary schooling system.

Throughout the year, I have been aware that the college board has explored every possible option to keep operating, and I have provided assistance wherever I could. Despite making encouraging noises, the government has in the end not lifted a finger to help. This is more than a shame. It is not only a slap in the face for the Upper Spencer Gulf and the electorate of Grey; it is also an unfortunate victory for politics over good sense. One of the things I had hoped to be able to achieve in politics is to persevere with common sense when you know it is right and see that good sense overcome the politics of the day.

Petition: Timor-Leste Australian Honour

Mr BRADBURY (Lindsay) (7.45 pm)—Just days after Japanese forces attacked Pearl Harbour, and seven months before the now famous Kokoda Track campaign, a much less known but equally ferocious battle began in Timor. In December 1941, Australian and Dutch troops under the name ‘Sparrow Force’ landed in Kupang, in Dutch controlled West Timor, while another 400 Australian commandos from 2nd/2nd Independent Company occupied Dili in neutral Portuguese controlled East Timor to secure the allied flank against the likely Japanese advance through South-East Asia. However, the allied troops did not expect the massive Japanese onslaught that followed.

On the night of 19 February 1942, the same day as the first Darwin bombing, the Japanese landed several thousand troops at both Kupang and Dili. On 23 February, under heavy attack, Sparrow Force personnel based in West Timor surrendered, while the commandos based in Dili and a number of troops from West Timor who had escaped capture retreated to the jungles of East Timor. It was there that a relative handful of Australian troops held the advancing Japanese forces at bay for almost a year. They waged a guerrilla campaign that tied up tens of thousands of Japanese troops that would otherwise have joined the Papua New Guinea front. While the commandos were well armed and well trained, they only had food rations to last for a few weeks and had no radio contact with Australia for more than three months. But in what was to be a selfless display of courage and sacrifice the East Timorese people came to the assistance of the Australian troops. The Creados, as they were known, supplied the Australians with food, carried their equipment and ammunition, provided shelter from Japanese forces and even took up arms in the many skirmishes that ensued over the 12 months of fighting.

By coming to the aid of the Australian troops, the East Timorese Creados exposed themselves and their villages to the daily risk of retaliation from the Japanese. In the face of torture, death and the destruction of their way of life, you could have forgiven the East Timorese for choosing to stand by and leave the Australians to look after themselves, but thankfully they did not. Paddy Keneally of the 2nd/2nd Independent Company, who passed away in March this year, summed up the enormous debt of gratitude owed to the East Timorese by the Australian troops. He said:

We went to Timor and brought nothing but misery on those poor people. That is all they ever got out of helping us—misery. And there I was, alive because of them! In 1942 we were just a handful of men, short of everything and fighting an all-conquering enemy. We were the only unit from the Philippines, Malaya and the Netherlands East Indies which didn’t surrender and survived, and only because of their help.

After re-establishing radio contact and being reinforced by the 2nd/4th Independent Company, the Australian troops were eventually
evacuated in February 1943, sadly leaving their Creado mates behind knowing the dismal fate they faced. The Japanese continued to occupy East Timor until the surrender in August 1945, and it is estimated that between 40,000 and 70,000 East Timorese died during this time.

Tonight I present a petition that has been compiled by the Mary MacKillop East Timor Mission, based in St Marys in my electorate. It contains more than 22,000 signatures from people supporting the awarding of an honorary Companion of the Order of Australia to the East Timorese people for giving their lives in helping the Australian troops in 1942. This is a herculean effort, and I would like to acknowledge the members of the Mary MacKillop East Timor Mission committee, who are present in the gallery tonight—Sister Susan Connelly, Janet Borg, Annabelle Rego and Christine Tapsell-Timbs—for having spent the last six months compiling these signatures. It is a testament to your commitment to fighting for due recognition for the people of East Timor, and I congratulate you.

It is not without precedent for one country to show its gratitude to the citizens of another for their assistance in times of war. As a child I vividly recall my Maltese born grandfather proudly reflecting upon the fact that Malta had been awarded the George Cross by Britain for the heroism of its people during the Second World War. I believe Australia should recognise and acknowledge the courage and sacrifice of the East Timorese people for the assistance and protection given to our troops during the Second World War. Without their efforts, many more Australians would have died, and for that Australia owes them a great debt of gratitude. To all those courageous Creados who put their lives on the line for our troops, I thank you, as I believe all Australians would, and I honour your memory tonight.

The petition read as follows—

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

We, the undersigned citizens of Australia, draw to the attention of the House the significant role played by the East Timorese people in providing unique assistance to Australia.

• We are mindful that the decreasing number of veterans who fought on Timor in World War II remember the Timorese people with deep gratitude, as did those who have died;

• We recall that for the last seventy years they have told and retold the stories of the courage and compassion of the Timorese;

• We regret that there has been no adequate official recognition of the role of the Timorese in assisting Australia in World War II;

• We remember that at the very least, 40,000 Timorese civilians were killed as a result of their assistance to Australia.

We therefore ask the House to ensure that appropriate action is taken to support our nomination of the Democratic Republic of Timor-Leste as a recipient of the Companion of the Order of Australia (Honorary).

from 22,717 citizens

Petition received.

Petition: Traveston Crossing Dam

Mr HUNT (Flinders) (7.49 pm)—I rise this evening to present a petition on Traveston Crossing dam and the protection of the magnificent Mary River on behalf of over 5,300 members of that community who have signed this petition. This petition, prepared by the Greater Mary Association, represents the will of the people of the Traveston basin area, of the Mary River area, of Hervey Bay and of those who live upon the straits near Hervey Bay. The message is very simple. It is a message to this parliament and to the Minister for the Environment, Heritage and the Arts, Mr Garrett, to do two things: firstly, to recognise the profound international environmental value of the Mary River as a site
containing many critically endangered species and threatened species; secondly, as the statement says, ‘We believe that the proposed Traveston Crossing dam will have a permanent detrimental impact on the fisheries and broader ecosystems of the Great Sandy Strait, the Mary River estuary and Hervey Bay.’ Therefore, this petition from over 5,300 signatories asks that Minister Garrett clearly commission research which determines environmental flows for the estuary based on modelling of water quality, including nutrients and salinity, in the estuary and the Great Sandy Strait matched with the requirements of the ecosystem and key species across all of the seasons.

I would like to put this petition in context. I have worked with both the Leader of the National Party, Warren Truss, and the member for Fairfax, Alex Somlyay, each of whom is passionate about this issue and each of whom has worked hard with the community, as well as together, to say that this dam is the wrong dam. This dam is a large, flat evaporative pond, which in hydrological terms is a disaster. It is also an environmental disaster and a human disaster. It is hydrologically ineffective—perhaps the least effective dam proposed in Australia for the last 30 years. I say this as somebody who is a strong supporter of new dams in appropriately deep cataracts or gorges which would add to our water supply without loss of significant quantities of water through evaporation.

It is an environmental disaster, which is the great test for Mr Garrett. The test for the environment minister is to allow processes to occur that will show that without doubt the loss of the lungfish and the loss of the ecology of the Mary River, the damage to and impact on wetlands of international significance, the damage to the ecology of the Great Sandy Strait and the damage to the ecology of Hervey Bay are significant and profound and that the proposal put forward by the Queensland government should not be allowed to continue in its current form. It is a great test for the minister for the environment, and I trust that he will discharge his duties under the EPBC Act according to those duties and not according to any political influence or pressure—and not according to the will of the Queensland government. This is an important moment.

The third element is the human impact. With Warren Truss and through Alex Somlyay, who has campaigned about this issue and this area relentlessly, I have visited and spoken to the people of Mary Valley. I have seen the magnificent farms—whether they be farming livestock or practising one of many different forms of agriculture in one of the most productive agricultural areas in Australia—that are about to be eradicated. This will be a dam of minimal depth but extraordinary surface area. It is almost inconceivable that this sort of dam could be built in the 21st century. This is a bad project in the wrong place with terrible hydrological elements and, above all else, environmental elements that demand the minister’s attention, as set out in the petition from over 5,300 people. The petition also demands the minister’s attention because it will be a disaster for the farming communities living at the proposed site of the Traveston Dam.

The petition read as follows—
To the Honourable The Speaker and Members of the House of Representatives
This petition is from concerned Australian residents and visitors to Australia.
We wish to convey to the House and Minister Garrett that we cherish the outstanding natural, recreational and economic values of Hervey Bay and our wetland of international significance, the Great Sandy Strait. We believe that the proposed Traveston Crossing dam will have a permanent detrimental impact on the fisheries and broader ecosystems of the Great Sandy Strait, the Mary River estuary and Hervey Bay.
We applaud Minister Garrett on the independent reviews he has already undertaken and ask that he commission and make public a detailed and thorough independent investigation of the optimal environmental flows needed to ensure that the ecosystems and fisheries of the Great Sandy Strait, Mary River estuary and Hervey Bay do not fall victim to excess water extraction from the Mary River associated with the proposed Traveston Crossing dam.

from 5,393 citizens

Petition received.

Page Electorate

Ms Saffin (Page) (7.55 pm)—I rise to speak about a couple of issues in my electorate, but before I do so I would like to associate myself with the comments of the honourable member for Lindsay about the good work of the sisters, particularly Sister Susan and Sister Josephine, and about the creados. I have had the privilege of knowing both the 2/2nd Independent Company and the 2/4th Independent Company, and Paddy Keneally was a friend. Sadly, I attended his funeral earlier this year. I was also able to witness one of the creados, Senor Rufino—a creado colleague, friend, amigo of Paddy Keneally—receive an award in Timor Leste. I felt I could not go without mentioning that.

The first issue I want to raise is that of the Cassino Northern Co-operative Meat Company. They are one of the biggest employers in the seat of Page. At the moment they are doing it a bit tough, and, according to their CEO, the Australian meat industry is doing it a bit tough. He said that ‘many plants on the Eastern seaboard have scaled back their operations’ and that the downturn is due to ‘many years of drought followed by flood, which caused major cattle losses’. He also said that the growing live export trade is putting significant pressure on the industry in Casino. These comments were made in the local paper, the Northern Star, and there was an editorial about it. Meat Workers Union secretary for Northern New South Wales, Kath Evans, also talked about the general issue and the issue of live exports. She said:

Exporting livestock is exporting jobs.

I understand that any national government has the challenge of dealing with an industry. There is a live export industry. I have my views about it, and my view is that I will be supporting my local industry and taking up any issue that impacts on it.

The other thing I want to mention is that a group of us in the community are working to make Northern Rivers the football development capital of regional Australia. Craig Foster, whom some of you might know as a Socceroo and a commentator on SBS, is a local Lismore boy—though he is not a boy now. I have been working with Craig and regional leaders on the project and have been in contact with FFA, particularly John Boultbee, Matt Bulkeley and David Eland, CEO of football for northern New South Wales. It is being supported locally by Southern Cross University, who have put some money into it, thanks to the executive director of corporate services, Malcolm Marshall; the chancellor, John Dowd; and Dave Arthur.

This great initiative has three key parts to it. The first is that Southern Cross University will develop football administration, coaching and business education courses to be the leading provider of tertiary football education in Asia. The second is that the North Coast will become a non-metropolitan football nursery or talent incubator through encouraging elite coaching, youth tournaments, Indigenous player development, coaching seminars, links with the Asian youth teams and camps for FFA elite teams. The third is the establishment of a world standard football training facility in Lismore. I have also been liaising with Football Federation Timor Leste with regard to FFA, which is doing some mentoring and support programs. It is
one of the good things that football can offer. Football is one of those sports that on any one weekend in my area—

The SPEAKER—Order! It being 8.00 pm, the debate is interrupted.

House adjourned at 8.00 pm

NOTICES

The following notices were given:

Mr Bowen to present a Bill for an Act to amend the Health Insurance Act 1973, and for related purposes.

Mr Clare to present a Bill for an Act to amend the law relating to social security, and for related purposes.

Ms Roxon to present a Bill for an Act to amend the law in relation to private health insurance, and for related purposes.

Dr Kelly to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Reconstruction of housing on Larrakeyah Barracks, Darwin, NT.

Dr Kelly to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Enhanced Land Force Stage 2 Facilities Project at Gallipoli Barracks, Enoggera, Queensland, and other Defence bases and training areas around Australia.

Dr Kelly to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Midlife engineering services refurbishment of the Australian Embassy in Paris, France.

Mrs Gash to move:

That the House:

(1) recognises the extent of abuse and neglect inflicted on Australian children who were placed in the care of the Government in institutions or out of home care during the last century;

(2) acknowledges the neglect of all governments that allowed this abuse, pain and suffering to continue for so many years;

(3) condemns the Government for failing to apologise to these forgotten Australians whose lives have been adversely affected as a result of their childhood abuse; and

(4) calls on the Government to issue an unequivocal apology immediately to all victims of such abuse.

Mr Morrison to move:

That the House:

(1) recognises the service of those Australians who were employed as field constabulary officers (Kiaps) in the Royal Papua and New
Guinea Constabulary between 1949 and 1974;

(2) acknowledges the hazardous and difficult conditions that were experienced by the members serving with the Royal Papua and New Guinea constabulary;

(3) notes that former members of the Regular Constabulary of the Royal Papua and New Guinea Constabulary may be entitled to long service and good conduct medals, such as the National Medal, subject to meeting eligibility criteria;

(4) supports moves to allow former members of the Field Constabulary to count their service towards the National Medal;

(5) notes that qualifying service to meet the eligibility criteria for the National Medal must include at least one day of service on or after the medal’s creation on 14 February 1975;

(6) expresses concern that many former Kiaps may not meet the eligibility criteria for the National Medal, as eligible Kiap service ceased on 30 November 1973;

(7) recognises that the Trust Territory of New Guinea, under the terms of the Papua New Guinea Act 1949 and the Trusteeship Agreement for the Territory of New Guinea, held sovereignty unto itself and as such, was at law an international country (and foreign to Australia);

(8) recognises that the Governor-General’s assent of the Papua New Guinea Act 1949 and the signing of the “Trusteeship Agreement” for New Guinea by the Australian Government, prescribed service activity whereby the service was carried out by members of the Australian Police Force and the service was undertaken as part of an international operation; and

(9) calls on the Australian Government to change the eligibility criteria applying to the Police Overseas Service Medal so as not to prevent the award of the medal to those:

(a) Australian public servants who were employed through the Australian Government and served in the Australian administered United Nations Trust Territory of New Guinea between 1949 and 1974; and

(b) individuals serving in Papua New Guinea as sworn and armed Commissioned Officers of the Royal Papua and New Guinea Constabulary (at the time an Australian External Territorial Police Force).

Mr Morrison to move:
That the House:

(1) notes the impact that the noise generated by aircraft landing at Sydney (Kingsford-Smith) Airport in Sydney has on all residents of surrounding suburbs;

(2) recognises the importance of the Long Term Operating Plan (LTOP) for Sydney Airport and Associated Airspace as a mechanism to implement a policy of noise sharing;

(3) acknowledges the Ministerial Direction issued under sub section 16(1) of the Air Services Act 1995 dated 30 July 1997, requiring Airservices Australia to implement the general structure and layout of the flight paths shown within LTOP;

(4) expresses concern:

(a) at the failure of Airservices Australia to fully implement the jet flight paths prescribed in the LTOP; and

(b) with the actions taken by Airservices Australia to develop and utilise new jet flight paths at will, particularly the use of Boree Four Standard Terminal Arrival Route which involves aircraft arrivals using airspace over the electoral divisions of Bradfield, North Sydney, Lowe, Grayndler, Watson, Barton and Cook, particularly during the operation of the airport curfew; and

(5) calls on the Minister for Infrastructure, Transport, Regional Development and Local Government to take all necessary steps to direct Airservices Australia to confine jet aircraft arrivals to the jet tracks indicated in the LTOP.
The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9.30 am.

CONSTITUENCY STATEMENTS

Sturt Electorate: Broadband

Mr PYNE (Sturt) (9.30 am)—It is a pleasure to be speaking in the Main Committee on the issue of overhead cabling in my electorate. People are starting to find out quite a bit about the National Broadband Network in terms of its lack of a cost-benefit analysis, the potential waste that will be involved, the lack of a business plan and so forth. The Leader of the Opposition raised those issues in question time yesterday, we have been raising them for some time and I think they will become important issues for people. But the immediate concern of people in my electorate, which they are only just beginning to discover, is that the vast majority of cabling for the National Broadband Network will be overhead cabling. It is estimated that 70 per cent of the cabling will be strung from telegraph pole to telegraph pole, potentially through significant trees that line the streets of many of the suburbs in my electorate and many other electorates across Australia.

If voters cast their minds back to the late 1990s—and I notice the member for Mackellar is here, and she would well remember this—one of the great debates that occurred in the government was on the issue of overhead cabling for the purpose of pay television. In electorates like hers and mine it was a visceral issue for the residents of suburbs who prided themselves on their tree lined streets and the value that those tree lined streets gave to their homes. The possibility of that value being substantially reduced by vandalising and hatcheting trees to pieces in their streets for the purpose of installing overhead cables was very much rebelled against and in fact was averted because of the work of people like me, the member for Mackellar and other people who had such seats.

I am very concerned that this government is overriding local development laws under Building the Education Revolution with the requirement to put overhead cables from telegraph pole to telegraph pole in Tasmania for the purpose of the National Broadband Network. People in my electorate of Sturt, in suburbs from Glen Osmond to Highbury, will become very deeply concerned when they discover that the flawed National Broadband Network will not only cost them money in terms of higher interest rates and higher taxes because of the waste and mismanagement of the program but actually impact on the quality of their lives and the value of their homes as trees are chopped up, literally vandalised, and have holes put straight through the middle of them so that overhead cables can be laid for the purpose of the National Broadband Network. (Time expired)

Fremantle Electorate: Employment

Ms PARKE (Fremantle) (9.33 am)—As part of its response to the global financial crisis the government has identified 20 priority employment areas in Australia, and my electorate of Fremantle comprises a large part of one such area, the south-west corridor, a zone of activity with a gross regional product exceeding $20 billion, or one in every six dollars generated in Western Australia. The Rudd Labor government, even while wrestling with the economic situation, has committed to long-term planning and investment in skills, particularly for young people.
In my electorate, especially in the burgeoning city of Cockburn, there has been a commitment of necessary investment in innovation, education and training, with more than $3.2 million allocated to the South Metropolitan Youth Link Community Services, or SMYL; the Jandakot College of Electrical Training; and the Fremantle Education Centre. This is money for vocational education and training, a network of digital classrooms, training workshops for remote Indigenous communities and training for skills that will be in demand and that will give a future to many of our young people. In the area of supporting innovation, Climate Ready grants totalling a combined $3 million were awarded to Quickstep Technologies for a resin spray transfer project that will dramatically reduce time and cost for manufacturing carbon fibre parts for land, aerospace and marine vehicles and to Magellan Powertronics for the development of a solar-hybrid power-conditioning unit designed to store off-peak surplus energy gathered from solar generators and single-wire earth-return powerlines.

There are massive but sensitive projects, like Gorgon and Pluto, slated for the north of Western Australia, projects to drive the Australian economy into the future. They will require research and planning, innovation, design, fabrication and transport support, as well as sophisticated expertise to protect our unique environment and heritage values. We want the south-west corridor to provide much of that support. A recent Keep Australia Working forum saw my colleague Jason Clare, the Parliamentary Secretary for Employment, launch the workforce development plan for local employment in the south-west corridor for the period 2009 to 2024. The South West Group comprises representatives from local government and it has developed the Commonwealth funded workforce development plan and recognised early that productivity and potential in the south-west corridor were constrained by the challenge of attracting and retaining a suitable workforce. The plan recommends an internet portal linking trainers, employers and job providers, a review of public transport infrastructure, a careers and industry expo centre based on the trade coast theme, promotion of the corridor as a place for business and industry and the provision of appropriate encouragement for employers to work with training providers to train local young people. The south-west corridor has been hit by the global financial situation, but has tremendous potential. The government is helping local communities respond in a way that gives us all real grounds for optimism.

**Mitchell Electorate: Youth Unemployment**

Mr HAWKE (Mitchell) (9.36 am)—I rise this morning to speak on the vital issue of youth unemployment in the north-west of Sydney, in particular in my electorate of Mitchell. I can record for the House that, while the unemployment rate nationally has remained stable, north-west Sydney has experienced an unemployment rate that has skyrocketed in the last 12 months. Most age categories now have an unemployment rate higher than the New South Wales average, and in particular I want to express my concern that teenagers between 15 and 19 have an unemployment rate of 27 per cent compared with the state average of 22.6 per cent. Unfortunately, it is also incumbent on me to record that total north-west Sydney unemployment jumped from 6.2 per cent to 8.1 per cent, compared with the state average of 6.6 per cent.

Unfortunately, this is, I fear, the beginning of a trend in Australia and in New South Wales where we are seeing a government that is prepared to spend a lot of taxpayers' money in a vain attempt to prop up things that have failed or done badly in Australia. The victims of that are young people in New South Wales, indeed in north-western Sydney. If you think back be-
before the last election, you will recall that the Labor Party had the temerity to criticise the Howard government because we had a skills shortage. They suggested that we had provided too many jobs and not enough skilled workers to fill those jobs. Just a short time later, we find ourselves in the invidious position of almost the exact opposite, where we no longer have too many jobs and too few skilled workers. In the north-west of Sydney we have unemployment skyrocketing, particularly for the people in north-western Sydney. This has a dual effect. We see that young people and people in general from the workforce are returning to study, so we are not even addressing issues like underemployment in this discussion today. But that criticism of the Howard government, that we provided too many jobs, is now coming home to roost.

The real heavy lifting for the Australian workforce is not coming from this government—Kevin Rudd, Julia Gillard, the Prime Minister and the Deputy Prime Minister; it is coming from the local community. I note that the *Rouse Hill Times* recently helped to launch the Give a Kid a Go campaign, where employers are challenged to find young people under the age of 21 a job. I want to record that this is a very important campaign and I want to thank the small businesses and other employers in Australia for their work in attempting to give young people a go. I also want to record, while I have the time, that this is not the time to be fiddling or messing with our industrial relations system and making it harder for young people to access employment. Unfortunately, that is what we have seen from this government—changes which will affect the ability of an employer to take on young people at a time when youth unemployment in my electorate is skyrocketing. *(Time expired)*

**Bernie Banton Foundation**

Mr MURPHY (Lowe) (9.39 am)—Last Friday I had the privilege of attending the launch of the Bernie Banton Foundation at Concord hospital. I extend my sincere thanks to the Prime Minister, who launched the foundation. Bernie’s widow, Karen Banton, said in her speech that it is wonderful to see our nation’s leader so committed and dedicated to promoting research into asbestos related diseases. The Bernie Banton Foundation was established by Karen Banton and Bernie’s brother, the Reverend Bruce Banton, to provide support for asbestos sufferers, provide education services and promote and fund research into asbestos related diseases. The foundation aims to raise $400,000 this year through fundraising events to fund research. This funding will also contribute to the establishment of Bernie’s Angels, a group of committed volunteers and individuals who provide in-home care for asbestos disease sufferers and their families. I am pleased to note that the Prime Minister announced that the federal government will contribute to the foundation.

Bernie Banton is an inspiration to each and every one of us. He battled tirelessly and selflessly to raise awareness of asbestos related diseases and to put right a shameful chapter in Australia’s corporate history. Next year 750 Australians will be diagnosed with asbestos related diseases, and by 2020 it is estimated that Australia will have 1,300 cases of asbestos cancers. The poisoning of Australians by asbestos is a modern-day industrial catastrophe, and Karen Banton has warned that this could happen again.

At the launch of the foundation, Karen Banton called on Australia to take a leading role in establishing a treaty to prevent the mining and export of asbestos worldwide and to ensure that our schools and universities teach young people business ethics. This is a fight worth fighting. Moreover, I too know from my personal contact with Bernie during his illness that
this is what he would have wanted. It is very disturbing that, despite everything that is known about asbestos and its health effects, many countries, including Canada, continue to mine asbestos and export asbestos products. This must stop, and Australia must play a role to ensure that this stops. The international community must come together as one in this endeavour.

The shameful James Hardie saga also raises significant issues about business ethics. At the launch of the Bernie Banton Foundation, both the Prime Minister and Karen Banton made reference to a recently released book by Matt Peacock, *Killer Company*. I applaud Mr Peacock’s book. *Killer Company* details the disgraceful and shameful behaviour of James Hardie executives. Every single person studying a business subject, whether a business studies student sitting their higher school certificate or an individual studying for an MBA, must be made aware of the revelations contained in *Killer Company*. Our future CEOs, executives and managers need to be aware of the dishonest manner in which James Hardie’s management kept files on their employees’ health and thousands of X-rays of their lungs. They need to be aware of the way in which James Hardie executives tried repeatedly to run away from their compensation obligations to asbestos disease sufferers. Most importantly, they need to be aware that what James Hardie did was wrong, disgraceful and immoral. Let us today resolve to do everything to ensure that this great violation of trust by executives never happens again. Let us ensure that the inspirational legacy of Bernie Banton lives on. *Time expired*  

**Petition: Banking**  

**Mr John Cobb** (Calare) (9.42 am)—I present this petition, which has been approved by the Standing Committee on Petitions. The petition is from the citizens of Trundle and surrounding areas and draws the attention of the House to the impending closure of the Commonwealth Bank in Trundle. I support this petition and ask the House to intervene on their behalf to retain full banking facilities in Trundle.  

*The petition read as follows—*

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

This petition of the Citizens of Trundle and surrounding area draws to the attention of the House: of the pending closure of the Commonwealth Bank in Trundle.  

We understand there is a proposal to transfer banking facilities to the local Post Office; this will include deposits, withdrawals and account enquiries. Unfortunately, this is unsuitable for the elderly and disabled as the access is unsuitable. If customers want full banking facilities they will need to travel to the Parkes branch. Trundle is situated approximately 68kms from Parkes in the Parkes Shire. We are a small rural community with no public transport and rely on local businesses and facilities to meet our daily needs. For some, it is almost impossible to travel to the larger centres.  

Trundle has a large number of elderly citizens, with most of them using Gophers to get around. This helps them to keep a certain amount of independence.  

We therefore ask the House to intervene on our behalf and help us to retain full banking facilities in our town.  

from 386 citizens  

Petition received.  

*Mr John Cobb*—I have another duty which I am honoured but very saddened to do, and that is to bring to the House’s attention the fact that yesterday afternoon the former mayor
of Parkes, Robert Wilson OAM, died near the town of Manildra, between Parkes and Orange. He did not survive a car crash. Robert Wilson was described by a previous Premier of New South Wales as the ‘Don Bradman of local government’. He was the mayor of Parkes for well over 20 years. He was the mayor of the Bogan Gate municipal council prior to that. He was in local government for over 40 years. He and his wife, Vicki—who obviously has the sympathy of everyone in the Calare electorate and, I am sure, my colleagues—were a part of the Central West for as long as I can remember. I was asked today on air how long I had known Robert, and I was not able to say. Robert has always been there. He was one of the leaders that you have to have.

While a lot of people would remember Robert Wilson for his local issues—and he was very good on those—he never, ever lost sight of the big picture. He was fixated on the fact—and he was totally correct—that transport extended from that region right across Australia. He did more than any individual could have expected to do in his years in local government to ensure that Parkes would become the transport hub not just of eastern Australia but, to a large extent, of Australia both by road and by rail. Robert oversaw Parkes going from a large country town to what it is today: almost a de facto city because of its position, its expansion and what it has been able to do.

Robert was recognised by politicians and local government members in Great Britain and Australia. Everywhere he went he was recognised as a passionate, articulate and entirely sensible advocate for Australia, for the Central West and for Parkes, in particular. He and Vicki were part of the scene for as long as I can remember. His deputy of about 13 or 14 years, Ken Keith, had been the Mayor of Parkes since Robert retired, around 14 months ago. Ken said recently:

Robert Wilson took hold of Parkes for 20-odd years and he rode with it till the day he died. Only about three weeks ago Robert rang me, still lobbying on behalf of people in his region on more than one issue. He could not leave it all alone and he will not at any stage be forgotten for his job there. (Time expired)

The DEPUTY SPEAKER (Ms AE Burke)—Could the member for Calare advise me if his petition has been to the Petitions Committee yet?

Mr JOHN COBB—I am presenting it now.

Rosewood Festival

Blair Electorate; Community Services

Mr NEUMANN (Blair) (9.46 am)—I want to congratulate the people of Rosewood for the inaugural Rosewood Festival, held on 4 September through to 6 September. I also thank them for suffering my MC-ing of the Rosewood family festival parade as well as the MC-ing of Paul Pisasale. I do not think our efforts were particularly spectacular but we made an attempt. I want to congratulate all the schools in the Rosewood community—Ashwell, Mount Marrow, St Brigid’s and Rosewood State Primary School—for their participation in the parade. I congratulate Rosewood Lions Club for the festival fun day on Sunday.
I also want to congratulate the Cabanda Aged Care facility for their wonderful contribution to helping those who are aged and frail and disabled in the community. The Rudd government is fulfilling an election commitment in Rosewood by giving to Cabanda Aged Care $1.5 million. I was pleased to be present at the opening of Cabanda Link, which is a link between home and hostel. It is a $1 million facility which was opened by me and also by the Lady Mayoress of Ipswich, Lisa Pisasale, and the member for Ipswich West, Wayne Wendt, and Division 10 Councillor David Pahlke. That was on 4 September.

Lorna Kanofski opened Cabanda Link, which will be an important facility for the people of Rosewood. I was in Rosewood that morning as well with Wayne Wendt for a sod turning at Rosewood State Primary School. While I was at Cabanda that afternoon I met Mal Jacobsen, the Design Manager of Paynter Dixon. He said this to me in an email:

As you know, Paynter Dixon Queensland currently has 2 … Projects in Rosewood which are partially funded by the Federal Government …

1. redevelopment of Cabanda Aged Care (extension to Aged Care Facility, new Community Building and 9 … Independent Living Units); and
2. a new Multi-Purpose Hall and Resource Centre at Rosewood State School.

Some $2.125 million is going to that school. Mal Jacobsen goes on to say this:

**Cabanda Aged Care Redevelopment**—over the 35 week duration of the project we will average around 60 workers on site each day (with over approx. 500 total people gaining some work on this site); and

**Rosewood State School**—over the 22 week duration of the project we will average around 60 workers on site each day (with over approx. 125 total people gaining some work on this site); … estimated … 35 to 40% of the Workers live in the surrounding areas.

The Rudd government’s Building the Education Revolution is working locally in Rosewood and is assisting those in need in Rosewood. It is creating jobs in Rosewood. It is supporting those people who have worked hard in Rosewood. I commend the Building the Education Revolution to the people of Rosewood. *(Time expired)*

**National Marriage Day**

Mr MORRISON (Cook) (9.49 am)—I rise to present a petition, with the signatures of 7,071 Australians, urging that 13 August be declared the annual National Marriage Day. I am therefore pleased to present this petition, and it is my pleasure and privilege to do so on behalf of these many thousands of people from all walks of life across our nation. They have a common view that there are undeniable correlations between family breakdown and other pathways to poverty, educational failure, serious personal debt, crime, welfare dependency and addiction. These petitioners, in recognition of the positive contributions that intact, stable marriages make to the wellbeing of children and society, call upon the House of Representatives to demonstrate its support for marriage by declaring 13 August each year to be National Marriage Day.

This is a good news story and one which demonstrates that the positive values which made Australia the nation it is today are alive and well. Momentum for this initiative has been building for some time. It reached a crescendo on 13 August this year when many hundreds came together in the Great Hall of our parliament to hear testimonies showing that marriage can survive and prosper through thick and thin. Delegates heard a stirring address from noted
UK broadcaster and barrister, James Bogle, which I was pleased to be able to attend and listen to. The event was one that will continue to engender discussion amongst the Australian people, particularly with the appointment of our former Governor-General, Major-General Michael Jeffery and Mrs Marlene Jeffery as marriage ambassadors—and what fine ambassadors they make for marriage across this country.

There are many threats to marriage in our society but the greatest threats are those that are posed from within. For someone who is approaching their 20th anniversary in January of next year, anniversaries are things to celebrate because they do not just happen; they come as a product of two people working hard on their marriage. In my case the vast majority of that credit goes to my wife, Jenny, given the work that we all do in this place which puts great stress on marriages. Marriages take effort and I think it is a reminder through this petition that, while there are many threats that come from without to a marriage, the greatest threats to marriages are those that happen within. We all must continue to commit ourselves to this great institution that provides such a wonderful opportunity to bring children into this world.

The National Marriage Day breakfast has been primarily sponsored by the Australian Family Association and I warmly commend the efforts of all those who have brought this vital initiative forward, including Mary Louise Fowler and my parliamentary colleague Senator Guy Barnett, amongst many others. Marriage does matter. It is a strong framework for offering a safe, loving and positive environment into which children may be brought. Marriage is an investment in the social fabric of our great nation and a means of delivering social harmony and stability. I commend to all members the great value of recognising these attributes, and I particularly thank my wife, Jenny, for the contribution she makes to our own marriage.

The petition read as follows—

To the honourable Speaker and Members of the House of Representatives:

We, the undersigned citizens of Australia draw to the attention of the House of Representatives, the undeniable correlations between family breakdown and the other pathways to poverty, educational failure, serious personal debt, crime, welfare dependency and addiction.

In recognition of the positive contribution that intact, stable marriages make to the well-being of children and society we call upon the House of Representatives to demonstrate its support for marriage by declaring the 13th August each year as National Marriage Day.

from 7,071 citizens

Petition received.

Petrie Electorate: Petrie Future Leaders Public Speaking and Essay Competition

Mrs D’ATH (Petrie) (9.52 am)—I have great pleasure in rising today to speak about the inaugural Petrie Future Leaders Public Speaking and Essay Competition, which I recently introduced in my electorate. The competition was launched at the Petrie Schools Summit in March this year, with the final event being held in August. Entrants to the competition were required to prepare an essay on the topic: ‘If you could talk to the Prime Minister, what local or national issue would you discuss?’ There were two categories of entry—primary school students and secondary school students. Primary students were to write no more than 1,000 words and secondary students no more than 1,500 words. From these essays the finalists were selected to give a speech on their essay topic at a gala evening.
There were 14 entrants in total—10 in the primary school category and four in the secondary school category. Essay topics ranged from animal welfare, the importance of protecting the environment, the economy, to the benefits of buying Australian-made products. Two accredited public speaking adjudicators judged the speeches. Over 60 people attended the gala evening and all of the students delivered passionate speeches that kept everyone engaged. The students’ schools certainly would be proud of their students’ performances on the night.

In addition to individual trophies for the winners and runners-up, a perpetual trophy will be given to the schools, to be held until next year’s competition. The main prize was a trip for the two category winners, accompanied by a parent or guardian respectively, to Canberra to spend a day behind the scenes in Parliament House. I would like to welcome in the gallery today, the two winners, Daniel Williams and Sam Harvey, and Daniel’s father Vivek Williams, and Sam’s father Noel Harvey.

Daniel is 10 years old and is in grade 6 at Southern Cross Catholic College, Scarborough. He won the primary school category with an essay and speech about teaching children values and virtues. Sam Harvey, who is 15 years old and in grade 10 at St Paul’s School, Bald Hills, won the secondary school category, with Sam’s essay and speech arguing strongly for the need for a new Australian flag to represent our modern multicultural society and the general desire for Australia to move to become a republic.

As an aside, Sam’s grandfather, Roy Harvey, was a past lord mayor of Brisbane City Council from 1982 to 1985 and is well known for the amazing things he did during his short time in office. I would like to acknowledge and thank the Brisbane Airport Corporation for their wonderful support in sponsoring the flights for the two winners and the parents for the competition this year. I do hope both students take away from today’s visit an enthusiasm to participate in public debate and to ensure that the youth of today have a strong voice. Daniel, Sam, Noel and Vivek, welcome to Parliament House.

The DEPUTY SPEAKER—I also welcome Daniel, Sam and their parents and congratulate Daniel and Sam on their terrific effort.

Mayo Electorate: Sport

Mr BRIGGS (Mayo) (9.55 am)—I welcome you, too. Please ignore what happens in question time.

I rise to speak this morning on two examples of the value of sport at different levels in my electorate and, I think, throughout the country. The first is the Active After-School Communities program, which is run by the federal government. It is a fantastic program which is very well run in my electorate by Indra and his crew. They do a fabulous job with young school children, introducing them to all sorts of different activities and sports, including recently at Norton Summit Primary School, where again I proved I do not have the balance to be a skateboarder.

The other aspect of sport in my electorate is local football. Of course, September in the southern states is a well-celebrated time with football finals. On Saturday we had our first grand final of the Hills league for the country division. We saw Torrens Valley play Kersbrook. It was a fabulous, very high quality game. Kersbrook were fortunate enough to win their second grand final in a row, which is a great achievement for that club. Kersbrook is small town in my electorate which is famous for apples, pears and cherries. Torrens Valley
had only lost one game for the year, so, of course, they were inevitably disappointed with the result. However, they have had a fabulous year.

I wanted in particular to mention the contribution of the James brothers to the Kersbrook footy club. Members will remember Roger and Brett played quite a significant amount of AFL football for Port Adelaide and Adelaide, respectively. Roger played in the 2004 successful grand final with Port Adelaide; and Brett played in, I think, both the 1997 and 1998 grand finals for Adelaide. It is fantastic that they are willing to go back to local footy and contribute at the local level to this great country football league. What football is all about is represented there. Their games on Saturday were high-quality. It was a pleasure to watch from ground level two such superstars of the game display their wares even at an older age than when they may have been at their peak in the past. Their genuine excitement at the end of the game was a reflection of the contribution they are making. I congratulate both of them—and their brother Paul, who played quite a bit of league footy in South Australia as well. I congratulate the Kersbrook Football Club for winning the grand final.

I look forward to this Saturday, when we have the grand final of the Central Division of the Hills Football League. We have Uraidla, in my electorate—they are great people—versus those evildoers from Blackwood, represented by Dr Southcott in this place. Uraidla, I suspect, will pull through and be victorious. I will be there to watch that and hand out the shield. There is also a grand final in the Great Southern footy league, which is my area, where Strathalbyn will take on Amanda Rishworth’s Willunga. Again, Strathalbyn will, I am sure, come home with the goods. We look forward to celebrating country footy again this weekend.

The DEPUTY SPEAKER—I am sure the member for Corio is hoping his team will do well this weekend, too.

Corio Electorate: Corio Bay

Mr MARLES (Corio—Parliamentary Secretary for Innovation and Industry) (9.59 am)—Corio Bay is a beautiful bay in any season. The bay can stop people in their tracks when it first comes into view. You see visitors parked along the Esplanade, cameras out, marvelling at the sparkling end to the straight-line drive down the Princes Highway from Melbourne. Corio Bay has always been a working bay, surrounded by an oil refinery, an aluminium smelter, a fertiliser plant and a salt works. It was the arrival point for many of the colony’s early settlers and is still home to Victoria’s largest regional port. With its long history of industry, the bay is very much a part of the fabric of life in Geelong.

It is a place of retreat and recreation, of fishing, sailing and swimming and, indeed, carols by candlelight at Christmas time. But it could be more so, for those of the north of Geelong do not have meaningful access to our greatest asset. There is a walking path around the top end of the bay, where the city centre meets the bay. This promenade is well loved by walkers, joggers and cyclists. More than 100 painted bollards dot the path, telling the story of Geelong through the historical characters they depict. But the waterfront promenade only extends some three kilometres around the tip of the bay from Western Beach to the beautiful 1930s Eastern Beach bathing precinct. It is spectacular but does not do Corio Bay full justice. There is another stretch of about nine kilometres along the western edge to Limeburners Bay that, if added to the waterfront promenade, would create a truly iconic walking and cycling track similar to the Bondi to Bronte walk in Sydney. It would also open the bay to those in the north
of Geelong. It could link to a path that heads through Lara towards the You Yangs, making a complete cycling and walking track—linking Geelong to its geographical identity.

The major issue is access around the port and some sections of private land. But I believe that, with a combination of boardwalks and goodwill, access could be achieved. The utilisation of boardwalks has already been planned for other parts of the walk around the bay. At my instigation, the City of Greater Geelong will convene a meeting of the relevant landowners. Today I appeal to them to embrace this as a great community project of which they can all be a part. We are fortunate in Geelong to have a bay that is a world-class asset, and my aim is to make it a place for everyone to enjoy. I will finish by saying that a local football club in my electorate has been fortunate enough to make the national preliminary finals in their competition. They are playing against a team called Collingwood on Saturday night, and I know that all of us in Geelong are very much riding on their success.

The DEPUTY SPEAKER—Order! In accordance with standing order 193 the time for constituency statements has concluded.

PERSONAL PROPERTY SECURITIES BILL 2009

Second Reading

Debate resumed from 24 June, on motion by Mr McClelland:

That this bill be now read a second time.

Ms LEY (Farrer) (10.02 am)—I rise to speak on the Personal Property Securities Bill 2009. The purpose of this bill is to provide for a single national law to deal with personal property securities, PPS. PPS reform will address the complexity of over 70 Commonwealth, state and territory laws, common law rules and rules of equity governing personal property securities. It will provide a modern and efficient personal property securities regulatory system, which is essential for any modern financial system. The bill is modelled on the New Zealand, Canadian and US legislation. It also draws on work by the United Nations Commission on International Trade Law and the International Institute for the Unification of Private Law. The bill will also address the relationship between potentially conflicting Commonwealth, state and territory laws. The bill specifies where other laws prevail. For example, the bill will not apply to tradeable water rights, water access entitlements, goods affixed to land or to non-consensual interests such as liens. Furthermore, a state or territory will be able to expressly exclude a right, entitlement or authority granted by law of the state or territory from application by the bill.

The various states and territories have long had their own mechanisms for the registration and management of securities given over personal property to secure financial obligations. Familiar examples include fixed and floating charges, bills of sale, chattel mortgages and registers of hire-purchase agreements. It has also long been recognised that there is a need for national harmonisation of these arrangements to provide greater certainty for borrowers and lenders and to increase efficiency in the sector.

The matter of PPS reform was referred to the Australian Law Reform Commission in June 1990. Draft legislation informed by the ALRC’s report was prepared in 1995, and it was itself the subject of extensive consultation. The matter was pursued through COAG, which in 2007 endorsed the model of a national system. The former Attorney-General, the honourable member for Berowra, gave this issue particular priority. In October 2008 COAG signed an inter-
governmental agreement to effect the proposed legislation as part of the seamless national economy agreement between the Commonwealth, the states and the territories. New South Wales has passed its referral act, and it is expected that the other jurisdictions will follow soon.

The bill will apply, with very limited exceptions, to all types of personal property, including motor vehicles, contractual rights, intellectual property rights and uncertificated shares. It provides for rules for the creation, priority and enforcement of security interests and to establish a national register of them. There are detailed, specific provisions in relation to certain classes of property. The coalition support this bill; however, we foreshadow potential amendments in the Senate.

I conclude by stating that this bill would not have been possible without the hard work and efforts of the member for Berowra, a minister in the previous government, Philip Ruddock. I thank the Main Committee.

Mr HAYES (Werriwa) (10.05 am)—I too rise to support the Personal Property Securities Bill 2009. It is a bill which will establish one national law governing security interests for personal property and will create a register of personal property securities, in which security interests would be able to be registered and searched in one vicinity.

As the Attorney-General said in his second reading speech, the government went to the election with an ambitious deregulation agenda and promised to reduce the amount of regulation burden borne by Australian business. In doing that, it aimed to undo the amount of red tape, which was becoming very wearying for business interests throughout the Commonwealth. It was also a very direct effort to ensure that we grow the productivity of the country and assist the development of small business by relieving them of those burdens. In the 28 months since coming to office the government has amply demonstrated its commitment to that agenda.

By way of background, it is important to note that this bill is a result of an extensive consultation process and has received significant support from various stakeholders, including the industry financiers, the legal fraternity and certainly business generally. In April 2007, COAG endorsed the need for a national system to deal with the creation and enforcement of security interests for personal property. The first draft of the Personal Property Securities Bill was released in May 2007. COAG signed an intergovernmental agreement in October 2008, making it clear that it was committed to this issue. The amended version of the bill was referred to the Senate Standing Committee on Legal and Constitutional Affairs in November 2008 and amendments have been made to the bill in response to the committee’s recommendations.

This brings me now to deal with the substance of the bill itself. The personal property securities reform is very long overdue in terms of the securitisation elements of industry. Other countries, such as New Zealand, Canada and the US, have moved to implement reforms in this area. Personal property security reform is about securing finance—lending that is secured by property other than land.

You might recall that only this week the government made other inroads in terms of security when we introduced legislation in relation to margin lending. It is more than just businesses that go out to secure loans to raise capital for various ventures, and that was another matter that flowed from a general agreement through COAG. One of the things in terms of
consistency in the provisioning of securities associated with margin lending was the well-established and recognised need throughout the Commonwealth for one set of harmonised laws governing these things. You cannot have a multiplicity of state and territory arrangements which only serve to be confusing, not only for the lenders but also for the borrowers. That legislation, introduced earlier this week, is another example of what we are doing in moving in that direction.

In a legal sense, personal property is any form of property that is not land or buildings. Land or buildings would be known as real property or real estate. Personal property includes tangible property such as motor vehicles, machinery, office furniture, currency, artworks and stock in hand. But it also includes intangibles such as contract rights, uncertified shares and intellectual property rights.

The overall purpose of the Personal Property Securities Bill 2009 is to rationalise the current arrangements, which include more than 70 pieces of Commonwealth, state and territory legislation and apply to more than 40 different registers of security interests in personal property. We know that they vary in application and according to the forms of the transaction, the nature of the debtor and the jurisdiction in which the property transaction or the property is physically located. It all has potential to add costs to the transaction, and that is bad for business. Having to search across all the various registers adds significant legal costs to lenders and, in turn, borrowers. The complexity of the existing secured lending arrangements and the lack of consistency between them is a major source of uncertainty. By harmonising these laws, these bills will have a significant impact for businesses and consumers by providing greater certainty for both lenders and borrowers.

Of equal importance, under the current economic circumstances, providing consistent national laws for personal property securities will enhance our ability to position our country as a financial centre. Banks and financiers should be able to gain greater access to international finance, which in turn will assist the growth of businesses and help stimulate growth and employment in this country. Small businesses themselves will be direct beneficiaries of the new system, which will enable them to use personal property as collateral for the first time, thereby increasing their access to finance and reducing costs within their businesses.

These reforms are wonderful news. I have got somewhere in the vicinity of 10,000 small businesses in my electorate. Not all of them will be accessing arrangements such as these, but I know a number of them certainly will. These arrangements, in terms of providing greater access to lending using personal property, come on top of a vast array of reforms that have been introduced by this government to assist small business. One of the huge growth areas in the south west of Sydney and the employment generator is small business itself.

So, things that we have brought down to assist small business since coming into power include direct financial assistance to small business through expanding and enhancing the small business tax breaks. There are $720 million in tax reductions to provide cash flow during the 2009-10 period, which comes on top of the boost provided by the government through a discounted rate of pay-as-you-go, or PAYG, tax instalments in the December 2008 quarter. These all take pressures off businesses at a time when they need it most, at a time that we want them to maintain employment.

Small business has also been assisted by the advice and support centres that have been established and the support that we have given directly to Business Enterprise Centres. I am
very fortunate. I have one in my electorate that covers both Liverpool and Campbelltown. That organisation received direct funding from the Commonwealth. I know what it does in relation to small business. I know not only how much time and effort goes into establishing the businesses but how much this organisation goes towards helping these businesses make the transition from an initial idea to a working model that is capable of expanding and hopefully employing additional people. I would like to commend the work of my BEC, which has now been running for more than 15 years. The CEO, David Waudby, and its chair, Bruce Harrahan, do a sterling job for small businesses throughout the south-west of Sydney.

A key element of the law will be the creation of a personal property securities register, allowing for the central registration of and search facilities for security interests. It will replace the existing, confusing array of electronic and paper based state and territory systems. These reforms are long overdue. Surprisingly, some registers currently being used have been in use now, in terms of personal property, since 1920 to 1930. I concur fully with what the Attorney-General said in his second reading speech: this is a 21st-century reform for 21st-century circumstances.

The bill will allow consumers to search, at low cost, to see if the property they are considering purchasing is encumbered. In the case of motor vehicles, it is proposed that the register will provide information such as the make, model et cetera, to help people to make informed choices, in addition to registration numbers and chassis numbers. As I said, this will make sure that people know that what is being put up for security is not encumbered elsewhere. This measure is clearly very important for customer protection and will be very much welcomed by hard-working families.

There is, however, a need for an orderly transition to the new system. The significance of this reform to business cannot be underestimated, and the government is committed to making sure that business and the financial sector are prepared for the introduction of the new system. The transitional arrangements are that the system will go online once all the information has been placed onto the new system. That is going to take a little while, but it will happen before the register goes live and is made available to the public.

In conclusion, the bill will, in the end, bring down the costs of obtaining credit. It will also increase the propensity of lenders to lend, particularly to small business, thereby increasing the availability of credit within the market. By reducing the complexity and introducing greater consistency amongst the different kinds of secured finance, the bill will generate a wide range of benefits for all parties who need to secure personal property to raise finance. I commend the bill.

Mr RUDDOCK (Berowra) (10.17 am)—I welcome this opportunity to speak on the Personal Property Securities Bill 2009, which deals with the implementation of the personal property regime. First, can I thank the Attorney for acknowledging that I did take an interest in this reform and ensure that it was given the priority it deserved. I will take a moment or two just to elaborate on that first.

This is a very significant reform. But it should be seen as only one of many that are absolutely necessary in our federation if we are to ensure that businesses are able to operate efficiently and effectively and in the national interest, generating profits and not having to meet unnecessary costs and charges in order to be able to operate. This exemplifies one of many
areas which all ministers ought to be aware of in their portfolios where our federation can produce difficulties for business operations and impose additional costs.

It is very interesting that, when you look at Australia as against the United States of America, which has something like 50 states, when we have six states and two territories, that sometimes you can see measures implemented that can wreak considerable harm upon an economy as you race to the lowest common denominator, to the least regulated environment, in some jurisdictions. In the state of Delaware in the United States, corporations legislation is minimalist in terms of its impact on those who want to establish their presence there, and it means that there is often a desire to register there for less scrutiny. If you look at some of the present financial crisis that we face, a lot of it was generated in the United States, where financial regulation in some jurisdictions was less robust than it ought to have been, as people went for the lowest common denominator.

Harmonised laws are essential in the national interest, and I think they are in the national interest in relation to personal property security. I welcome the government’s continuation of the measures that I initiated to bring this fruition. I notice that the Attorney wanted to share some of the credit with Labor predecessors. I do not deny that they may have undertaken certain roles. In 1990 Michael Duffy referred a review of the adequacy of personal property security reform to the Australian Law Reform Commission. I must say that I was not aware that he had, but no doubt he did. I am not aware of the outcome and I am not aware of anybody implementing an outcome arising from that review. I am told that in 1995 Michael Lavarch released a discussion paper. That may have happened in 1995, but I am not aware of anything that actually flowed from it. I have a great deal of regard for Michael Lavarch but I do not remember it being taken up as a major initiative of the then government.

What I can say is that this issue became an issue largely by accident. I was attending a regional bar association and law society conference on the Sunshine Coast at Coolum. My wife said to me: ‘Look, there is this session on personal property security. If you can’t see anything else in the program that you want to do, you might as well go along.’ I went along and I heard a presentation from the late Professor David Allan from Bond University on measures that had been taken in some states of the United States and Canada to simplify personal property securities and, equally, the measures to codify arrangements that had been put in place by New Zealand. I heard from a very distinguished legal practitioner at that time about the very considerable business that he as a legal practitioner had in advising on variations in personal property security in different jurisdictions. The point that he was making was that if you are a legal practitioner you can spend a lot of time and you can generate very considerable costs, which clients have to pay, offering advice on differences that are in fact totally unnecessary.

I have also spent a bit of time with people in business, people who you might think would not be interested in these matters. I went to a function organised by the Australian Hotels Association. I met with an officer of the Hotels Association who had a hotel in Geelong and a hotel in South Australia, in Mount Gambier. He was telling me about the problems that he and his business experienced operating in two jurisdictions in terms of getting floating charges over his stock in trade and the costs that he incurred in getting advice on those matters. It reinforced my view that this was an absolutely essential reform. We did take it to SCAG and we got the states to agree there. We did take it to COAG and, I might say, it was not an easy path to get the department of finance and the Treasury to agree to meet some of the costs of getting
the states up to the barrier in relation to this. I might also say that if you did not drive it, it was not going to happen.

I was interested in some of the statistics in the second reading speech of the Attorney, because they were statistics that were shared with me. There were some 70 Commonwealth, state and territory acts referred to in paragraph 7, I think, of the Attorney’s speech. I was once chastised for saying that; chastised for saying there were 70 different acts and implying that there were 70 differences. One of my advisers said, ‘But, look, there are only 40 substantial differences incorporated in those 70 pieces of legislation.’ While it certainly ensured that I was accurate in the way in which I was describing these matters, it brought home the enormity of those differences. And as a legal practitioner who learnt about the different forms of personal property security which you may have to give, from floating charges, to bills of sale, to hire purchase and maritime loans—you can go through the full range of them—all with, in some places, different provisions, you can see the enormity of the challenge.

I do not want to give any particular advice in relation to the process forward, save to say that I welcome the reference by the Attorney-General to the fact that this bill, having been reviewed to simplify its language and structure, is consistent with comparable legislation in Canada, New Zealand and the United States, while taking into account the unique circumstances surrounding Australian law. I simply want to make this point: I always saw this measure as one that uniquely, given our relationship with New Zealand, could, the closer we linked our legislation to the New Zealand scheme—and I recognise that it may not be possible to do it in every respect—better ensure that the closer economic relations between Australia and New Zealand were going to be seen as a cooperative arrangement, rather than New Zealand always having to come on board in relation to what our arrangements might be.

They embarked upon personal property security reform and rationalisation well in advance of us. I hope the officers who are listening will have regard to the importance of ensuring that this is a scheme that will not jeopardise closer economic relations, notwithstanding the unique circumstances surrounding Australian consumer law, although I am not sure that is always as unique as we like to think. I hope that those matters can be taken into account.

When I sit down and write about the four years that I was the Attorney-General of this country, the major agenda item for me was harmonisation of laws. I had responsibility for national security and, certainly, maintaining Australia as safe and secure in a very difficult world environment was something to which I attached a great deal of importance, but one should never forget that there are other areas of important reform that need to be pursued in the national interest, and you cannot put them to one side because there are other difficult issues that you might have to deal with.

I will be gratified when this measure comes to finality, but I hope the engagement which I had with the late Professor David Allan from Bond University, who brought this matter into very clear focus, will not be forgotten. I took the opportunity of sharing on some of the occasions when we talked these issues through of bringing his widow to witness the progress that was being made in implementing these changes. I think she was very gratified for the acknowledgement that was given to his leadership. In public life it is very important to share the credit where it is due and to recognise the importance that people along the way have played in developing your ideas and helping you identify the changes that are needed.
I do thank the Attorney-General for his acknowledgement that I was interested in this reform and that I ensured that it was given priority. I thank him for continuing to ensure that, those steps having been taken, the matter is being brought to fruition. It is a very important reform; it is in the national interest, it will generate savings for people who are running small businesses, it will help to make us more internationally competitive and it should serve to make sure that anyone who serves in the role of Attorney identifies further areas in which harmonisation is possible, because you can do a good deal for Australia if you do.

Mr PERRETT (Moreton) (10.30 am)—I too rise in support of the Personal Property Securities Bill 2009. I thank the member for Berowra for giving a little bit of the history of this initiative. Looking back at significant meetings in history, we talk about initiatives coming out of Bretton Woods and the like, and now we have the ‘Coolum initiative’, the ‘Sunshine Coast clause’ or something like that. It is great that we can trace this back to a part of Queensland that is so beautiful. This is another bill which is shredding red tape, removing duplication and delivering greater consistency across this great nation of ours. It is part of the Rudd government’s cooperative approach to deregulation rather than the big-stick style of our predecessors.

On 2 December 2008 through COAG all states and territories agreed to refer their legislative power on personal property securities to the Commonwealth. When it comes to security interests on personal property there are more than 70 Commonwealth, state and territory laws, as we heard from the member for Berowra, but only about 40 substantive differences, which is still 39 too many. These laws vary between jurisdictions and this can significantly add to confusion and transaction costs. I declare an interest: my wife is in her last year of law and she is doing the personal property law subject next semester. If we can simplify this area before she starts next semester, hopefully that will make my life a little bit easier!

There are also various registers operated by different states and territories and some of these registers are firmly entrenched in not the 20th or the 19th century but the 18th century and are devoted to paper records. I do not think they quite roll out the vellum or anything like that, but my understanding is that it is not far from that. In Queensland for land we have the Torrens title and the like, so we are a little bit advanced, but some of the other states are very much entrenched in the 18th century. This bill will bring into force one national law governing security interests in personal property and a single national online register. This single register will replace more than 40 registers operated by or on behalf of the various jurisdictions. One of the joys of being an articled clerk, or an articled slave, was going off to search some of those registers. I remember the delay and how your life was in the hands of some clerk who might or might not let you look at or search the registry. I am sure that people with a background in business like Andrew Burke would understand that it is timely in the 21st century for the nation to have a simplified approach.

The legislation before the House applies to all transactions which create an interest in personal property, usually through a loan or other obligation. The bill defines personal property as any property other than land. So we are talking about tangibles like cars, boats, machinery or crops and intangibles such as shares or intellectual property. It is what a lot of suburban solicitors, apart from those focused on conveyancing, would class as their bread and butter, providing support to small businesses and the like. Personal property securities are interests in
personal property that secure a payment—for example, a car loan for an individual or multi-million-dollar company charges.

This bill is good for the finance sector, it is good for business, it is good for customers and it is even good for solicitors and especially the articled clerks that work for those solicitors. It is not often that we can tick all four of those boxes together. Consumers will have greater protection, as they will be able to search to see if property they are considering purchasing is encumbered. For example, if an individual is in the market for a used car—and certainly used cars are big business in my electorate—for a small fee they will be able to do an online search to see whether a particular car is being used as security for a loan.

Small businesses will benefit as they will have greater access to finance at reduced costs. The new system will enable them to use more personal property to secure finance. It will also benefit banks and financiers, who will have greater access to international finance. Now more than ever we need to ensure that our banks can access international finance to boost investment in Australia, which in turn obviously provides jobs and financial security for Australian families.

As we transition to this new system, there will be some compliance costs, as you would expect, but nothing like the costs associated with red tape from the present system. As I said, the present system in some of the states involves searching through documents and wading through boxes—not quite trotting out the calf skin, as I suggested for some of those houses, but not far from it. So there will also be some costs associated with the Personal Property Securities Register. However, these costs will be covered by the small costs associated with the use of the register—all those articled clerks submitting all that money.

States and territories will have to formally pass legislation to refer their powers to the Commonwealth, and New South Wales, at the forefront, has already done so. As I said from the outset, all states and territories are on board with this long overdue reform. Any legislation that seeks to cut red tape, reduce compliance costs and bring about a more efficient system is welcome. The Labor Party have taken up this initiative, which, as we heard from the previous speaker, has its origins in the preceding government. We are particularly keen to do so because it will benefit those in society who need a helping hand. While it is easy to talk about going off to buy a big boat, the reality is that some of the people who need to access these securities are, unfortunately, using the services of a same-day moneylender or something like that. So anything that can reduce costs and hopefully defray some of the costs associated with lending money to people is a good thing. I commend the bill to the House.

Mr CRAIG THOMSON (Dobell) (10.37 am)—It is interesting, having heard the member for Berowra talk about the origins of the bill, to look at the record of the previous government on red tape. What we saw was an increase in red tape during their time in government. I suppose it really highlights the stark contrast between those on this side of the House and those on that side of the House. They might talk about these things, but we are actually out there doing them and fixing them up. We are there supporting small business in all our communities around Australia.

In keeping with the best reforming traditions of the Hawke-Keating Labor government, the Rudd government is pursuing the most ambitious program of reform in business regulation in the nation’s history. We are moving Australia towards a seamless national economy. One of the concerns I hear constantly from small businesses in my electorate of Dobell on the New
South Wales Central Coast is the red-tape burden that has grown and grown and grown over a long time. Some have likened it to *The Blob*, the 1950s science fiction movie. It is gobbling up investment, jobs and opportunities. That is why the Rudd government is out there making sure that there are these reforms to our economy and that we do move towards this seamless national economy.

The red-tape burden in Australia is stifling economic growth and productivity. We all know that today’s productivity growth is tomorrow’s prosperity. We all know that growth and increasing productivity mean more jobs for Australians. It is no secret to the businesses of the Central Coast that red tape is strangling jobs in our region, as it is around the country. In 2009 Australia is an economy subject to no fewer than nine regulatory regimes which overlay these regulations, with eight states and territories each seeking to regulate in their own way, and in some cases it is duplicated another time by national regulation imposed at the Commonwealth level. In the 2006-07 financial year more than 31,700 Australian businesses were operating in more than one state or territory. More than 4,300 operated in every state and territory, meaning they dealt with all nine different regulatory regimes. These statistics alone show how important it has been that, in the 18 months since coming to office, the government has demonstrated its commitment to Australia having a seamless national economy.

The Personal Property Securities Bill 2009 is exactly what the government’s deregulation agenda is all about. The bill will supersede a tangled web of red tape involving over 70 Commonwealth, state and territory acts. The Personal Property Securities Bill will establish one national law governing the securing of finance using personal property. Personal property securities reform is an area that has long required change. Other countries, notably New Zealand, Canada and the US, have all implemented reforms in this area. The Personal Property Securities Bill will establish a national personal property register on which security interests may be registered and searched; provide rules for the attachment of security interests to personal property; specify the circumstances where personal property free of a security interest would be required; include priority rules for governing priority between competing security interests; and provide a process for enforcement against secured personal property.

The Personal Property Securities Bill is the result of extensive consultation. A first draft of the bill was released for consultation in May 2008. An amended version of the bill was referred to the Senate Standing Committee on Legal and Constitutional Affairs in November 2008. Amendments have been made to the bill in response to the committee’s recommendations. Personal property securities reform has been advanced in cooperation with states and territories as part of COAG’s deregulation agenda. The bill was supported by a referral of legislative power from the states. An intergovernmental agreement on personal property securities reform was signed by COAG on 2 October 2008. New South Wales is the first state to refer its power, having passed its referral legislation on 17 June 2009.

Let us have a detailed look at what the bill will do and why it needs to be implemented. Personal property security reform is about secured financing—that is, lending that is secured by property other than land. This can include secured car loans for individuals through to multimillion-dollar company charges. Currently there are over 70 Commonwealth, state and territory laws, as well as the common law and rules of equity, governing security interests on personal property. The laws vary in their application according to the form of the transaction, the nature of the debtor and the jurisdiction in which the property is located. This has the potential
to significantly add to transaction costs. The various Commonwealth, state and territory laws are supported by a range of registers—in some cases, in the form of paper records operated by the various jurisdictions. Having to search across the different registers can also increase costs for lenders and borrowers.

Personal property security reform is an important part of COAG’s deregulation agenda. By harmonising the 70 Commonwealth, state and territory laws and creating a single national online register, the bill will have a significant impact for business and consumers. The bill will create one national law with one set of rules governing personal property security interests. The rules will apply uniformly to all Australian businesses and consumers. Providing consistent national laws for personal property securities will help enhance Australia’s position as a financial centre. Banks and financiers should be able to gain greater access to international finance, which will in turn assist growth and employment in Australia. This is particularly important in the current economic circumstances.

This government is about supporting jobs—unlike those opposite, who refuse to support a single government initiative towards preserving Australian jobs. Small business in particular will benefit, as the new system will enable them to use many items of personal property as collateral for the first time. This will increase their access to finance and reduce the cost of it. A key element of the law will be the creation of a single personal property securities register, allowing for central registration and search of security interests. Consumers will be able to search at a low cost to see if a property they are considering purchasing is encumbered. This is an important consumer protection measure. In the case of motor vehicles, it is proposed that the register will provide additional information about the car, such as its make and model, to help consumers make informed purchasing decisions. The bill will operate concurrently with the Uniform Consumer Credit Code.

The bill has been the subject of extensive consultation, as I have already said, and has received significant support and input from stakeholders, including industry, financiers, businesses and the legal industry. In March this year the Senate Standing Committee on Legal and Constitutional Affairs released its report on the exposure draft of the bill. Amendments were made to the bill to incorporate recommendations made by the Senate committee, including enhancing privacy protections in the bill. This bill provides for a review of the operation of the bill within three years after security interests are able to be registered.

Personal property is any property other than land. This bill would apply to all transactions which create an interest in personal property that secures a loan or other obligation. The new national personal property security register would operate on a cost recovery basis. Use of the register would incur small charges which would be used to cover the cost of operating the register.

Secured finance using personal property is very important to Australia’s banking and finance sectors. Borrowing using personal property has the promising potential to assist businesses to grow. This is particularly good news for small businesses. Small businesses will benefit in particular as the new system will enable them to use many items of personal property as collateral for the first time. This will increase their access to finance and reduce the cost of finance.

As I said at the start of my contribution, this reform is in the best traditions of Labor governments during the 1980s and 1990s. The Prime Minister just recently said:
The great social reforms of the Hawke and Keating era were critically important to sustaining public support for the difficult work of modernising our economy to make it more competitive in a rapidly globalising world.

The greatest trait of Bob Hawke as Prime Minister was that he brought Australia together while we went through a period of massive economic upheaval. Whereas those overseas experienced extreme social division, like in England under Margaret Thatcher, Australia has had the leadership to bring about reform with public confidence. We are living through another watershed moment in economic history. Global markets are shifting at a pace we have not seen in some time. There is no time to be ‘relaxed and comfortable’. In a period of great change our nation requires leadership of great economic and political skill. This is the kind of leadership the Prime Minister is providing, and it is the type of leadership that the Leader of the Opposition simply cannot provide. Under the stewardship of the Rudd government, Australia is weathering the global recession better than most. This is due in large part to the stimulus program that the government embarked on. The government acted early and decisively to support financial stability, nation building for recovery stimulus, jobs and training. Without the stimulus Australia would have recorded three negative quarters, following other countries into recession.

The Central Coast economy would have been devastated without the government’s stimulus package. The construction, tourism and retail sectors that my region relies on would have been blasted. One and a half million people work in the retail industry in this country. I represent a large retail workforce on the Central Coast. There is no other section of our economy on the Central Coast that employs more people than retail. Without the stimulus thousands of people would have been out of work. The lines at Coast Shelter at Donnison Street would have been twice as long. Treasury estimates that, without the stimulus, unemployment would have reached 10 per cent. I can assure you that it would have been higher on the Central Coast, where we already have high unemployment. The Central Coast is a region that always suffers from high unemployment. The absence of a stimulus package would set our region further back than most. Thankfully, the government did go down the stimulus path. As a result we are the only advanced economy to have grown over the past year; consumer confidence is at its highest level since July 2007; business confidence is at its highest level since October 2003; we have the second lowest unemployment of all the major economies; and we have the lowest debt and deficit of all the major economies.

Australia is well placed to emerge from this global recession. But the road ahead will be long and tough. The Australian Labor Party is the political party of vision and reform. We are the only party with the ability to bring the nation forward through the stormy economic times. We are the only ones with the ability to make tough economic decisions as required while not forgetting Australia’s belief in social justice and the fair go. We need to build for the future agenda. We need a ‘building decade’ for productivity. This is an important bill in terms of that reforming agenda. I commend the bill to the House.

Mr McCLELLAND (Barton—Attorney-General) (10.48 am)—in reply—I would like to thank members for their contribution to the debate. As members are aware, the Personal Property Securities Bill 2009 will implement a significant reform to Australian secured financing laws. Secured financing using personal property is an important element of the Australian credit market, worth several billion dollars annually. The current arrangements for security

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interests in personal property are unnecessarily complex. They involve artificial distinctions about the nature and form of the transaction, the jurisdiction and other formalities. These sorts of distinctions are unnecessary and inappropriate in a modern economy and add unnecessary complexity and expense. The current law reflects the ad hoc development of common law and legislation in this area, including over 70 various acts among Commonwealth, state and territory legislatures.

In place of this complexity, the bill will implement a single national law creating a uniform and functional approach to personal property securities. As I said in my second reading speech, by streamlining lending arrangements in this way the bill will provide greater certainty for both lenders and borrowers. It will lower the risk for lenders, improve the efficiency of secured financing and increase competition among providers of finance. The bill will more closely align Australia’s secured transactions law with that in other jurisdictions. In doing so it will increase the confidence of international investors and creditors and should make it easier for Australian businesses and individuals to secure finance in international capital markets.

Australia’s new PPS system will be supported by a single national online register of personal property securities. The new register will replace the existing patchwork of electronic and paper based national, state and territory registers. Reducing the number of registers will alleviate the confusion currently faced by businesses and consumers in trying to work out which register they need to use. Making use of the latest technology will mean the register is state-of-the-art and easy to use. Users will be able to search the register via a web browser or alternatively via a mobile phone using SMS. High volume users will be able to establish a direct business-to-government link to access the register.

As I pointed out in my second reading speech, PPS reform is part of the ambitious deregulation agenda the government is pursuing through the Council of Australian Governments. It is an example of the government’s continued commitment to cooperation between the Commonwealth, states and territories on regulatory reform, and it must be acknowledged that this reform would not take place without their cooperation. By working together we are bringing about significant changes that are essential to the modern Australian economy.

I should also acknowledge the important work of the Standing Committee of Attorneys-General in advancing PPS reform, including developing model legislation to refer power to the Commonwealth to pass the PPS bill. When I introduced the bill into the House I said that the New South Wales parliament had become the first to refer power to the Commonwealth. I am pleased to also report that referral legislation was introduced in Victoria on 11 August, Queensland on 1 September and South Australia on 9 September, and I look forward to the remaining states progressing their referral legislation shortly.

In conclusion, existing secured lending arrangements create barriers to businesses, especially small businesses accessing secured lending. By harmonising the law in this area and creating a national PPS system the bill will generate real benefits for all parties involved in secured finance. The bill provides a national solution to meet a very important national need.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.
Debate resumed from 25 June, on motion by Mr Bevis:
That the House take note of the report.

Mr SIMPKINS (Cowan) (10.54 am)—Although I am not a member of the Joint Committee on Foreign Affairs, Defence and Trade, with my Defence Force background I welcome the opportunity to make a contribution on the report and on the circumstances surrounding this matter. As an Army officer I recall visits to RAAF Base Amberley, the home of F111s, and seeing F111s in the sky on other occasions in connection with my duties. Even at the 2000 Olympics, the sight of an F111 fighter-bomber was impressive. From an Army perspective our understanding of the F111 was that, even though it was quite old, it was nevertheless a highly effective and potent force multiplier in terms of stand-off attacks as well as close air support. When I saw those aircraft—and I am sure that when the crowd at the opening ceremony of the 2000 Olympics saw the F111 dump fuel and light it up—there was no knowledge of the other threat that has now been revealed. I am talking about the health problems that have been revealed so starkly in this report.

As we have seen in this report, the need to repair the unique fuel storage system on the F111 and the manner in which those repairs were accomplished—in an environment not replicated on any other RAAF aircraft—is at the very core of this inquiry. Between 1973 and 2000, toxic chemicals were used to strip back and replace sealant inside the fuel tanks to avoid fuel tank leaks. Three squadrons were involved: No. 1 Squadron, No. 6 Squadron and, before them, No. 482 Squadron. For the task, airframe fitters, later known as aircraft technicians, climbed inside the fuel tanks and had to strip off the old seals and then reseal the joints from the inside to ensure that no fuel would leak out of the fuel tank. But to accomplish this task they were not provided with adequate protective clothing. Even with the protective clothing that they were given, gloves, it was the common practice that they removed them in order to more effectively carry out the task. It has been established that the chemicals were absorbed through the skin. Those involved are 44 per cent more likely to get cancer and also have a history of kidney stones, kidney problems, psoriasis, depression, hypertension, rectal failure and chronic fatigue. The list goes on. These problems have been linked by studies to the work carried out in the deseal/reseal duty undertaken by airmen in the RAAF.

I understand from the report that, unlike most inquiries conducted by parliamentary committees, this inquiry went well beyond broad policy issues. At its core has been a consideration of specific cases directly impacting on upwards of 2,000 ex-service personnel and many more family members, all of whom have been exposed to the chemicals in some shape or form. It must also be remembered that, apart from the chemical being absorbed into the skin of the airmen, the fuel residue was soaked into their overalls and that clothing, with that combination of liquids, was then handled by wives at home when the uniforms were washed. The other aspect was contact with the husband. When sharing the same bed with his wife, the toxic chemicals came out of the pores of the worker’s skin and transferred to his partner. This has also caused issues for both of them in terms of wanting to have and raise healthy and normal children.
As for doing the right thing by all involved, the report says:

Without doubt, the ex-gratia scheme announced by the government in 2005 was the focus of many submissions and the cause of many complaints. Whilst it was intended to provide assistance with specified healthcare costs and a one-off financial payment for some, and did, it also created a series of anomalies that angered an already distressed group of people.

One of the problems with the ex-gratia payments was that Defence did not have records accurately identifying every person who had been involved. Although the lack of accurate records served to undermine the eligibility of many of those affected for the original ex-gratia payment, this situation has been exacerbated by the inconsistent approach taken by the Department of Veterans’ Affairs. Naturally, examples of inconsistency do nothing more than increase the feelings of frustration and resentment. As a result, the report recommended that in certain circumstances statutory declarations be used to establish entitlements. For deceased estates, a statutory declaration from the next of kin should apply with the same guidelines as those set out in the report. Considerable time and effort has been given to the health research involving the F111 issues. As the report makes clear, this research does not support some of the concerns of the workers. However, other research does raise other potentially serious matters that will require further investigation.

Some of those in the F111 community seek substantial compensation payments. Beyond the no-guilt statutory compensation schemes and the ex-gratia scheme payments, any additional payments have been determined to be a matter for common law. The report itself, Sealing a just outcome: report from the inquiry into RAAF F-111 deseal/reseal workers and their families, gives 18 recommendations, which range from removing some time limits and other constraints, to helping to make more people eligible for the ex-gratia payments, to group counselling for families and the need for additional OH&S staff and suggestions on change.

Air Vice Marshal Brown perhaps best summarised it in the first public hearing when he said:

… the Air Force hurt a large number of our people involved in F111 fuel tank maintenance between 1973 and 2000. We are grateful for this chance to look at what has been done to help them and we believe that more could and should be done.

The reality for me is that I make my comments from a distance, never having been in the Air Force and not having the ability to empathise with those affected by both health issues and the frustrations of seeking resolution through the system. I believe that real progress can now be made and I hope that the changes will provide for the men and their families, as well as for the widows, some comfort as we make progress towards a final resolution. I also congratulate the chair and the members of the joint standing committee for their report and all those who offered evidence to the committee as part of the inquiry.

Mr HALE (Solomon) (11.00 am)—I rise to speak on this very important issue. In this place, we do many things. I do not think that I have so far, in my nearly two years as a parliamentarian, had a more emotional experience than being on this inquiry. When I went to Brisbane, I met with families of people who have died through cancer and people who have kids with disabilities. The responsibility of being a parliamentarian really hit home. I would like to congratulate all the people who came and gave evidence. It was very hard to sit and listen to the stories. I support the member for Cowan’s comments in regard to the women who were at home washing the clothes of these pitch and patch workers. It was gut-wrenching stuff, to be
honest, to listen to these stories of the hardship that had come upon these families due to this activity that these workers were carrying out with the F111 program. It really drove home the importance of this inquiry and of what we were doing.

On 21 May 2008, the Minister for Veterans’ Affairs, the Hon. Alan Griffin MP, wrote to the Chair of the Joint Standing Committee for Foreign Affairs, Defence and Trade, Senator Michael Forshaw, noting that one of the election commitments of the Rudd government was to conduct a parliamentary inquiry into the inadequacy of the support for the health needs of the RAAF desal/reseal workers and their families. It was very important that we brought this issue to a head and were able to address what had been off the agenda for a long time, the needs of this group of people.

Listening to the evidence, as I was saying, was gut wrenching. These guys crawled inside F111 tanks. Often, there was still some fuel inside. When you see movies of when F111s are flying, fuel is coming out of the fuselage. It is very hard to seal them. After a run, the planes would come back. These guys would get in and first pick all the old goop out of them. Then they would re-goo them, basically, and try to seal them as best they could for when the plane was back in the air. The chemicals that they were using to strip the sealant were found to be toxic as well. These people were often sitting in fuel as well as this chemical in order to do this job. We did not have the same sort of OH&S obligations then that we do now. They were not in place. Often, these guys were swimming in this stuff. They were smoking cigarettes as well. As a lot of them said, there was a culture of smoking cigarettes in the workplace. I would suggest that working with kerosene and fuel and smoking is not a really good thing for your health at the best of times. These guys were subject to this. They wore thongs and very little protective clothing and they certainly had no respirators. We have learnt. Thank goodness that we have progressed in the way that we look after our workers now and how we deal with hazardous chemicals.

I would like to commend all members of the committee. There was a lot of care and compassion shown by the committee in these hearings. They were difficult hearings. The chair, the member for Brisbane, did a very good job in bringing this matter to a head. As the member for Cowan alluded to, there is a list of recommendations that have been put forward. I will not go through all of those recommendations. There are about 18 in total.

Certainly for the families of the victims, their kids and the people who are left behind, it does, to some extent, bring a little bit of closure because there has been a parliamentary inquiry and there is a list of recommendations. These people can feel satisfied, to a point, that the government has acted in an appropriate way with regard to this. As I said, it was a very gut-wrenching experience, because we were dealing with the lives of these people.

The committee received over 130 submissions and there were 12 supplementary submissions from organisations and the general public. In all, the committee received 743 pages of submissions. The committee also heard evidence recorded in more than 360 pages of transcript covering six public hearings. It was very thorough. The committee received a private briefing on the nature of the fuel-leak repair work and inspected training facilities, tools used and an F111 airframe.

Inspection of the various fuel storage areas in the F111 provided a very graphic understanding for all of us of the extremely small spaces that were involved in this work. Entry to some fuel tanks would make it difficult for even a small person to enter. I had no chance of getting
in there. But certainly, once inside the tank, some work areas were so confined it was difficult
to understand how personnel could spend hours at a time in such a cramped and physically
unpleasant environment. And they did so with a range of chemicals surrounding them as well.
A lot of this work was done in Queensland, where they were subjected to the hot summer
conditions.

It was a pleasure to be on this committee. I think it was a very important committee. I fully
support the list of recommendations. Once again, I congratulate and thank all the people that
gave evidence on this issue. I also thank my colleagues from both sides of this place for the
time that they put into considering the evidence and working towards the list of recommenda-
tions.

Debate (on motion by Mr Hayes) adjourned.

BUSINESS
Rearrangement

Mr HAYES (Werriwa) (11.07 am)—I move:
That order of the day No. 2, government business, be postponed until a later hour this day.
Question agreed to.

HIGHER EDUCATION SUPPORT AMENDMENT BILL 2009
Second Reading

Debate resumed from 24 June, on motion by Ms Kate Ellis:

That this bill be now read a second time.

Mr PYNE (Sturt) (11.08 am)—It is a pleasure to rise today in the second reading
debate on the Higher Education Support Amendment Bill 2009. This bill provides some minor
administrative efficiencies in the operation of FEE-HELP and VET FEE-HELP, which are
assistance schemes for students in terms of paying the fees associated with either their univer-
sity degrees or vocational education and training courses.

The amendments will allow higher education and VET providers to lodge their applications
for approval to offer FEE-HELP and VET FEE-HELP before having their tuition assurance
arrangements in place. This presumably will allow the two processes to occur simultaneously,
thus speeding up the approval of providers and access to the loans. The amendments also
broaden the conditions under which the minister may be satisfied that a VET provider is able
to meet the VET quality and accountability requirements and so qualify to offer VET FEE-
HELP. The new conditions include that the minister may be satisfied by a recommendation of
a body that is approved under the VET provider guidelines.

The anticipated elimination of duplication between the Commonwealth and the states and
territories is attributed to this measure as it will, according to the explanatory memorandum:
… allow recommendations from approved national or state-based agencies to be used as part of the
assessment and approval of training organisations to deliver VET FEE-HELP assistance.

So in essence there are some administrative changes being made by this bill to the provision
of VET FEE-HELP and FEE-HELP in order to enable those people who can offer it to put
their processes in place at the same time as they are seeking students, rather than having to
wait until one is in place before they can offer the other. Secondly, as a basis for granting li-
cences—for want of a better description—under this legislation, the minister will be able to

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use the state based agencies that have already allowed qualifications to the VET providers, in particular, to go ahead and offer this kind of facility. That will stop the VET providers, in particular, having to go through two processes—the state process and the Commonwealth one—and it removes duplication. So the opposition supports this bill and we look forward to it being passed quickly so that VET providers and higher education providers will be able to, more quickly, take advantage of its provisions.

Mr HALE (Solomon) (11.11 am)—I rise to speak on the Higher Education Support Amendment Bill 2009, which is something that I am very passionate about. On indulgence, Mr Speaker, I would like to thank the member for Sturt for his contribution. This bill makes minor amendments to provide for administrative efficiencies in the operation of the FEE-HELP and the VET FEE-HELP assistance schemes under the Higher Education Support Act. It is certainly a very important bill. As a father of five children I am very passionate about education. Our love for education and our want for Australian youth to be better educated, and how we can improve that area, are core things that both the opposition and the government share.

My parents are both educators. My father, Bob, has been a very strong advocate for education for a long time. He did a one-year teaching course and then a Bachelor of Arts degree over about 10 years. He has been a school principal and has basically been an educator from 17 years of age until he retired at 65. He still, at the age of 67, goes back and helps out when he is needed. He has a history of 46 or 47 years as a school teacher, an educator, who staffed schools in the Territory. He also used to recruit teachers for the Northern Territory. My mother was also a school teacher, as was my grandmother, and my sister is also a teacher. So we certainly have a history of school teachers in our family. I believe that we should support anything to do with education.

Mr Briggs—The perfect person to speak on this bill!

Mr HALE—I am the perfect person; it is one of the core things I talk about in the marginal seat of Solomon, and I take that interjection in the spirit in which it was given. Education and health are two things that I really do look at. As governments we can bicker a little bit around the edges with different issues, and we do. I love the debate at question time, in the Main Committee and in the chamber but when it comes to health and education I do think that there is too much that divides us in this place. We need to make sure that we continue to develop education and that we continue to be at the forefront of developing education for the young people coming through in the future in Australia.

We are such a lucky country in regard to education that we probably take it for granted. We say at times that we are trying to find ways of making sure kids go to school. Yet I know that, in Third World countries, in developing countries, school is a luxury. The kids there yearn for school. They love it. I remember some AFL guys telling me about going to South Africa once and about the kids they met over there. The kids saw a biro, and they could not believe this thing that wrote. So the guys ordered in a heap of biros, boxes full of biros, and just gave them out to the kids, because they did not have pens—they had not even seen pens before. Pens to us are something so simple that we take them for granted and leave them all over the place, but those kids found them unbelievable. They wanted them. So the AFL guys just gave out pens.
This bill amends the tuition assurance provisions in the act, to remove the administrative requirements for higher education and training organisations to have tuition assurance arrangements in place at the date of their application for approval, to offer FEE-HELP or VET FEE-HELP assistance to students. In addition, the bill provides the amendments to allow recommendations from approved national and state based agencies to be used as part of the assessment and approval of training organisations to deliver VET programs. That is very important. As I said, education is, for me, the cornerstone for our society. It should be the right of every Australian to be well educated, and I fully commend and support the bill.

Ms MARINO (Forrest) (11.16 am)—I commend the previous speaker for his efforts. I rise to speak on the Higher Education Support Amendment Bill 2009. This bill will see changes to the application and approval process for the income contingent loan schemes for higher education and vocational education and training. The coalition sees benefits in allowing higher education and vocational education training providers to lodge their application for approval to offer FEE-HELP and VET FEE-HELP before tuition assurance arrangements are in place. The main benefit will be a reduction in the duplication of administration and a cut in red tape by allowing the two processes to occur simultaneously. As a result, the approval of providers and access to student loans will occur more rapidly and efficiently.

University students in my electorate of Forrest welcome the implications of the Higher Education Support Amendment Bill as the amendments, unlike the recently proposed changes to Youth Allowance, will actually benefit students in regional and rural communities. The government failed to consider regional and rural students in the proposed Higher Education Support Amendment (2009 Budget Measures) Bill 2009. I was contacted by over 200 students and parents in my electorate who are concerned about the government’s proposed changes to Youth Allowance which compromise the future of young people right throughout Australia. As I said, for regional students, the associated costs enforced on a student who must relocate to study are enormous, particularly in comparison to those of, for example, a metropolitan student who lives at home and/or has access to public transport.

Don is a concerned grandfather from Busselton who got in touch with me. He stated in an email:

I feel, as a country resident, we are being treated as ‘second class citizens’. So much for the ‘education revolution’ we hear so much about!! I would say that many country children who should be able to attend University are unable to do so because of the heavy financial impost on the family.

Debra was another constituent who got in touch with me. She has a son who is currently living in Perth and studying at UWA. Debra said:

His board and lodgings at the residential college (and he is staying at one of the cheapest ones) is around $11,000 for the 34 weeks of university this year. He also has to pay for books of around $1,000 pa and weekly living costs such as stationery, printing, clothes, medical supplies etc. The UWA website estimates these weekly living costs (at $80pw) to be $2,720 for the 34 week university year. This means his essential costs for the 34 weeks are $14,720 pa—and not including his HECS or his board and living costs for the 18 weeks he will have to move out of the residential college each year.

I have had many parents contact me who are angry that the government is deciding that the future of their child or children is to be without youth allowance, particularly because they
may not be able to access higher education simply because the family and the student cannot afford the cost. Year 11 student Lahni, from Busselton, sent me an email, addressed ‘To the government’:

I hope you can see the impact you are having. You are not changing figures; you are changing a child’s future. You are not helping the economy, you are disadvantaging it. You are not creating futures, you are destroying dreams. So I hope with the goodness of your hearts, you can find the courage and the common sense to stand up for regional kids. To stand up for education, to stand up for me … I hope most of all you can sleep at night. As I lay in bed listening to my mother cry, and worry because she can’t afford to send her daughter to university, to get away from a small town … but you can. You can make this difference, you can make my dreams come true. You can give me this opportunity my parents can’t. I beg you.

They are very powerful words from such a young woman. I am still not convinced the Minister for Education fully understands the associated costs that regional and rural students must encounter.

As demonstrated by supporting this bill, the coalition strongly supports education, and strongly supports good legislation such as the Higher Education Support Amendment Bill, which reduces the red tape for students attending university. This bill also broadens the condition under which the minister may be satisfied that a VET provider is able to meet the VET quality and accountability requirements and so qualify to offer VET FEE-HELP. It is anticipated that this legislation will achieve greater administration efficiency in the income-contingent loans schemes for higher education and vocational education and training. I, along with the coalition, support this legislation.

Mr CHEESEMAN (Corangamite) (11.22 am)—I might commence my contribution by reflecting on the lightening speed with which the member for Solomon got across his brief. His contribution to this chamber was a truly remarkable effort. Actually, on a recent trip to Solomon the member for Solomon took us to a number of higher education providers. I certainly enjoyed that.

It is with a great deal of pleasure that I rise today to speak on the Higher Education Support Amendment Bill 2009. I have said this before, but it is quite remarkable the way in which the minister has gone about with such zeal in reforming our education system. She certainly provides this government with a great deal of pride in the way she goes about this. The Rudd government is committed to providing a first-class higher education system. And I would argue, of course, that we are very committed to cleaning up the mess that was left behind by the previous government. As I said, I would certainly like to congratulate the minister for her reforming zeal and her first-class work rate on these matters.

This bill provides for minor amendments to the Higher Education Support Act 2003. There are two important aspects to the changes proposed here. Firstly, we are amending the tuition assurance arrangements for both the FEE-HELP and VET FEE-HELP assistance schemes to remove the requirement for higher education providers and VET providers to have tuition assurance arrangements in place at the date of application for approval.

Secondly, we are amending the VET provider approval provisions of schedule 1 of the HESA to allow the minister or her delegate to accept recommendations regarding an applicant’s compliance with the VET quality and accountability requirements from an approved national, state or territory registering or accrediting authority.
Higher education and VET providers offer assistance to students through the Commonwealth’s FEE-HELP and VET FEE-HELP assistance schemes. These schemes aim to reduce the financial barriers to studying and training by providing full-fee-paying students with access to income-contingent loans to pay their tuition fees through the course of their studies. From 1 July 2009, the VET FEE-HELP assistance will also be made available to Victorian government subsidised students. In other words, they will have a fair crack of the whip. I would like to place on record my congratulations to the Victorian government for being a world leader in the provision of tertiary education.

Really it is about safeguarding students’ commitment to and investment in their course so that, in the event a higher education or VET provider ceases to deliver a course of study in which the students are enrolled, students have the choice of either transferring their enrolment to a different provider offering the same course or having their tuition fees refunded. What we are really doing here is putting in place a safeguard measure.

I think these reforms bring out the level of attention to detail of this government and the efforts that we are making on behalf of the Australian community. We are doing our best to make sure that no-one falls through the cracks or is disadvantaged by untoward circumstances outside of their control.

Under the current arrangements, paragraphs 16.25(c) and 6(d) of schedule 1A of the HESA require applicants to demonstrate they have met the requirements to have their tuition assurance arrangements in place on the date they make their application for approval as a higher education or VET provider. This results in delays in application assessment and approval processes as well as imposing an additional financial burden on applicants well before they are approved as providers and begin offering assistance to students.

This is about trying to make it easier for students to study. It is about getting rid of the barriers and frustrations people have to face when they make their decision to study. Under the previous government, all of these things were never tackled. The Howard government, in my view, was extremely policy lazy. It is remarkable to see the efforts that our government is making in addressing these issues.

The higher education system can be a very frustrating place when you are trying to access it. There are lots of hoops that people have to jump through, particularly in relation to applications and financial support measures. Labor is trying to make these things much easier and make sure that there are no hidden pitfalls in the way of a person’s study. That is what we are on about. We are trying to make it as easy as possible for students to continue their studies under often trying circumstances.

The amendments will allow applicants additional time to put tuition assurance arrangements in place, as they will not be required to demonstrate that they have met the requirements unless and until they have met all of the other conditions associated with the application process. The decision to approve an application will still be contingent upon fulfilment of the tuition assurance arrangements within these measures. Legislative instruments under both schemes will be amended to provide further direction to applicants regarding the operation and requirements prior to the approval of those arrangements.

In addition, the bill provides a new section, 11(2)(b) of schedule 1A of the HESA, to allow the minister and/or her delegate to be satisfied that an applicant for VET approval meets one
or all of the VET quality accountability requirements if the body is identified. Amendments will also be made to the scheme’s legislative instruments to identify relevant national, state and territory registration and accreditation agencies, as I mentioned earlier, to make such recommendations for the purposes of the VET provider approval processes. Under the current arrangements there is no such discretion for the minister or her delegate to accept recommendations for the purposes of making a decision to approve an application. An example of that would be that currently there is no provision for the minister to rely on the outcomes of processes conducted by state based regulatory agencies when making her decision.

As I said, this bill is about developing an effective, efficient and responsive higher education system. It is about putting in place safeguards for individuals. It is about encouraging people to study. It is about making it easier for people to study. It is about making rules that make it easier for institutions to operate in a complex world. This is another bill by which the Rudd government is building a first-class higher education system to meet the challenges of our future. It follows measures to increase student support, it follows measures to financially support young people from less-well-off families to study, and it follows measures in the Bradley report that will build a better higher education system for us. This is another very clear step that Labor is preparing Australia’s education system for the 21st century.

In conclusion I say again that I congratulate the minister for her ongoing efforts to reform the system. It is fair to say that Australia has a high-quality education system. These arrangements will set our system to an even higher standard and higher quality, enabling students to be able to access a first-class education system. I commend these measures to this chamber.

Ms HALL (Shortland) (11.32 am)—It gives me great pleasure to speak on the Higher Education Support Amendment Bill 2009. This legislation shows the Rudd government’s commitment to education. The Rudd government has overseen an education revolution. We are committed to seeing this revolution continue within Australia so that all Australian students benefit. This bill provides for minor amendments to the Higher Education Support Act 2003. It amends the tuition assistance assurance arrangements for both FEE-HELP and VET FEE-HELP to remove the requirement for higher education providers and VET providers to have tuition assurance arrangements in place at the date of application for approval. It also means the VET provider approval provision in schedule 1A of the HESA will allow the minister or her delegate to accept recommendations regarding an applicant’s compliance with the VET quality and accountability requirements from an approved national, state or territory registered accredited authority. This legislation is about the quality of education that is being offered. Every member of this House is beholden to have this as a paramount concern. We do not believe that education should be provided based on just performing a task or jumping through the hoops; rather, we think that education needs to be of a certain standard and that it needs to be quality education.

Concerns were brought to a head at the closure of the Sterling College in Sydney. It was a private education college offering vocational qualifications. It went into administration in late July. I know there was great concern expressed in the media about this. I was contacted in my office about this situation and how it eventuated. The doors of Sterling College shut on 500 students—students who were mainly from overseas and who had spent thousands of dollars on tuition fees. The issue of financial mismanagement in this lucrative sector was highlighted. I think this is important to know: the sector is worth about $14.35 billion to the Australian...
economy. Also, at the Sterling College substandard courses were being offered. Former lecturers at the Sterling College complained about not receiving basic training. We need to ensure that the right sorts of procedures are in place. This amendment to the tuition assurance arrangements for the FEE-HELP and VET FEE-HELP assistance schemes will assist.

These measures provide for minor amendments to items 16 to 25 and item 60 of schedule 1A of HESA by removing the requirement for higher education and training organisations to have tuition assurances in place at the date on which they make their application for approval as a higher education provider. The tuition assurance requirements under HESA are a safeguard for students in the event that a higher education or VET provider ceases to deliver a course of study in which students are enrolled. In that event, the students have the choice to either transfer their enrolment to a different provider offering the same course or have their tuition fees refunded.

Because of my concerns about what happened with Sterling College, I spent some time today researching this matter. I discovered that the majority of students enrolled at Sterling College were overseas students. Australia’s education of overseas students is a very important economic activity. Australia is seen as an education powerhouse. For those members who are not aware, in the vicinity of 70,000 Indian students—that is, Indian students alone—are enrolled in this country. It is the country’s third most lucrative industry—after coal and iron ore—and is worth about £7.5 billion or, as I stated earlier, $14.35 billion. Concerns crystallised following the closure of the Sterling College in Sydney. It was a private education college. We need to focus on these details. There have been a number of media reports around this issue. I note that after investigations ABC’s Four Corners claimed that some colleges and migration agents were ripping off students. Federal Police and immigration officers have raided many offices and found information to show that we need to address this issue.

Australia, as I have already stated, has put a lot of effort into making itself an attractive venue for overseas students to come and study in. We need to ensure the quality of the courses and introduce amendments, even if they are minor amendments such as this legislation. These amendments and other amendments will make this sector a lot more transparent and accountable. I think it is really sad if we have a situation where overseas students come to Australia and find themselves in limbo as colleges collapse. I see that the member for Melbourne Ports is to my left. He would be aware of the fact that colleges have collapsed in Melbourne. The Melbourne International College had its education licence cancelled by the Victorian Registration and Qualifications Authority.

Mr Danby—And so it should have.

Ms Hall—Yes, and so it should have, as he highlights, because it was not providing appropriate education and support. It was not enhancing Australia’s reputation within the international education market. There are untold numbers of examples of—

Mr Hawke—Madam Deputy Speaker, on a point of order: I do not doubt the veracity of the member’s contribution. However, this material is the subject of another bill. I am not certain if the member is speaking to the current bill, the Higher Education Support Amendment Bill 2009. I ask you to call her back to order.

The DEPUTY SPEAKER (Hon. JE Moylan)—The member will address her comments to the bill being debated.
Ms HALL—Thank you, Madam Deputy Speaker. I am quite happy to do that, but I actually thought the member opposite would be supportive of the comments that I was making and would like to see Australia’s educational reputation enhanced. I thought that this would be a prime opportunity to mention some of the issues that have been highlighted in the media recently. But, as the member opposite obviously is not supportive of Australia’s international education reputation or the need for us to provide quality education within this country, I am quite happy to return to the other aspects of this legislation, go through it schedule by schedule and point by point and ensure that the member opposite listens to my contribution for a full 20 minutes. I hope that people in his electorate, where I know there are a number of people who are concerned about this issue, are aware of his blatant disregard for the quality of vocational education and of the education that is provided to students from overseas. I might add that it is not only overseas students whom this legislation is addressing.

Under the current arrangements, items 16 to 25(c), which I am sure the member opposite is quite familiar with, and 6(d) of schedule 1A of the HESA require that all applicants demonstrate that they have met the requirement to have tuition assurance arrangements in place and that they make their application for approval as a higher education or VET provider. Given the Rudd government’s commitment to an education revolution, to quality education and to ensuring that we do not have VET organisations going belly up, as they have been doing around Australia, this is a very important amendment to the existing legislation. The member opposite may be quite supportive of institutions being able to provide training without going through the proper process—he may be happy with the situation as it exists at the moment—but we on this side are not. We want to have quality arrangements and quality requirements in place, and we want to ensure that the approval process takes place in a proper fashion.

As I was saying, the process of application for approval as a higher education VET provider can result in delays in the application assessment and approval process as well as imposing an additional financial burden on the applicant well before they are approved as a provider and are beginning to offer assistance to students. The Rudd government recognises that this can be a problem. We do not move away from that requirement to ensure that there is a quality process in place. This amendment will allow applicants additional time to put tuition assurance arrangements in place. Also, they will not be required to demonstrate they have met the requirements unless and until they have met all the conditions, being the other conditions associated with the application process. The decision to approve an application will still be contingent upon the fulfilment of the tuition assurance requirements. Legislative instruments under both schemes will be amended to provide further direction to applicants regarding this obligation.

The bill provides for a new proposed section 11(2)(b), as I am sure the member opposite would be aware and would welcome, in schedule 1A of the Higher Education Support Act. This is to allow for the minister or her delegate to be satisfied that an application for VET provider approval meets one or all of the VET quality and accountability requirements. I think it is important that I state here that we on this side of the House are very committed to accountability. We on this side of the House believe in transparency. We on this side of the House believe in consultation. All of this has taken place in relation to this piece of legislation. I know that when the opposition was in power that was not always the case.
If a body identified in the VET provider guidelines makes a recommendation to the minister or her delegate, amendments will be made to the scheme’s legislative instrument to identify relevant national, state or territory registration and accreditation agencies able to make such recommendations for the purpose of the VET provider approval process. It was my understanding that the opposition was quite supportive of these changes to the legislation. I sincerely hope that the member opposite, the member for Mitchell, is going to stand up and support this legislation. I would be very disappointed if he did not show the same level of support for this legislation as he is obviously showing for overseas students. I would like to think that he was a bit more committed to Australia’s educational reputation and a bit more committed to ensuring that Australia actually excels in that area. But I am sure that he will have an excuse for not being as supportive as he should be.

Under the current arrangements there is no discretion for the minister or her delegate to accept recommendations for the purpose of making decisions to approve an application. This bill is all about making the legislation more workable. It is all about making the VET system more responsive to the needs of those people who actually need action, the students who are trained through the VET system. I think that should be embraced. There is currently no provision for the minister to rely on the outcomes of processes conducted by national or state regulatory agencies when making her decision, and it is pretty disgraceful that the minister cannot rely on these processes.

This bill has such a sensible approach and brings much-needed change. I believe it will also stop duplication. These amendments will allow for a more streamlined VET provider assessment process, and I think that is what everybody involved in the VET area would like to see: a streamlined process that will benefit those providers, that will benefit the students, that will benefit us as a nation and that will benefit industry. The bill creates administrative efficiencies, and those administrative efficiencies will be accompanied by processes that lead to efficiencies within the course. There will be better courses and better outcomes and, when the legislation reduces costs and duplication between the Commonwealth VET provider application process and those processes administered by national and state based agencies, it will be a good outcome for all.

The amendments are aimed at encouraging a greater number of quality registered training organisations. This will be very beneficial. I state once again for the benefit of my colleague the member for Melbourne Ports, who is in the chamber, that Victoria will also be included in the process. I know that he embraces that, welcomes that and is very keen to see it happen. Applications will be assessed more quickly and will provide students with access to FEE-HELP assistance sooner—and that is what it is about: encouraging students to undertake VET retraining and ensuring that they have the fee assistance that they need and that they can access the courses that they need very quickly so they can get the skills they need to re-enter the workforce and are suitably qualified and that we in Australia have a skilled workforce. We recognise that there have been problems with a skill shortage in Australia. Unlike any members of the previous government, I think this legislation will help in a number of ways—*(Time expired)*

**Mr NEUMANN** (Blair) *(11.52 am)—*I rise to speak in support of the Higher Education Support Amendment Bill 2009. This is an important piece of legislation. It is important because it is part of the Rudd government’s commitment to higher education reform. It is impor-
tant because higher education is crucial to ensuring that we are the most productive in terms of our workforce, that we have profitable business and that our people achieve everything that they aspire to in life. Where a person lives or the disadvantages they suffer should not determine the destiny of their vocation or income security for them and their families in the long term. Providing assistance to tertiary students, whether through VET courses or through universities, is absolutely vital in the circumstances.

Whilst on the face of it the bill is not particularly far reaching—it is not a long bill; it is short in the circumstances—it does ensure that assistance in terms of FEE-HELP and VET FEE-HELP can be made available to full fee-paying students studying in higher level education or training, in providing loans for all or part of the student’s tuition costs and in ensuring that students who are attending certain educational institutions can get access to tuition assistance. It also allows institutions to have more flexibility in fulfilling the requirements for tuition assurance arrangements. Currently they have to either be exempt or indeed have those in place at the time of an application. This extends out the time for that institution to get that assurance to the time that a minister might approve it. That is more flexible in terms of its arrangements, but it opens up the prospects of students getting access to additional educational institutions.

This is extremely important for my constituents in Blair. Getting help to go to university is crucial for people from low socioeconomic backgrounds whose parents cannot support them. Many people in this House will have received assistance through Austudy or TEAS or through assistance from family or friends to get to university. It is crucial that we provide more assistance to those from lower socioeconomic backgrounds because, if we say we are a strong country, we need also to say that we are a fair country. The ethos of being a country that believes in a fair go is crucial.

Whilst the amendments streamline the application and assessment processes for higher education and training organisations to apply for FEE-HELP and VET FEE-HELP for assistance to students, they are also important amendments because they broaden out the opportunities for students to get assistance and access to educational institutions, which might help them to get the kinds of qualifications in life that will improve their financial circumstances. This in turn will ensure that their families in the future will get access to a decent wage and salary and will be able to meet all the necessities of life as well as have that little bit extra for their recreation, lifestyle and pleasure. The bill amends tuition assurance provisions and it removes the administrative requirement for higher education and training organisations to have those arrangements in place.

There are a number of amendments in this bill and I want to commend the member for Shortland, who almost painstakingly went through the provisions—and I do not intend to go through them. This is also a great opportunity to commend a number of local providers in my electorate, who are providers of higher education in an area that, historically, is not necessarily an area where a lot of people enter tertiary institutions. I went to Bundamba State Secondary College, and the records that I have looked at said that I was the first person ever from that school to go on to study law at university. It is not common enough for students who have attended state high schools to go on to university. We want to make sure that they get every opportunity to go to universities or TAFE institutions.
I want to take this opportunity to also commend the Bremer Institute of TAFE in my electorate for their careers day, where young people from local high schools got the opportunity to access the kind of financial help we are talking about in this bill. It also provided information to get them to TAFE or to university. Getting that knowledge and that information to young people is extremely important. It was an important careers day because it allowed students to get varied information. They heard from people at the Springfield Land Corporation and from people at Ipswich City Council. Even hearing from their local federal member was important for them to understand what opportunities lay before them. Bremer Institute of TAFE has been around for many decades in Ipswich. It had its genesis in the centre of town, has been located in a number of different places and is now in Bundamba. The Bremer Institute of TAFE is an important institution in Ipswich and it is important that students in the area get the kind of higher education support that this bill will provide.

I want to also commend the University of Queensland, Ipswich campus, for their recent publication. I was pleased to be there at the UQ Boilerhouse launch of Mines, mills and shopping malls: celebrating the identity of Ipswich. At the risk of incurring the wrath of a certain member from New South Wales, I will say it is a wonderful book. Higher education is important to the city of Ipswich, and this legislation is as well. This book talks about the impact of a certain member from New South Wales, I will say it is a wonderful book. Higher education is important to the city of Ipswich, and this legislation is as well. This book talks about the impact of certain events on Ipswich—the Reids fire, the 1974 floods and the Box Flat Mine disaster. It is an important publication by a higher education institution that operates in my electorate with the support of the federal government. The budget that gave out $2.4 million over four years to ensure that an additional 50,000 students can attend university by 2013 was so important.

This legislation today is important to ensure that we give assistance to full-fee-paying students. Getting those students through university and TAFE is crucial. In my electorate we have seen unemployment go down by three per cent in the last 12 months or so. Jobs have risen by 10 per cent. We want to make sure that those jobs are good jobs. We want to make sure that those kids get the opportunity to become carpenters, plumbers, tradesmen and hairdressers and work in banking and finance.

Legislation that streamlines application procedures, legislation that improves the approval processes and legislation that makes our higher education sector function better, as this legislation does, improves the chances and the lot of young Ipswich students and students in the rural areas outside Ipswich. That is why I am very happy to support this legislation. This is good legislation. It is reforming legislation. I commend the minister for bringing it to the House. I am very pleased to support it.

Ms KATE ELLIS (Adelaide—Minister for Early Childhood Education, Childcare and Youth and Minister for Sport) (12.01 pm)—in reply—I thank members on both sides of the House for their contributions and for their support of the important changes in the Higher Education Support Amendment Bill 2009. As we know, this bill provides technical amendments to further streamline the operation of the FEE-HELP and VET FEE-HELP assistance schemes which continues the government’s objective of making administrative efficiencies in support of the broader agenda to extend the availability of income contingent loans.

We know that an important part of the education revolution is encouraging greater accessibility of education for all Australians. VET FEE-HELP assistance is aimed at encouraging students to take up higher level qualifications, by reducing the financial barriers associated
with study. From 1 July 2009 the VET FEE-HELP Assistance Scheme was extended to assist certain state government subsidised students. This bill makes amendments to the Higher Education Support Act 2003 to streamline the application and assessment process for higher education and training organisations applying for approval to offer FEE-HELP and VET FEE-HELP assistance to their students. The amendments will provide administrative efficiencies, resulting in faster approvals of higher education and VET providers, therefore giving students access to financial assistance sooner. In particular, the bill will amend the tuition assurance provisions in the act to remove the administrative requirement for higher education and training organisations to have tuition assurance arrangements in place at the date that they apply for approval to offer FEE-HELP or VET FEE-HELP assistance to students.

The bill also provides amendments to help eliminate duplication between Commonwealth and state and territory agencies and reduce the cost and the time taken to assess a training organisation’s application for approval under the act. These amendments deliver increased efficiencies in the administration of these schemes, making it easier and faster for higher education and training organisations to be approved to offer assistance for students. This is a good result for our higher education institutions and, importantly, a good result for the students of Australia. With that in mind, I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

Main Committee adjourned at 12.05 pm
QUESTIONs IN WRITING

Microfinance Strategy
(Question No. 861)

Ms Julie Bishop asked the Minister for Foreign Affairs, in writing, on 11 August 2009:

(1) What is the status of the development of a microfinance strategy.

(2) What is the expected release date of the microfinance strategy.

(3) Has the Government made contact on this matter with (a) non-government organisations, (b) regional network organisations, and (c) the private sector; if so, (i) what are the names of the organisations, (ii) on what date/s were they contacted, (iii) at what level was the contact, and (iv) what was specifically discussed on each occasion.

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

(1) A draft Financial Inclusion Strategy is currently before Government for consideration.

(2) It is expected that the draft Financial Inclusion Strategy will soon be released to the public for comment. The Strategy is expected to be released in final form by the end of the 2009.

(3) AusAID has made contact with non-government organisations, regional network organisations and the private sector on a number of occasions during the strategy development process.

In November 2008 AusAID held two microfinance consultations in Sydney and Melbourne with the Australian Microfinance Network members. Organisations in attendance at these meetings included World Education Australian Limited, Opportunity International Australia, RESULTS Australia, Grameen Foundation Australia, Mission Australia, Many Rivers Opportunities, Eco Aid Australia, the Foundation for Development Cooperation, World Vision Australia, the Brotherhood of St Laurence, Carbon Community Fund, Credit Union Foundation Australia, Uniting Church Aid, and the Renewable Energy and Energy Efficiency Partnership. The consultations updated members on AusAID’s intention to increase engagement in microfinance and develop a strategic framework to inform future engagement in the area. Comments were sought on areas where AusAID could add value in the area and key considerations.

On 8 December 2008 AusAID released a Microfinance Issues Note inviting early comment on key features of the strategy such as likely areas of focus and geographic orientation to the Australian Microfinance Network and Microfinance Pasifika.

On 12 February 2009 AusAID updated the Australian Microfinance Network on the progress of the strategy. The following organisations were in attendance: ANZ, Australian Bankers Association, Barefoot Power, Brotherhood of St Laurence, Community Sector Banking, Credit Union Foundation of Australia, Foundation for Development Cooperation, Grameen Foundation Australia, Griffith University, Many Rivers Opportunities, National Australia Bank, Opportunity International Australia, RESULTS Australia, Westpac Bank, World Education Australia Limited and World Vision Australia.

On 6 March 2009 AusAID called for comments and input into the Microfinance Strategy through the Banking With the Poor Newsletter.

Consultations were held with a range of government, private sector and non-government stakeholders in March 2009 in Tonga and Fiji.

At Pacific Microfinance Week, Ms Rebecca Bryant, Director, Food Security and Rural Development in AusAID, outlined proposed areas of focus and guiding principles of the strategic framework and fielded questions from the audience regarding the strategy.