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SITTING DAYS—2009

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FORTY-SECOND PARLIAMENT
FIRST SESSION—SIXTH PERIOD

Governor-General
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Officeholders
Speaker—Mr Harry Alfred Jenkins MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP
Members of the Speaker’s Panel—Hon. Dick Godfrey Harry Adams MP, Hon. Kevin James Andrews MP, Hon. Archibald Ronald Bevis MP, Ms Sharon Leah Bird MP, Mr Steven Georganas MP, Hon. Judith Eleanor Moylan MP, Ms Janelle Anne Saffin MP, Mr Albert John Schultz MP, Mr Patrick Damien Secker MP, Mr Peter Sid Sidebottom MP, Hon. Peter Neil Slipper MP, Mr Kelvin John Thomson MP, Hon. Danna Sue Vale MP and Dr Malcolm James Washer MP
Leader of the House—Hon. Anthony Norman Albanese MP
Deputy Leader of the House—Hon. Stephen Francis Smith MP
Manager of Opposition Business—Hon. Christopher Maurice Pyne MP
Deputy Manager of Opposition Business—Mr Luke Hartsuyker MP

Party Leaders and Whips
Australian Labor Party
Leader—Hon. Kevin Michael Rudd MP
Deputy Leader—Hon. Julia Eileen Gillard MP
Chief Government Whip—Hon. Leo Roger Spurway Price MP
Government Whips—Ms Jill Griffiths Hall MP and Mr Christopher Patrick Hayes MP
Liberal Party of Australia
Leader—Hon. Malcolm Bligh Turnbull MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Opposition Whip—Hon. Alexander Michael 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

Printed by authority of the House of Representatives
## 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                                 Hon. Kevin Rudd MP
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion
Treasurer                                       Hon. Julia Gillard MP
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                               Senator Hon. Chris Evans
Minister for Foreign Affairs and Deputy Leader of the House
Minister for Health and Ageing                   Hon. Wayne Swan MP
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                                 Senator Hon. John Faulkner
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 Human Services and Minister for Financial Services, Superannuation and Corporate Law

[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 Parliamentary Secretary for Voluntary Sector | 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 Innovation and Industry | 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 MP

[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 MP

Shadow Minister for Ageing
Mrs Margaret May MP

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

Shadow Minister for Veterans’ Affairs
Mrs Louise Markus MP

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

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

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

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

Shadow Parliamentary Secretary for Roads and Transport
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development
Mr John Forrest MP

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

Shadow Parliamentary Secretary for Energy and Resources
Mr Barry Haase MP

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

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

Shadow Parliamentary Secretary for Health Administration
Senator Mathias Cormann

Shadow Parliamentary Secretary for Defence
The Hon. Peter Lindsay MP

Shadow Parliamentary Secretary for Education
Senator the Hon. Brett Mason

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

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

Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate
Senator Concetta Fierravanti-Wells
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The SPEAKER (Mr Harry Jenkins) took the chair at 2 pm and read prayers.

QUESTIONS WITHOUT NOTICE

Asylum Seekers

Mr TURNBULL (2.01 pm)—My question is to the Prime Minister. I refer the Prime Minister to the arrival yesterday of another boat carrying 58 unauthorised arrivals 100 nautical miles off the Western Australian coast. I remind the Prime Minister that this takes the number of unauthorised arrivals to 54 boats and more than 2,400 people since he weakened Australia’s border protection policies in August last year. Will the Prime Minister now explain to the House what plans he has, if any, to stop this dramatic surge in unauthorised arrivals, or is he simply telling Australians that they had better get used to the idea of another day, another boat, another policy failure?

Mr RUDD—I would have thought that on a day like today, when the nation is debating the future of climate change, we could have had some discussion in this chamber of this important challenge for the nation as well, but apparently not. The honourable member raises a question concerning the arrival of boats in Australia. Could I draw to his attention the following: so far in the year 2009 we have had 45 boats arrive—

Mr Randall—Forty-five too many!

Mr RUDD—The honourable member interjects, ‘Forty-five too many.’ In the year 2001 there were 44, which brought a total of 5,516; in the year 2000 there were 51 that brought just under 3,000 individuals to Australia; and in 1999 there were some 86 vessels and those 86 vessels brought 3,721 individuals. Can I draw those facts to the honourable gentleman’s attention opposite and to his interjecting colleagues.

Furthermore, in relation to the government’s border protection policy, first of all, when it comes to the change that the government introduced for temporary protection visas, those opposite did not object to those changes when they were brought into this parliament—that is the first point. The second is that those opposite, when we indicated that we were not going to continue with the Pacific solution, were led by the indefatigable member for Murray, who, when asked her position on this change, ‘Did she support it?’, answered, ‘I do.’ That is the second element of policy. As for children behind razor wire, I assume that those opposite are not planning to reintroduce children behind razor wire. So, when those opposite talk about what difference in policy they would have for the future, I would be very interested to know wherein that change lies.

For the period that the Howard government was in office nearly 250 boats arrived in Australia carrying some nearly 15,000 people. Every government in Australia, past, present and future, will deal with the challenge of border protection. This will largely be shaped by international security circumstances. In the period 2001 to 2003, as those opposite know, the total number of global exits from countries like Iraq, Afghanistan and Sri Lanka went down significantly. They were the numbers I referred to the House yesterday. Those opposite would also be aware of the fact that, because of changes in security circumstances in Iraq, Afghanistan as well as in Sri Lanka, since 2005, globally, the number of exits from those countries has gone up as well, which is why, for example, you now have thousands if not tens of thousands of Sri Lankans heading in the direction of Europe and heading in the direction of North America by one means or another. It is why you have had 130,000 or so move across the waters separating Sri Lanka and
India to the Indian mainland, and why on top of that this represents a global challenge.

Against those numbers I would draw to the attention of the House that as of now we have had from Sri Lanka some 600 to 700 arrivals against the 130,000 who have gone next door to India and the thousands if not tens of thousands who have gone to other parts of the world. Once again, I would suggest that when those opposite engage in debate about border protection they reflect honestly on the past, reflect objectively on the historical circumstances which confront all countries at the moment and embrace a rational policy for the future on this important question.

**Climate Change**

Mr HALE (2.05 pm)—My question is to the Prime Minister. Will the Prime Minister update the House on the significance of the government’s Carbon Pollution Reduction Scheme for Australia’s low-pollution future?

Mr RUDD—I thank the honourable member for Solomon for his question. Responding to climate change will be the great challenge for this generation. If we do not rise to the challenge what we will end up doing is condemning future generations of Australians to live with the consequences of our failure. This government has resolved to act. Climate change is not an abstract concept, it is not an abstract problem and it does not exist over the horizon; it is here, it is present, it is real and its consequences are being felt across every continent on earth.

If we go to the science itself, the IPCC reports that the global carbon dioxide levels in our atmosphere have risen by 38 per cent in the industrial era, from 280 to 385 parts per million. Secondly, the 4,000 scientists associated with that body have indicated that this has contributed to a rise in the earth’s surface temperature of around 0.7 degrees during the course of the 20th century. Furthermore, climate model projections estimate that the global surface temperature will probably rise by a further 1.1 to 6.4 degrees Celsius during the course of the 21st century. This must seize our attention.

The impacts of climate change environmentally are already being seen across the world. In the past 20 years Antarctica has lost seven of its ice shelves. This year a 25-mile-wide stretch of ice connecting the Wilkins shelf to the Antarctic landmass broke away, cutting that shelf from the Antarctic continent altogether. If temperature rises continue over time, the loss, for example, of the West Antarctic ice sheet would, we are advised, increase sea levels by 3.3 metres and accelerate global temperature rises. The consequences of climate change will affect the environment, our economy and our way of life. A sea level rise of just 50 centimetres would mean that 150 million people around the world could be flooded by extreme sea levels. The IPCC estimates that by 2020 up to 250 million people in Africa could face severe food shortages and water shortages. Furthermore, the British medical journal the *Lancet* has described climate change as ‘the biggest global health threat of the 21st century’.

Put all these factors together and what we have is an extraordinary challenge not only environmentally but also to the earth’s human population. Scientists have translated the challenge of the worst effects of dangerous climate change into some simple numbers for those of us in the global policy community to deal with. We must keep the warming of our planet below two degrees Centigrade. This is equivalent to keeping the concentration of carbon dioxide equivalents in the atmosphere below 450 parts per million. This means halving global emissions by 2050.
The challenge is significant, but the international community does have the capacity to rise to this challenge if we can summon the political will. We know that the costs of adjustment are manageable, we know that the technology to underpin such an adjustment is deliverable and we know that the earlier we act the easier our task will be. These are the challenges which lie before us. No nation can deal with climate change on its own, but if every nation stands back and simply refuses to act until all other countries act we know where that logic takes us, and that is that no country acts at all. The resolve of this Australian government is clear. We as a government have resolved to act on climate change. We have resolved to act nationally on climate change. We have resolved to act globally on climate change. Our national action consists of our renewable energy target being increased to 20 per cent, our embrace of measures to underpin energy efficiency across the Australian economy and the introduction of a Carbon Pollution Reduction Scheme.

The purpose of the Carbon Pollution Reduction Scheme is, of course, to bring about a carbon price in the Australian economy. Our overall concerns with the CPRS and the negotiations we have entered into in good faith with the opposition have been to deliver an environmentally effective, fiscally responsible mechanism for the future which enables us to have in Australia a market mechanism to set a carbon price, with appropriate adjustment mechanisms in it for families and industry. A Carbon Pollution Reduction Scheme—a form of emissions trading scheme—is designed to have the following core principles alive within it: to have maximal effective coverage to ensure the greatest cost-effectiveness and fairness in spreading the burden of reducing emissions, to allow international linkages and opportunities emerging in the global carbon market, to support industries making the transition to a lower pollution future, to avoid carbon leakage from emissions-intensive trade-exposed industries and to assist households—especially pensioners and those on low incomes—to adjust to the price of carbon.

Last month the government entered into good faith negotiations with the opposition with the aim of securing the passage of the Carbon Pollution Reduction Scheme through the Senate this week. The deal that we have developed is consistent with our belief that a global agreement to stabilise levels at a CO2 equivalent of 450 parts per million would lie squarely within Australia’s national interest. Furthermore, the deal would ensure that Australia could achieve its ambitious, unconditional target of a five per cent reduction or its conditional targets of up to 15 per cent and, at the top end, up to 25 per cent of 2000 levels by 2020—if we are part of a global 450 parts per million agreement. In crafting this deal, the government has continued to listen closely to industry organisations, environmental organisations and our international partners as we seek to move towards a Copenhagen agreement. This is the government’s plan. This is why the government has stepped forward and engaged in good faith negotiations with the opposition. We have done so because we believe that this is in the national interest. We have done so because the Australian people gave us that mandate at the last election. We have done so also mindful of the fact that those opposite—

An incident having occurred in the gallery—

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

Honourable members interjecting—

The SPEAKER—Order! The House will now come to order.

Mr Rudd—Dog whistling usually comes later in question time when it comes
to the questions asked by those opposite—or to use another analogy when it comes to whistling in the dark I can see a lot of that in the ranks of those opposite.

The government has engaged in good faith negotiations with the opposition because we believe it is in the national interest to bring about a Carbon Pollution Reduction Scheme. We believe it is in the national interest for Australia—the hottest and driest continent on earth—to act. We believe that it is in our interest to act now. We have done so mindful of the fact that those opposite themselves took the proposal for an emissions trading scheme to the previous election. My appeal to all those opposite who are of goodwill is to get behind this scheme. Australia cannot wait another 10 years. Australia must get on with acting now and my appeal to all members opposite is to get behind, in a bipartisan spirit, this necessary national reform—the biggest reform for the environment that this country has seen in its history and also a substantial and significant reform for our economy. I appeal to those opposite to stand with the government in the national interest.

Asylum Seekers

Dr STONE (2.14 pm)—I address my question to the Prime Minister. I refer the Prime Minister to his comments yesterday in the House where he identified the government’s defeatist response to the surge in people smuggling, and I quote him:

... the department of immigration has ... sourced some 70 demountables to increase capacity further ...

Will the Prime Minister inform the House of what is his plan to stop the surge in people smuggling, rather than just giving up and sending makeshift accommodation to an already overcrowded detention centre on Christmas Island?

Mr RUDD—Mr Speaker, the great thing about the—

Mr Windsor—Mr Speaker, I rise on a point of order. Could I draw your attention to the elephant in the room?

The SPEAKER—The Prime Minister has the call.

Mr RUDD—Thank you, Mr Speaker. I thank the honourable member for her question and also, for the interjection on his part, the member for New England as he reminds us that in fact there is an unresolved question before the parliament. Again, it is surprising that some 30 days have elapsed, I believe, since we have had any question in this place on climate change. The honourable member asks a question about preparations on Christmas Island and I am sad that she did not follow completely the immediate aftermath of the whistling performance which was given from the press gallery. It should have been better synchronised with the dog whistling in which she proposes to engage.

Opposition members—Oh!

Mr RUDD—Oh, the public gallery. My apologies to the press gallery. Can I say, in response to the honourable member’s question, that presumably the Howard government built the Christmas Island detention facility at a time at which they were claiming, having built an 800- or 900-bed facility, that their policies were so successful that such a facility would not be needed in the future. Why on earth did they build it? Was it simply a flight of fancy? Was it simply because some of the hardheads in the department of immigration thought, ‘Maybe one day what will happen is that we’ll have, because of security circumstances around the region and around the world, a need to have such a facility in preparation’? That is precisely the purpose for which the immigration authorities built the facility and the purpose to which we are putting it at present.
The other part of the honourable member’s question goes to practical measures. Can I say this to the honourable member in response to her question. When it comes to practical measures to deal with the challenges of asylum seekers and people smuggling, first and foremost I draw attention to the fact that in the last 12 months what we have seen is some 61 arrests of people smugglers, some 23 convictions of people smugglers and we have some 37 people smugglers of one category or another currently before the courts. Can I also draw the honourable member’s attention to the fact that, as far as disruptions of people-smuggling ventures are concerned, in the last 12 months—or at least since September 2008—we have had some 89 disruptions involving our friends and partners in Indonesia involving some 2,221 individuals and some 28 arrests. She asks further about practical measures. With the government of Malaysia we have so far engaged with 15 separate disruptions involving some 552 people and some six arrests. Also, in the case of Sri Lanka we have so far had some 12 separate disruptions involving 110 people and 18 arrests. Those opposite ask: what practical measures are you taking to deal with the challenge of people smuggling? I would suggest to those opposite that these actually constitute practical measures, because they are working with our friends and partners in the region to disrupt a significant people-smuggling operation right across our wider region. That is one arm of cooperation. The other is, of course, dealing with the challenges in source countries themselves. When it comes to dealing with source countries, those opposite would be familiar with the particular challenges we face in Sri Lanka. That is why the foreign minister, again as a practical course of action, in partnership with the World Bank and other international institutions, is working with the Sri Lankan authorities to assist with the resettlement of those who have been internally displaced within Sri Lanka back to their original place of domicile. Some 260,000 people have been dislodged. The challenge, therefore, in providing accommodation for those who need to be relocated is huge. That is why we are working with the IOM and other international organisations, including the World Bank.

Finally, I would say this to those opposite, and I go back to what I was saying before about the sheer numbers involved in this disturbance in Sri Lanka: 260,000 and 130,000 have gone across the water to India and you have some thousands and tens of thousands going to Europe, by one means or another, and into North America. The total number of arrivals in this country so far from Sri Lanka: some 600 to 700.

Emissions Trading Scheme

Mr Ripoll (2.20 pm)—My question is to the Treasurer. Will the Treasurer outline for the House the reasons why passing the Carbon Pollution Reduction Scheme this week is critical for the future of the Australian economy?

Mr Swan—I thank the member for Oxley for his question. Could I also congratulate him on the joint parliamentary committee report that came down last night, which really goes to the core of future economic reform particularly in financial services. The government will look at all of those recommendations and take them very seriously, because, as a government, we take long-term reform very seriously. Long-term reform is never easy. Opening up our financial system in the eighties was never easy. Introducing compulsory superannuation was never easy. Tearing down the tariff wall was never easy. But all of these long-term reforms that were put in place by far-sighted governments of the past are one of the reasons why we are...
such a prosperous nation today and among some of the reasons why we have done so well during this global recession, because far-sighted governments and political parties committed to long-term reform took the hard decisions at the right time. They did not delay. They did not take the easy course of action.

Of course, nothing is harder—and this is the case—than introducing a carbon pollution reduction scheme, but it is an essential reform for our future prosperity and an essential reform if we want to leave a legacy of prosperity to our children not just in terms of our economy but in terms of our environmental sustainability. This is a challenge that we cannot afford to shirk as a nation, and the government has been working very hard in this area over a long period of time. We made a commitment to the people at the last election. We have brought down a green paper; we have brought down a white paper; we have brought down legislation. We are very serious about long-term reform because we are serious about what we hand to subsequent generations with regard to a prosperous economy and a sustainable environment. That is what is at stake in the debate about the Carbon Pollution Reduction Scheme.

In essence, it is about jobs and it is about protecting our economy from the consequences of dangerous climate change. The government has come to this after it has done an enormous amount of work. We have had an enormous amount of work done by the Treasury: comprehensive modelling that the world looks at as being one of the most important responses that has been put in place by any nation around the globe. What does it tell us, because this is what should inform us about how we act if we are going to act in the long-term national interest? This is what the modelling shows us. It shows we can have continued economic growth while we reduce carbon pollution. It is a path that delivers continued increases in employment, with 1.7 million new jobs to 2020, while we reduce carbon pollution. It is a path that delivers continued increases in average income. Expect it to grow by $4,300 per person to 2020 while we reduce carbon pollution.

But critically, and this goes very much to the here and now, what we must deliver is certainty to business so that it can invest in new green technologies and new industries. This is the way forward. This is the path to the future, which is why the government has come to the table with good faith and negotiated with some opposite to put in place a scheme which is sustainable, economically responsible and environmentally credible. That is what we have done. The bottom line is that as an economy, let alone a society, we cannot continue to put this problem in the too-hard basket. It has been there for far too long. Too many people over a long period of time have taken the short-sighted approach. Perhaps it is the politically popular approach, but it is the short-sighted approach. Hard reform is never easy, and we have to take it on. If we have inaction for longer, it will get harder and harder. The longer we delay the more it costs the nation, the greater the burden we deliver to our children and our grandchildren, and the greater the cost to the economy. That is what all of the modelling shows.

It is what common sense shows as well. It is what common sense tells you: the longer you delay taking action, a fundamental action, the greater the cost that comes to you and the community in which you live. So for that reason we have moved forward in a practical way. We know that the cost of not acting now is far higher in the long term. And if we do not act now, we are sentencing the Australian economy to a very sharp and dangerous shock at some stage in the future. That is the problem, and that is why we need to act. That is why we have spent two years
working on a carbon pollution reduction scheme.

It is about time this parliament acted. It is about time everyone here put the national interest ahead of their self-interest. It is our turn to put the Australian economy on the right path by passing the Carbon Pollution Reduction Scheme.

Ms JULIE BISHOP (2.26 pm)—Mr Speaker, my question is to the Prime Minister. I refer the Prime Minister to reports today of a special unit of Australian immigration officials being flown in to Indonesia from around the region for the fast-track processing of the 78 Oceanic Viking asylum seekers. Prime Minister, how many other asylum seekers in the region have access to a special unit of immigration officials flown in to process their claims under a special deal?

Mr RUDD—I thank the member for Curtin for her question, and I go to the Ronaldson doctrine, which says, ‘Make sure you pursue stories which take into account special interest groups getting undeserved handouts.’ The Ronaldson doctrine then says: You don’t get news stories by trying to change perceptions, you get them by reinforcing stereotypes.

Mr Pyne—Mr Speaker, I rise on a point of order on relevance. The Prime Minister was asked a specific question about the special deal—

The SPEAKER—The Manager of Opposition Business will resume his seat! On the question of relevance, the Prime Minister knows that he has to respond to the question. The Prime Minister is responding to the question.

Mr RUDD—Mr Speaker, I am always taken by the sensitivity with which they respond to the Ronaldson doctrine when it is rendered here. I would have thought, when it was emailed out from the office of the Leader of the Opposition, and coming from Senator Ronaldson’s senior staffer, that they would all own it with pride.

Mr Randall interjecting—

The SPEAKER—Order! The member for Canning is not assisting. The Prime Minister will direct his remarks to the question.

Mr RUDD—The question was asked about mobile team visits. I draw this to the member for Curtin’s attention. Mobile team visits have been in operation since 2003. Furthermore, mobile team visits have so far been conducted in the following locations—a number of these were under the previous government—in Beirut, in Nairobi, in Pretoria, in Cairo, in Bangkok and in Jakarta. Furthermore, for the information of the honourable member, there were 14 MTVs, as they are called, conducted in 2005-06 in Beirut, Nairobi, Pretoria, Cairo and Bangkok; 12 in 2006-07; 11 in 2007-08; five in 2008-09; and six so far in the 2009-10 period. I thank the honourable member for her question.

DISTINGUISHED VISITORS

The SPEAKER (2.29 pm)—I inform the House that we have present in the gallery this afternoon the New Zealand Minister of Justice, the Hon. Simon Power. On behalf of the House I extend to him a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Emissions Trading Scheme

Ms REA (2.29 pm)—My question is to the Minister for Defence Personnel, Materiel and Science, and the Minister Assisting the Minister for Climate Change. Will the minister outline how the government’s Carbon Pollution Reduction Scheme is in the national interest?

Mr COMBET—Thank you to the member for Bonner for her question. Today the
government is on the cusp of delivering one of the most significant economic and environmental reforms in this country's history because—if the deal that is presently before the opposition is agreed to—the CPRS will, for the first time in our economy, place a price on carbon pollution. This will enable Australia to start the very important work of reducing our greenhouse gas emissions. It will also drive investment in abatement and low emissions technologies. To protect jobs and smooth the transition to a low carbon economy, the deal before the opposition enhances transitional assistance for industry and jobs. A key element of the deal is that, in relation to the coal industry, the inclusion of coal mining in the scheme and it will contribute to the abatement effort overall in the economy. There is an enhanced $1.5 billion assistance package in the deal to protect jobs and assist the industry transition—$1.23 billion is in the form of free permits to the gaseous coalmines over the first five years of the scheme and there is also included a $270 million abatement fund to assist waste coalmine abatement.

A further key element in relation to emissions-intensive trade-exposed industries is that there is enhanced assistance to emissions-intensive activities. These include permanently incorporating the global recession buffer, announced by the government on 4 May, into the assistance rates. Those rates will commence at 94½ per cent for the most emissions-intensive industries, and 66 per cent at the second tier. The proposed deal retains the annual 1.3 per cent carbon productivity contribution to ensure that emissions-intensive trade-exposed industries retain an incentive to reduce emissions. There is also assistance to be reviewed regarding any new global agreement and evidence of comparable efforts by trade competitors.

Importantly, this deal also strengthens environmental outcomes, including through measures to further encourage and account for voluntary action and through a new energy efficiency mechanism to be developed next year, with input from a new prime ministerial task group on energy efficiency. The deal also creates a new green carbon fund to build resilience for natural ecosystems under threat from climate change and there is also a commitment that the IPCC advice on mitigation is taken into account when setting scheme caps and gateways. The deal also retains assistance to households for increases in costs of living associated with the introduction of the CPRS.

If passed this legislation will, as the Prime Minister said earlier, be a very significant milestone in our economic history and also a milestone in environmental reform. Since coming into power, the government has taken very strong action to meet the challenge of climate change. We have ratified the Kyoto Protocol, introduced the renewable energy target, committed to significant reduction targets and made the largest ever investment in energy efficiency, carbon capture and storage, and solar technologies. The CPRS is the key plank of our action against climate change. Labor is extremely committed to this important reform and to acting in the national interest. It is now up to the opposition to vote in the national interest, support the deal and support the passage of the CPRS legislation this week.

Asylum Seekers

Ms LEY (2.33 pm)—My question is to the Prime Minister. What were the budgeted costs for the Christmas Island detention centre for this financial year and, given the ongoing surge in unauthorised arrivals and the need to increase accommodation and security at the facility, will the Prime Minister now require supplementary funding and, if so, how much?
Mr RUDD—It is good to see that Ronno’s doctrine is still at work. You do not get news stories by trying to change perceptions, you get them by reinforcing stereotypes—and stereotype 101 has just been at the despatch box.

Opposition members interjecting—

Mr RUDD—Well those opposite circulated the Ronaldson doctrine on stereotypes—we did not. It was prepared by a senior staffer in Ronaldson’s office and circulated from the office to the Leader of the Opposition.

Mr Randall—Mr Speaker, on a point of order: I cannot see how sexist comments can be relevant.

The SPEAKER—There is no point of order.

Mr RUDD—Perhaps after question time the member for Canning will have just a little reflection on his comments over the years. In response to the question, Christmas Island capacity is as I have described to the House before. Furthermore, can I say to the honourable member that the Minister for Immigration and Citizenship has made suitable statements on the requirement for additional capacity. Regarding any reserve capacity beyond that he has also commented that that will be in hand. It is practical and prudent to do this, in dealing with what has been a surge in activity, particularly coming out of Sri Lanka because of civil disturbances in that country.

Carbon Pollution Reduction Scheme

Mr BRADBURY (2.36 pm)—My question is to the Minister for Finance and Deregulation. Do the government’s proposed changes to the CPRS undermine efforts to return the budget to surplus?

Mr TANNER—The government does face a very substantial challenge to return the budget to surplus after the impact of the global financial crisis and global recession on the budget, particularly with a dramatic drop in projected taxation revenue. The recent Mid-Year Economic and Fiscal Outlook papers did modify the projections in a positive way with respect to future deficits and projected debt but, nonetheless, we are still facing the prospect of debt peaking at around 10 per cent of GDP and at around $150 billion or so in net terms, which is still extraordinarily low in global developed world terms but does require serious discipline on the part of the government in order to get the budget back to surplus—at least by 2015-16, as projected in the Mid-Year Economic and Fiscal Outlook papers. We have set in place a couple of disciplines to ensure that that will occur—in particular, offsetting all new spending with savings and also placing a cap of two per cent in real terms on increases in spending once ordinary trend levels of growth have resumed.

Mr Speaker, like everybody in this House, you would be aware that we have received a great deal of advice and free character assessment from the opposition in recent times about the importance of getting the budget back into surplus and about the levels of debt and deficit. Unfortunately, the Leader of the Opposition does not always follow his own advice on these matters. We have had a number of budget initiatives that have been blocked in the Senate—budget initiatives involving billions of dollars worth of savings—such as the private health insurance rebate reforms, the reforms to the scheduled benefit for cataract surgery and also reforms to youth allowance.

You can imagine, Mr Speaker, that, given my responsibility, I approached the prospect of negotiations with respect to the Carbon Pollution Reduction Scheme with some degree of trepidation given some of the initial claims being put forward by the opposition. But I am very pleased to say that the propos-
als that have been negotiated between the government and the opposition have only a very, very modest impact on the budget over the forthcoming 10 years. In fact, the total impact in net terms is a deterioration of somewhere slightly higher than $750 million over 10 years. I think that augurs well that we may be seeing a slight change of heart on the part of the opposition on these matters, and I look forward to that being reflected in some other contributions that they make. I commend the opposition for their constructive approach in these negotiations. It is certainly very important that we maintain the integrity of the budget position in this regard and, given the position that the opposition have taken on those issues in recent months and given that they hold significant power over these matters in the Senate, it is certainly very important that they practise what they preach.

I could say more, but I am conscious of the fact that some members are part way through a very important meeting and they have to get away from question time soon in order to resume. I do not wish to add anything further on that point, but I would urge the opposition to complete the process, join with the government in a bipartisan way to get through what is a very difficult and challenging issue and support the amended Carbon Pollution Reduction Scheme proposal as negotiated between the government and the opposition.

**Budget**

Mr HOCKEY (2.40 pm)—My question is to the Prime Minister. I refer the Prime Minister to his pre-election commitment to adopt the budget discipline of the Howard government. He said:

I am an economic conservative, I’m proud of that fact …

Prime Minister, in which year will you deliver your first budget surplus? Prime Minis-

**Mr Rudd**—It has been, I think, more than 100 days since we have had a question on jobs. I notice that, even in this breaking of Joe’s duck for the last several weeks, there is still no question on jobs. Can I say in response to the honourable member’s question that what is appropriate and what is conservative in dealing with a global economic crisis is this: for the government to expand its own role and the economy when the private sector is in retreat and for the government to withdraw its activity once the private sector recovers. That is why the honourable member will be familiar with the fact that the government’s national stimulus strategy was purposely designed to peak when the economy was at its weakest and then tail off. In fact, I am advised that the government’s stimulus strategy, and the payments associated with it, peaked in the second quarter of 2009. That is because we are through the initial set of payments to pensioners, carers and low-income families. Secondly, we are now in the process of the medium-term infrastructure build—Building the Education Revolution, the insulation package for people’s houses as well as the public housing investment—before we move into stage 3, which is the longer term infrastructure build. That is how it is designed—to deal with weaknesses in the economy now and build the infrastructure we need for the long term. If the honourable member is asking for the definition of what constitutes an economically conservative response to what has been the grossest assault on the Australian economy by the global economy in 75 years—

Mr Hockey interjecting—

Mr Rudd—The member for North Sydney interjects. If he looks at the data produced by the International Monetary Fund he
will see that 2009 is the first time since 1951 that the world economy has contracted.

*Mr Hockey interjecting—*

**Mr Rudd**—He says, ‘Oh, it’s the Australian economy.’ Is the shadow Treasurer suggesting that Australia is unaffected by movements in the global economy? Is the alternative Treasurer of Australia seriously suggesting that, given our exposure to (a) global financial markets and (b) global export markets, the level of growth in the global economy does not materially affect growth and jobs in this economy?

This government is unapologetic about stepping up to the plate to defend Australian jobs. Had we taken the advice of those opposite, what would have happened? We would have hundreds of thousands more Australians out of work. The result of our action is this: we now have the second-lowest unemployment of the major advanced economies. As a result of our actions and the actions of the Australian business community, Australia is the only economy of the major advanced economies not to have gone into recession. It is the only economy of the 33 economies in the OECD to have grown positively in the 2009-10 financial year. On top of that, we have registered the lowest debt and the lowest deficit. I regard that as a reasonable record of achievement so far, with much more to be done.

*Mr Hockey—Mr Speaker—*

**The Speaker**—Has the Prime Minister concluded his answer?

**Mr Rudd**—Yes.

*Mr Pyne—Mr Speaker, on a point of order: yesterday when I asked you a question after question time about the habit of pausing and allowing a minister to finish their answer, you said I had to take that as a point of order at the time of the offence. I noticed that the Prime Minister, in his answer just now, was allowed to finish at least a couple of sentences while the shadow Treasurer stood to take the point of order. I ask you to address that issue in the future.

**The Speaker**—I will try to predict which standing order the Manager of Opposition Business was rising on. I suppose it was the belief that I am obliged to recognise people approaching the dispatch box for a point of order. The wording in the standing orders is ‘may’. As I tried to explain yesterday, when I believe there is a chance that the minister is concluding their answer, I allow that to happen. I just would like to make the comment—and some keen observers might like to think about this and not just shake their heads—that I have found that every time I allow a point of order, as I said last week, for every action there appears to be a reaction and we spend a lot more time going through the motions again. I believe that it suits the convenience of the House to allow this, because I can only believe that the defence of these points of orders is because people are trying to make a point rather than a point of order. The member for Kingston.

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

**The Speaker**—No, you are not at all. The member for Kingston will resume her seat. If this five or 10 minutes of quicksand will allow an understanding of what is happening, the member for Sturt on a point of order.

**Mr Pyne**—My point, Mr Speaker, is no reflection on you. It is true that standing order 86(a) says ‘A Member may raise a point of order’, but standing order 86(b) says ‘A Member interrupted by a point of order must resume his or her seat.’ So, when the member standing on this side of the House takes their point of order, it is the member who must resume their seat. That is the point. That is no reflection on you, Mr Speaker.
Government members interjecting—

The SPEAKER—The member for Sturt will resume his seat. Those on my right, it is not an open invitation for you to make comments. The point of order requires me to give recognition to the person rising on the point of order and it is at that stage, when I give the call to the person, that the person on their feet should resume their place. So all of these things, I agree, are deliberate decisions that I have made to try to keep things going. Regarding the member for North Sydney, I do not believe that I can read his mind all the time, but he would have been approaching the—

Mr Melham interjecting—

The SPEAKER—The member for Banks! The member for North Sydney would have been rising on a point of order that could only have been on relevance. The relevance was that the Prime Minister was concluding.

Climate Change

Ms RISHWORTH (2.47 pm)—My question is to the Minister for the Environment, Heritage and the Arts. What action is the government taking to support Australia’s near neighbours prepare for the impact of climate change on their marine resources?

Mr GARRETT—I thank the member for Kingston for her question. I know she has a strong interest in effective climate change action not only here in Australia but also in our neighbourhood. The fact is that our neighbours in South-East Asia and the Pacific are highly vulnerable to climate change, of course through sea level rise and having many people living in coastal communities, but there are also expected impacts of higher temperatures, ocean acidification, extreme weather, different ocean currents and the like. This is particularly important where many people rely on the ocean for their food security and their livelihood.

I am asked what actions the government is taking to support Australia’s near neighbours. We are taking a range of activities to help: a $20 million Pacific Climate Change Science Program, for example, helping Pacific island countries and East Timor better understand how climate change will impact on them. We have also allocated $25 million to help implement adaptation programs in Pacific island countries, improving coastal zone management and disaster preparedness. As well as that, Australia is a development partner for the Coral Triangle Initiative on Coral Reefs, Fisheries and Food Security. I was pleased to attend the second ministerial meeting of the Coral Triangle Initiative in the Solomon Islands last week. The Coral Triangle, an area of global environmental significance bordering Timor Leste, the Philippines, Malaysia and Papua New Guinea, has the greatest marine biological diversity on the planet. It includes the Solomons as well. Some call it ‘the Amazon of the oceans’. The Coral Triangle meeting was looking at ways of building the resilience of marine environments so as to better withstand the impacts of climate change. Australia has been pleased to support the efforts of the Coral Triangle Initiative, particularly providing expertise for them to develop and deliver plans of action, especially in terms of coral reef management, which for Australia, given our experience on the Great Barrier Reef, is a great asset.

I am pleased to say that last week again I saw the strong commitment from the six Coral Triangle Initiative nations. They know that the problems that they face are important and they do want to take pronounced action to deal with them. This follows the Coral Triangle declaration, which was signed in Manado in Indonesia in May this year. There we had the presidents of the six Coral Triangle Initiative countries—President Yudhoyono, President Arroyo, Prime Minister
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Sikua, President Ramos Horta, Prime Minister Somare and Prime Minister Razak—standing side-by-side and agreeing to work together in the interests of their region and in the interests of the planet.

Today the government is delivering the most significant economic reform in a generation and the most significant environmental reform in our history to deal with the impacts of climate change. Like the leaders of the Coral Triangle Initiative, we are acting in the national interest to protect the future for our children. We have done this because we know, as do they, that a healthy and productive environment is absolutely fundamental to our social and economic future. Addressing the impacts of climate change is critical to the long-term sustainability of populations in our region, as it is to Australia’s interests as well. As the leaders of the Coral Triangle Initiative show that leadership, so it is time for the opposition to recognise the national interest that is at stake. We now need to move comprehensively and decisively on dealing with climate change. The Carbon Pollution Reduction Scheme that is in front of the parliament will assist this nation greatly in doing that and the time for leadership is now.

Infrastructure

Mr TRUSS (2.52 pm)—My question is directed to the Prime Minister. I refer the Prime Minister to his pre-election commitment:

If you are serious about building the 21st century economy in Australia you have got to build the infrastructure for it.

I also refer him to the October report of the Business Council of Australia which revealed that only 14 per cent of the government’s $96 billion stimulus spend has been set aside for vital economic infrastructure. How does the Prime Minister justify this low priority that he has given to infrastructure assets not represent just another broken election promise?

Mr RUDD—Here we have the National Party campaigning against the rollout of infrastructure across the nation—the rolling out of roads across National Party electorates, the rolling out of rail infrastructure across the nation, the enhancement of ports across the nation, the building of schools in each and every National Party electorate contained within this parliament. I really wonder what planet the National Party sometimes lives on because it is completely detached from what their constituents are saying.

Buried within that question from the Leader of the National Party is the following: that the expenditure currently going to the building of schools in each and every National Party electorate represented in this parliament is not wanted. Is that what the Leader of the National Party is saying? Is that what the member for Wide Bay is saying? He does not want any funding for any school in his electorate? He is hiding in his papers. Is that what he is saying? Is there anyone over there from the National Party interested in funding for their schools? I ask myself why is it that my good friend and colleague here, the Minister for Infrastructure—a term which was missing from the vocabulary of those opposite for their 12 years in office—constantly gets representations from National Party members about more to be done. I am looking at the Minister for Education—truckloads of correspondence; is there any from National Party members?

Ms Gillard—Yes.

Mr RUDD—There are truckloads. How can you just stand at the despatch box and say ‘It is a terrible waste to invest in this infrastructure’ on the one hand and then on the
other write to the ministers responsible and say ‘Give us more.’? I do not understand. How do you get away with this? How do you square up when you try to do this? The member for New England is appropriately gesticulating. There is a certain detachment from reality on the part of the National Party.

Mr Bruce Scott interjecting—

Mr Rudd—Oh, Bruce. All those members over there: Kay, Bruce, all the others; all of that. You are not saying you do not want that money for your schools in Maranoa? Bruce, do you want money for your schools in Maranoa?

Mr Bruce Scott—Are we getting any for Warrego?

Mr Rudd—Do you want any money for schools in Maranoa.

A government member—He wants more!

Mr Rudd—He wants some more. Come on Kay, over there in the Riverina; do you want some money for your schools?

Mrs Hull interjecting—

Mr Rudd—So we have got Kay, we have got Bruce—

Mr Pyne—On a point of order, Mr Speaker: we have been through this before. Firstly, the Prime Minister is not referring to members by their proper titles and, secondly, it is a particularly cowardly act to ask us to respond to a question when he knows that we cannot answer.

The Speaker—Order! The member for Sturt will resume his seat. The member for Sturt can thank those on my right—he got out of a warning because they carried on. The Prime Minister will refer to members by their names but I suggest to people who feel provoked into making interjections that that provocation does not justify them ignoring standing order 65(b). It would assist if they sat there in silence. The Prime Minister has the call.

Mr Rudd—Thank you Mr Speaker. Let us just leave schools for a moment and go on to roads for a bit, including a road very close to the electorate of the member for Wide Bay—the Cooroy to Kurra road, known very well to me, as I grew up in that part of the world, and to the Treasurer—the road which the Leader of the Nationals himself has described in its current state of repair as ‘something like the worst road in Australia’.

Mr Truss—What?

Mr Rudd—You have not said that? I think he might have said that.

Mr Truss—Mr Speaker—

The Speaker—No, no—the only approach that the Leader of the Nationals can make is if he is raising a point of order. I do not think that he is really going to do that.

Mr Randall—

The Speaker—I just say to the House what I have said before. The problem here is that we have a tradition that answers are allowed to be debated and these sorts of rhetorical questions are by way of debate. I think that is the problem. I suggest to people that they might just—and this will get me into trouble with those on my right—ignore those type of questions. The Prime Minister has the call.

Mr Rudd—Thank you very much, Mr Speaker. I hear an interjection from one of our colleagues from Western Australia about infrastructure. Before I go back to the Cooroy to Kurra road, is it the WA Liberal government which is now partnering with us in an infrastructure development at Oakajee? Is it the WA Liberal government which is partnering with us in an expansion of the Ord? Is it the WA government which is partnering with the Australian government in the inner city rail bridge at Northbridge? I think in all
three of those cases the answer is yes. And a WA member rises in sensitivity!

**Mr Randall**—Again, Mr Speaker, a point of order on relevance of fact. If the Prime Minister is going to question me as a Western Australian, representing—

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

**Mr Rudd**—The question asked by the—

**Mr Forrest**—Mr Speaker, I rise on a point of order. Somebody has got to do something about raising the standards in this place. The Prime Minister is ignoring the injunction you just gave him when you asked that the rhetorical questions not be asked, because he—

**The SPEAKER**—The member for Mallee will resume his seat. The point that I was simply making was that, so far, the House has not wanted to address the rules of engagement for question time. I simply put it to you that, if the same rules applied to answers as apply to questions, that would even the playing field. It would mean that some of the allowances that are made for argument in questions would not be allowed as often. That is what I was suggesting.

**Mr Rudd**—When it comes to the member for Mallee, should I mention the Horsham Town Hall? That is something which the member for Mallee has been keen to receive investment in, through the agency of the Minister for Infrastructure, Transport, Regional Development and Local Government, in order to assist with that project of, I believe, some millions—a project whose opening, the launch of the project, I believe the honourable member was very happy to attend. The reason I raise this with the member for Mallee, other National Party members, the member for Canning, representing, as he does, the interests of the WA Liberals, and others who are here is to point to one central point on infrastructure investment. It is called hypocrisy. They are in here saying, ‘Isn’t this a terrible thing for the Australian government to be investing in the infrastructure needs of the nation and the regions and localities?’ on the one hand, and in their electorates, in their constituencies, they are doing everything they can to roll it in at the same time.

I conclude with the example which goes most directly to the local interests of the member for Wide Bay, who asked the question: the Cooroy to Curra road, a part of the Bruce Highway which has stood there for decades and decades and decades unattended to and which, according to the local ambulance officers—if I recall from the Treasurer—has been the source of untold tragedy and has therefore been the subject of multiple representations to the government about what we could do. It took this Australian Labor government to invest some $480 million—$630 million in partnership with the Queensland government—to attend to a road need in your area, something which you, when you were the local member and a minister for transport in the federal government, failed to do.

**The SPEAKER**—Order! The Prime Minister will refer his remarks through the chair.

**Mr Rudd**—I would simply suggest that the member for Wide Bay, when he next asks a question about infrastructure, reflects on something as basic as this: if you are going to stand at the dispatch box and complain about something, how can you at the same time happily receive that investment back on your home turf? Can I just say it reeks of double standards, and that is what we have seen from the National Party from the beginning to the very end on this entire infrastructure program of the Australian government.
Emissions Trading Scheme

Ms CAMPBELL—My question is to the Minister for Resources and Energy and Minister for Tourism. How will the government’s Carbon Pollution Reduction Scheme ensure Australia’s energy security?

Mr MARTIN FERGUSON—I appreciate the question from the member for Bass, because, as the member for Groom and I appreciate, any strong economy is very much dependent on the reliability of the electricity system. I can also advise the House that it is a matter that has fully occupied the government and the opposition over the last month of detailed negotiations about potential revisions and refinements of the Carbon Pollution Reduction Scheme. In that context, I am pleased to advise the House of six key amendments to the Carbon Pollution Reduction Scheme that go to the endeavours by both the government and the opposition to make sure that, as we transition to a low-carbon economy, we have a fully operational, reliable electricity system. I can also say that, in the context of making the transition, reliability is required to bring on new investment, and the initial transition is going to be very much dependent on a growth in dependence on gas.

The key refinements are therefore as follows. Firstly, the government will increase the assistance under the Electricity Sector Adjustment Scheme from 130.7 million permits to 228.7 million permits, a significant increase of 75 per cent. Secondly, the government will extend the period of the Electricity Sector Adjustment Scheme from five years to 10, meaning that generators will be required to comply with the power system reliability test over this period to continue to receive government assistance. Thirdly, the government will introduce a Low Emissions Transition Incentive by amending the power system reliability test further to allow generators to receive credit for their own investments in low-emissions replacement capacity. That is about reliability plus new investment for the purposes of the transition. Fourthly, the government will establish—and this is a very important proposal going to the issue of reliability and transition—an Energy Security Assurance Mechanism with an advisory board that will advise the government on whether there are any remaining low-probability systemic problems with respect to electricity market security and, if so, what further actions are necessary to address these risks. Fifthly, the government will delay the windfall gains test that applies to ESAS assistance to apply to the last three of 10 years of assistance and to only half of a generator’s allocation in this period. Sixthly and finally, the government per the proposed agreement with the opposition, will provide a transitional measure to address the working capital costs of market participants and, in doing so, allow generators to defer payments for future year permits.

I believe this package represents a coming together of people who understand the complexities of the electricity system and the huge challenge to maintain reliability during this transition. I say that because, without a reliable electricity system, you do not have a fully functioning economy and strong economic growth foundations for Australia. The outcome of these negotiations represents an endeavour by both parties to act in the national interest and, in doing so, to guarantee energy security, which is the key to protecting jobs and the economy from climate change.

I can also advise the House that, on the finalisation of these measures, the secretary to the Department of Climate Change sought advice from the energy market institutions who have written to the secretary in support of the final arrangements as proposed in the CPRS document released this morning.
These letters are available publicly. I refer, for example to comments by the Chairman of the Australian Energy Regulator, Mr Steve Edwell, who said there are ‘low risks of energy shortfalls as a result of the introduction of the CPRS’. I can simply say in conclusion that that is a very important statement by the chairman of the Australian Energy Regulator because estimates of Australia’s electricity infrastructure investment needs between now and 2020 are in the order of $100 billion in generation and network costs, including for renewables. This is an investment comparable to Australia’s current asset base of $120 billion in power generation, transmission and distribution, so it represents a huge challenge in terms of the transition and the introduction of the CPRS.

In terms of the energy market, the finalisation of a CPRS, side-by-side with a renewable energy target as previously approved by the parliament, potentially establishes, if approved by the Senate, a clear framework at last in which to plan to meet that huge challenge on electricity investment so key to our economic future.

Mr Broadbent—Mr Speaker, I rise on a point of order. Can the minister table this very important document from which he was reading?

The SPEAKER—Was the minister reading from a document?

Mr MARTIN FERGUSON—Yes, Mr Speaker.

The SPEAKER—Is the document confidential?

Mr MARTIN FERGUSON—It is confidential in nature.

Building the Education Revolution Program

Mr PYNE (3.09 pm)—My question is to the Prime Minister. I refer him to the $1.2 billion blow-out in computers in schools, which has failed to deliver on a promise of a computer for every student; the $1.7 billion blow-out in the Building the Education Revolution; and the failure to deliver a trades training centre at every secondary school as promised before the last election. Prime Minister, when will the so-called ‘education revolution’ actually deliver improved educational standards for Australian students, or is Labor’s education revolution really just another product from Labor’s school of spin?

Mr RUDD—I thank very much the member for Sturt for his question. The first thing I would say in response to the member for Sturt is to have a clear and close look at the Australian Education Agreement, which was signed between the Australian government and the states last year. I would say to the member for Sturt, who is not interested in any answer to the question he has just asked, that the Australian Education Agreement for schools represents a 50 per cent increase in Australian government investment in schools over the five-year period against the benchmark which we inherited from the previous government. That is the first point. The second is that, if the member for Sturt is actually interested in what we mean by quality education and quality education outcomes, he should study carefully the number of national partnership agreements which flow off that national education agreement and what therefore flows through in terms of the measurement of school performance. That is the second point. I could say to the honourable member that, if he is actually interested in real performance in schools, that is where his attention should go.

On the question of quality education, one of the key elements of policy on quality education is this: the public production of reporting of school performance. That is a core part of education reform. But which party in Australia stands opposed to the production of that public reporting of data on school per-
formance? Could it be the Australian Labor Party? No. Could it be even the National Party? No. It is not the Democrats, because they are not around anymore. Could it be the Greens? No, it is not them but I think they were party to it. The principal agent is the Liberal Party in the state of New South Wales. The Liberal Party, under Mr O’Farrell, in the New South Wales parliament has blocked the core element of education reform when it comes to public reporting.

Mr Pyne interjecting—

Mr Rudd—He interjects and says, ‘This is not a core element of reform.’ He says that the public reporting of school performances is not a core element of reform. We have engineered this agreement with the states and territories. We have increased the investment in schools. We have said in response to that that we want to see public reporting of school performance. Other states around the country are implementing these reforms, except New South Wales—and the reason for that is the rank opportunism of the Liberal Party of New South Wales. They have teamed up with—the Greens. They have teamed up with the Greens in order to block this key education reform in New South Wales. He asked the questions: where is our reform agenda? Where is the implementation of the reforms? I would suggest that the member for Sturt hops on the telephone, rings Barry O’Farrell and tries to unstitch this piece of absolute policy obstructionism being engineered by the Liberal Party of New South Wales.

Finally, why is it they have suddenly dropped off their questions about Building the Education Revolution?

Mr Pyne—We haven’t.

Mr Rudd—Oh, he asked one yesterday. When it comes to the construction program underway in schools, we had one about a school yesterday. But, basically, it has been about a month since we had anything on this. For the benefit of the House, through the Building the Education Revolution component of the government’s nation building for recovery plan, 24,382 individual projects have been approved around schools across Australia. That is 9,526 schools across Australia—government and non-government—and in every state of the country. More than 20,000 of these projects are underway and 1,200 of these projects have been completed. What we experience as local members of parliament as we go to our local school communities is the absolute delight from local communities about having a library being built, having a multipurpose hall being built, having plans now in place for a new science centre being built and having plans in place for a new language centre being built. This is part of the bricks and mortar of Building the Education Revolution as well. He asks where the action lies. I would point him to the 20,000 projects currently underway across the country. Can I suggest that he simply gets real with his questions for the future.

Workplace Relations

Mrs D’Ath (3.14 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. Would the Deputy Prime Minister report to the House any developments in the creation of a national workplace relations system for the private sector?

Ms Gillard—I thank the member for Petrie for her question. Can I echo the words of the Treasurer: hard reform is not easy; it takes leadership, it takes discipline, it takes application. That is, of course, what the government is doing in the education revolution while we watch the Liberal Party seek to deny students scholarships next year. And
when it comes to workplace relations, we are seeing reform vandalism take over the Liberal Party.

It has been a holy grail of microeconomic reform in this country to have one workplace relations system for the private sector for decades—literally decades. It is supported by businesses and business organisations right around the country. In the words of the Australian Chamber of Commerce and Industry, they said:

In the Australian context, the case for a single system being introduced in the early years of the 21st century is overwhelming.

In the words of Business SA, they said:

It is utter madness that we are a country of 22 million people with awards covering different people, different states and different situations.

After years of dithering and delay, we are on the cusp of delivering this holy grail of microeconomic reform. We have an agreement with Queensland, with New South Wales, with Victoria, with Tasmania and with South Australia to introduce our Fair Work system as the universal system for the private sector. Indeed, states have legislated their companion referring legislation—Queensland has, Victoria has, Tasmania has, South Australia has. Businesses around the country—the Australian Chamber of Commerce and Industry, the National Farmers Federation, the Australian Mines and Metals Association—are screaming out for this reform to be completed and to complete it we need the federal companion piece of legislation to the state referrals to go through this parliament this year.

What will happen if this piece of legislation does not go through this year? The state based referral bills will lapse. That will mean that, to build this again next year, we will need all of those parliaments to legislate again. I think we are all aware of the fragility of political systems, of the changes that elections and ministerial changes can bring. It is possible that we will never be able to put this together again if it is not completed this year. The Liberal Party are opposing this bill. You would think, on the cusp of a major microeconomic national reform, with those states having legislated, that you would get with the program and you would deliver this bill. You would assume, if you were going to seek to delay it or debate it, that you would have a very clear idea of what you were trying to achieve in doing so.

In this parliament, the following is the situation. The shadow minister for workplace relations has not even sought a briefing on the bill but he is opposed to it. The shadow minister for workplace relations and the Liberal Party have indicated vaguely in the public domain that they intend to amend the bill but they have not provided the government with the amendments. Here is a piece of national reform, called for by business organisations around the country, being held up by the Liberal Party, for what? For some mysterious reason that they refuse to tell us even in the form of amendments, causing all of the chaos and uncertainty that we will see for employers next year.

I would say to the Leader of the Opposition—and I acknowledge he is a man with a few things on his plate—when it comes to hard reform, when it comes to making a difference in this country for businesses, he should listen to the voices from ACCI, AMA and the NFF, who do not want small businesses next year to wake up in jurisdictional limbo, who do not want next year to be reliant on the anachronism and rigidities of state based awards but want to move to the simple modern award systems. If the Leader of the Opposition is in any doubt about the employer thirst for that, he should speak to the National Farmers Federation. I understand that the Leader of the Opposition has a few things on his plate but he needs to get to
grabs with this because we need the Liberal Party to change its ridiculous opposition to this bill and deliver this profound microeconomic reform.

There was a day in this country when the Liberal Party used to say it was the party of microeconomic reform. In those days, when they were led by a man called John Howard, John Howard frequently spoke about the need to deliver this major piece of reform, a uniform system of workplace relations for the private sector. The challenge is there for the Liberal Party: whether as a rabble in opposition they want to look like an absolute shadow of their former selves, embracing economic vandalism, or whether they want to do the right thing in the remaining days of this parliament and deliver this bill. We await the answer.

Mr Keenan—You can’t even list it for debate in the Senate.

Ms Gillard interjecting—

The SPEAKER—Order! The members for Stirling and the Deputy Prime Minister are denying the House proceeding. The member for Dickson has the call.

Hospitals

Mr DUTTON (3.21 pm)—My question is to the Prime Minister. I refer the Prime Minister to the AMA’s Public Hospital Report Card 2009, which found that the Prime Minister’s public hospital system is getting worse under his watch. I refer the Prime Minister also to his pre-election pledge that, ‘The buck stops with me on health.’ Will the Prime Minister confirm that waiting times for elective surgery are blowing out and patients are waiting longer for emergency department care and hospital beds? Prime Minister, isn’t this just another Labor broken promise?

Mr RUDD—I thank the member for Dickson, now that he has returned to his seat—in both senses—for the question. He raises a question about public hospitals. He raises a question about the AMA report. Obviously the member for Dickson did not see my comments at the time. I said, in response to the AMA report, that they had basically got it right—that is, there is a huge problem in the nation’s public hospital system. Let us be up-front about it. Secondly, let us also talk about the fact that there is a problem with elective surgery waiting lists and there is a problem in the time that elapses before people receive attention at accident and emergency with respect to what are defined as clinically acceptable times. In each and every one of the consultations that the health minister and I have been participating in around the country, nearly 20 of which I have been in myself and about 70 or 80 of which have involved the minister and others, we have given a standard presentation on the fact that the waiting time for accident and emergency has not changed—based on our data—since the early part of this decade and that it is unacceptably high.

The second thing we have said, when it comes to the time for elective surgery, is that the waiting time is unacceptably high as well. It is a standard part of our presentation and it is consistent with the data that is contained within the Bennett commission report. If the honourable member is seeking to infer somehow that we do not recognise there is a problem, can I say that he has not been studying what I or others have been saying in the public debate on this.

Mr Dutton—When will you fix it?

The SPEAKER—The member for Dickson has asked his question.

Mr RUDD—The question is one of solutions. Let us turn to solutions and how those opposite used their 12 years to solve the problem. In 2003 the Liberals ripped $1 billion from the public hospitals. That was solu-
tion No. 1. Solution No. 2: the Liberals left 2,300 older Australians languishing in hospital beds every night. Thirdly, under the Liberals the health workforce shortage affected 60 per cent of Australians. Fourthly, they capped GP training places at 600 per year.

Mr Dutton—Mr Speaker, I raise a point of order going to relevance. The Prime Minister was asked about his pre-election health pledge, not about other opinions or views. When is he going to fix—

The SPEAKER—Order! The member for Dickson will resume his seat. The Prime Minister will respond to the question.

Mr RUDD—Mr Speaker, the honourable member asked me a question about the AMA report into the state of the nation’s hospitals. The state of the nation’s hospitals as it exists did not mysteriously appear as a consequence of what has happened in the previous six months, 12 months or 18 months. In fact, it is the product of long-term non-investment in the public hospital system of Australia by the previous government. Let us be up-front about that. What do they have to say about the 650,000 Australians who were left on public dental care waiting lists as a result of the them scrapping the Commonwealth dental care program? That is exactly what we inherited: underfunding for the hospitals, money being ripped out, older Australians being left to languish in hospitals and preventing others from properly occupying those hospital beds for the purposes of elective surgery and other procedures, capping of the number of GP training places and 650,000 Australians on public dental waiting lists. They have the audacity to stand here in this parliament and claim that they have no responsibility for the state of the nation’s hospitals, as identified in the AMA report—which the honourable member just referred to. Let us just get real about this debate and get real about what has been inherited here, as a set of historical problems.

The honourable member asks what we are doing about these challenges. I draw his attention to the following. In November the health minister announced a $64 billion health and hospitals agreement, a 50 per cent increase on the Liberals’ last healthcare agreement. That is what we are doing. Secondly, for the first time, we are investing $750 million to help take pressure off emergency departments. I ask this of the member for Dickson: how much did the previous government invest directly in seeking to take pressure off emergency departments? Nothing, not a dollar. How much did they invest when it came to bringing down elective surgery waiting times? Nothing. We have invested some $600 million. How much did they invest in subacute care beds? The answer is that I do not know, but we are investing $500 million. These are the practical measures that we have put into place so far, quite apart from the investment in GP superclinics—a $275 million investment—and quite apart from our increased attention to overall health workforce training requirements. That is simply stage 1 of what we have sought to do in the two years that we have been in office.

We have also outlined through the Bennett commission of review what constitutes two overall strategic options for the long-term future. The time frame for considering those is as I outlined to the House yesterday in response to the honourable member’s question. If he is going to ask questions about health and hospitals, let him not simply airbrush away the impact of 12 years of simple ignorance, non-attendance and non-investment in the hospital system of Australia. If you are going to raise questions about the hospital system, tell us what you have done in the past and tell us what you will do
We have a plan to deal with both.

People with Disability

Mr ZAPPIA (3.27 pm)—My question is to the Minister for Families, Community Services and Indigenous Affairs. I ask: what action is the government taking to support people with disabilities?

Ms MACKLIN—I thank the member for Makin for his question. As he knows, last night we had a very special evening for the annual National Disability Awards. The ceremony was held here in Parliament House. I would like to, first of all, thank all those members and senators—from both sides of the House—who joined us. I particularly thank both the Prime Minister and Therese Rein, the patron for the International Day of People with Disability, for coming along and participating with so many wonderful people who were celebrating the outstanding achievements of people with disability. The member for Bass was telling me just before question time that the night kicked on and people had a wonderful evening. We are very pleased that it was such a special night for all the people who were finalists in the awards. I want to particularly acknowledge the award winners—Sue Gordon, Robert Strike, Dudley Afford, Tina Zeleznik, Michael Taggart and Melissa Noonan, all people who have made extraordinary contributions.

We also last night saluted Kurt Fearnley. I think we have all been following his extraordinary efforts as he crawled the entire 96 kilometres of the Kokoda Track. Those people in this House who have walked or struggled through—not me, but I know people on both sides of the House have done the walk—and know how hard it was for them can really not even imagine how difficult it must have been for Kurt, so it was wonderful to have him there last night. He, of course, like the award winners, is an extraordinary Australian and has achieved extraordinary things.

One of the important matters for us to all think about on a night like last night is that, for many people with a disability, living an ordinary life is still a very, very stiff uphill battle. For far too many people with a disability they face a badly disconnected service system. Even though we have made a start to increase the funding for services to people with a disability, we know that we have a long way to go. We have in fact doubled the funding to the states and territories under the National Disability Agreement. Just so people are aware of the figures, by 2013 that means that the Australian government’s contribution will exceed $1.2 billion to this agreement. That compares to $620 million delivered in 2007 under the previous government.

That said, of course, even with that significant increase in funding, we do know that there is a lot more to be done. There is going to be a very significant increase in the number of people with severe disability. It is why people with disability were so pleased last night when the Prime Minister announced that the Productivity Commission will conduct an inquiry into the feasibility of a long-term national care and support scheme. This has been something which a number of people have campaigned for for a long time to address what are significant unmet needs for people with disability and their carers.

The Productivity Commission will look at the costs, the benefits and the feasibility of approaches which provide essential care and support on an entitlement basis for people with severe disability. It will look at a very new approach for Australia, and that is a social insurance model, as well as looking at other models. There will be an associate commissioner appointed and an independent
panel with specialist disability expertise. They will support the review and also make sure that people with disabilities and their carers will have input into the review. We expect the commission to report back by July 2011.

We certainly do understand just how complex this area of policy is, but I do want to pay particular regard to the work by the Parliamentary Secretary for Disabilities and Children’s Services, Bill Shorten, who has been an outstanding advocate for people with a disability. He has done an enormous amount of work in this area of policy, which has been far too long ignored by those opposite—

Opposition members interjecting—

Ms MACKLIN—who are now interjecting. They ought to recognise that people like Bill Shorten are out there doing the job rather than making smart remarks across the chamber. What we want to do is deliver for people with a disability. I thank the Prime Minister and the parliamentary secretary and everyone on this side of the House who has campaigned so long for this reform.

Terrorism

Mr BALDWIN (3.33 pm)—My question without notice is to the Prime Minister. I refer the Prime Minister to his commitment in question time yesterday to examine the private member’s bill put forward by the member for Warringah and me to see what practical things can be done to assist the Australian civilian victims of overseas terrorism. Does that mean, Prime Minister, that you are indeed considering special help for them along the lines flagged in the bill or are Australian civilian terror victims only to be helped as a part of a possible future national disability scheme, which gives no more help to the Australians civilian casualties of war on terror than it does to slip and fall cases?

Government members interjecting—

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

Mr BALDWIN—So I ask the Prime Minister on behalf of Paul Anicich and Tony Purkiss, victims of the Bali bomb blast, who I understand he met with yesterday: has he rejected our proposal to give Australian civilian casualties of the war on terror support and instead is doing nothing special for them at all?

Mr RUDD—The member for Paterson asked a question and in it he referred to those who were victims of ‘slip and fall’, as if this was not a category of injury about which this parliament should be concerned. I would strongly suggest that the honourable member seek to change those words later in question time, because I think the honourable member needs to reflect long and hard on the tens and hundreds of thousands of Australians who are looking very carefully at the need for assistance in the categories that we spoke about in the answer just given by the Minister for Families, Housing, Community Services and Indigenous Affairs in question time today. This is a very difficult area of long-term reform. The social insurance model that she has referred to in her question, in terms of long-term disability reform, has now been the subject of a reference specifically to the Productivity Commission—

The SPEAKER—Order! The Prime Minister will resume his seat in. The member for Warringah on a point of order?

Mr Abbott—Yes, Mr Speaker, on relevance. It was a specific question: will there be any special help for the Australian victims of terrorism overseas?

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

Mr Adams—That wasn’t a point of order. The SPEAKER—I will decide that, Member for Lyons. Whilst it was a point of
order, it was not one that I could rule in fa-
vour of as the question went to broader mat-
ters as well. The Prime Minister is respond-
ing to the question.

Mr Rudd—I would say to the honour-
able member who has just interjected that the
member for Paterson specifically asked me
to contrast two possible schemes.

Mr Baldwin—I asked you what you were
going to do for them.

The Speaker—Order! The member for
Paterson has asked his question. The Prime
Minister is responding.

Mr Rudd—The honourable member
asked about the contents of a private mem-
ber’s bill which was put to the parliament
yesterday. Against that inquiry, which I fore-
shadowed last night at the National Disabil-
ity Awards and which was referred to in
question time today by the Minister for
Families, Housing, Community Services and
Indigenous Affairs, I say again strongly to
the member for Paterson that when he refers
to slip and fall cases in the way in which he
has he should think very long and hard about
the number of Australians who find them-

bles social insurance scheme which would
deal with the many, many, many Australians
who find themselves in those circumstances.

Mr Baldwin—Point of order, Mr
Speaker—

The Speaker—The member for Pat-
son will resume his seat. I am listening care-
fully. The only point of order can be rele-
vance. The Prime Minister is responding to
the question.

Mr Rudd—Yesterday after the honour-
able members introduced their private mem-
ber’s bill the honourable member for War-
ingah, having asked me a question about it
in the chamber, brought around to my office
two individuals who had been victims of one
of the Bali bombings and asked if I would
meet them. He did so without giving any
notice, and I would not have expected him to
give any notice. I was of course delighted to
come out and meet them and spend some
time talking to them. Furthermore, I had no
prior notice, as I said yesterday, about the
proposed introduction of the bill to which the
honourable members have referred, but I
understand that the honourable member’s bill
seeks to provide a payment of $75,000 for
those who fall victim to international terror-
ist attacks. At this stage it is difficult for the
government to foreshadow what the Produc-
tivity Commission may or may not recom-
mend as being appropriate for all categories
of disability and impairment which would
flow from the scheme which has been the

ble social insurance scheme which would
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Mr Baldwin—Point of order, Mr
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with them. On top of that, reflecting directly upon the conversation we had with those individuals—and I made reference to those individuals in the speech I gave last night at the National Disability Awards—I would say that for individuals such as those persons we should also consider how and by what means any future social insurance scheme of the type which has been referred to by the families minister in question time today could address those and other needs.

On top of that, as I said yesterday in question time in response to the member for Warringah, we maintain an open mind as to what forms of practical assistance we can provide to Australians who are victims of international terrorist attacks. That is the spirit which the government brings to bear in seeking to deal with this sensitive set of problems, as we are seeking to deal with other sensitive problems concerning those who have suffered comprehensive disability and other forms of disability.

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

AUDITOR-GENERAL’S REPORTS

Report No. 13 of 2009-10


Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (3.43 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:

ASC Pty Ltd—Statement of corporate intent for 2009-12.

Debate (on motion by Mr Hartsuyker) adjourned.

MINISTERIAL STATEMENTS

Freedom of Information Reform

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (3.43 pm)—I present a copy of the statement by the Special Minister of State and Cabinet Secretary, Senator the Hon. Joe Ludwig, on freedom of information reform, made in the Senate on 24 November 2009.

MATTERS OF PUBLIC IMPORTANCE

Small Business

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

Assisting small business in regional and rural Australia.

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 OAKESHOTT (Lyne) (3.44 pm)—I thank the members on both sides of the House for staying behind to approve this MPI. This is important because the small business community of regional Australia is entering a difficult phase on the back of the year of the global financial crisis with, for example, no cheques arriving in the letterbox in the next couple of months to get them through with retail spending throughout the
Christmas period. That is the reason for raising this MPI, along with the end of a range of measures such as the small business tax break at the end of December, which I would ask the government to consider extending until we are very clear that the impacts of the GFC are over, particularly with regard to regional and rural Australia. I want to quote to the House from a report by the Department of Education, Employment and Workplace Relations about my region of Australia that was received only this week. It says:

The Mid-North Coast has been one of the most persistently disadvantaged regions in Australia in recent decades and continues to experience high levels of disadvantage. Indeed, a high proportion of the region’s working age population is on income support, while the region’s participation rate of 49.2 per cent in September 2009 remains well below the comparable rate for Australia of 65.1 per cent.

The region’s reliance on at-risk industries, particularly retail trade when the impact of the cash payments begins to recede, and well below average levels of educational attainment suggest that not only is the region currently disadvantaged but may also deteriorate further as the impact of the GFC—or global financial crisis—deepens.

So, for all the talk by many over the last month that we are through the worst of the global financial crisis and that we should be winding back the stimulus, I would argue, from a regional perspective and from a small business community perspective, that that is the last thing that government should be doing right now. It is for this reason that this afternoon I put the case for the Minister for Small Business, Independent Contractors and the Service Economy, who is at the table, and the executive to consider the argument that the small business tax break in particular should be extended beyond the 31 December date. I ask that to be considered particularly in the interests of regional small business even if the extension is only in respect of businesses with turnovers under $2 million where an asset of over $1,000 that is purchased becomes applicable for the small business tax break. That would be of direct benefit to the small business community in regions such as mine and throughout Australia for the next six to 12 months, providing a buffer against what is still unknown through that period.

From what I have just read out, you would note that DEEWR themselves are expressing concerns about the future of the mid-North Coast—and I am sure many of the regions are in a similar state—and therefore there needs to be some consideration of further assistance and further support, and the most obvious assistance, from a government perspective, is through the use of tax breaks and tax mechanisms. We have seen some very good support through tax schemes such as those for fuel tax credits and for research and development changes applying to the small business community for tax credits. I would argue that while both of those schemes are continuing the small business tax break would sit very well alongside them as a third prong in providing a buffer and some support for the small business community through the next six to 12 months. So I put that to the minister and to the executive to consider, and hopefully we can hear some good news on that soon.

The importance of the small business community to a region such as mine and regional areas generally is without question, and I think the community is generally recognised by both sides of this chamber as the engine room of regional Australia and of regional life. On the mid-North Coast of New South Wales 95 per cent of the business community is small business. The definition of small business that I use is businesses with five employees or fewer. I know we
hear from government a whole range of different definitions about small business, from under 100 employees to under 25 and to under 20. These are genuinely small business operators of microbusinesses and home based businesses and therefore they are not normally the ones to be trawling the corridors of this place to gain benefits through the use of lobbyists and the various ways that vested interests can influence public policy. Their businesses are genuinely the engine room of Australia’s economy and its productivity and therefore deserve some good reflection and some good support from ministers and the executive.

I also mention the Fair Work Bill and the fair work process, which came up in question time, with regard to the nationalising of the industrial relations and occupational health and safety systems. I think that is of great significance to regional small business operators if it is done right. It is a quagmire for small business operators to have to work their way through state and federal legal systems, public and private industrial relations systems and occupational health and safety systems and unfair dismissal laws at various levels and industrial relations commissions at various levels. I think it is a significant breakthrough that we have reached a moment in this parliament’s history when we have seen in the last six months a government putting forward a nationalising of laws and an opposition saying they are 99.98 per cent, in the words of the Leader of the Opposition, in support of that. This is therefore a significant moment in time. But I put a rider on that by saying that when we get down to the detail of some of this legislation it cannot be at the expense of the small business operators in the regions. I quote the example of the hospitality award and the debate that is going on at the moment about the implications of that award. All the various state awards have been thrown into one document and that is creating huge concerns in regional areas, particularly tourism areas such as the mid-North Coast, where new laws are now coming in that potentially see penalties kick in after seven o’clock every day of the week from Monday to Friday.

That is just not going to work in a regional tourism town. That will see a loss of jobs. It will create the absurd situation where on public holidays, days when everyone wants to go out and enjoy themselves and go to coffee shops and restaurants, the doors will be closed because the penalty rates will be too high. So I again ask the government, the executive and the minister to look at some of the details of these changes. While the overall concept is great and everyone is cheering about finally having a national scheme, if, once we burrow into the detail, it is just an exercise of throwing a whole lot of different state based awards together and hoping for the best, then that is not going to work in the regional small business community’s best interests. I particularly flag the restaurant and catering—the hospitality award—bill that is currently being considered and ask for government to look at it through the eyes of regional restaurants and consider the impacts on them, particularly with regard to penalty rates.

I also put on the record my request for some government consideration of the much spoken about but sadly not acted upon issue of decentralisation. We saw it again in a report delivered in this place last night. An excellent report was brought down by the chair of the infrastructure committee, the member for Ballarat, which considered the question of the impact of the global financial crisis on regional Australia. Recommendation 7 and recommendation 8 basically dragged out the same idea that comes up in every single committee, looking at any topic, when committees head to regional areas—that is, this issue of getting government busi-
nesses and government departments into the regions. The word ‘decentralisation’ was not used, but basically the concept was thrown up again. Again, the concept has a great deal of support from regional members on both sides, but it is like pulling teeth to get government departments to recognise the benefits to them in being based in a regional area.

There was an example of it last night: in Victoria a government department went regional and, once it happened, they could not be happier. The workforce is secure, they are happy with their lifestyle and the costs are lower to run a business from a regional location. Once it happens, they realise, ‘My goodness, this is the greatest thing that ever happened.’ But getting it to happen is, as I said, like pulling teeth. So once again I say to the minister in the chair, the minister for small business, and to the executive: look at the whole list of committee reports of the last decade and beyond. Once they start to look in regional locations, the recommendation about decentralisation comes up time and time again. Let us get serious about it. If need be, let us push government departments out the door of Canberra into the regions and we will have better government delivery as a consequence. It is guaranteed.

I also flag the ongoing issue that has been wrapped up in stimulus but was an election commitment from this government. A huge success in the regions that I represent is increases of direct money from the Commonwealth to local government. I know the previous government did it in various roads programs—the Roads to Recovery and the Black Spot programs—and the current government has expanded that into community infrastructure. In regional locations, the councils are in many ways the lifeblood of activity, and so this has been a significant project over the last 12 to 18 months. We have seen 30 to 40 projects in communities with between 50,000 and 100,000 people. That is significant work for the small business community. Once we start heading down the path of coming out of the GFC—we hope—I would like to see this direct financing from the Commonwealth to local government continue and expand further than even where we currently are into a whole range of different projects. The community infrastructure program is an important project that I would hope continues beyond stimulus.

I also mention regional development associations. I am not sure about other regions of Australia, but, after a two-year gap, we have now finally on the mid-North Coast got an RDA up and running. The question of financing is still an open-ended one. While there is some money on the table for administration and small projects, if the RDA process and regional development itself are going to be treated seriously by the Commonwealth, then we need to see more money going into the RDA network. You can argue the rights and wrongs of what happened with the area consultative committee money and Auditor-General reports under the previous government—

Mr Windsor—a disgrace!

Mr OAKESHOTT—the member for New England was caught up very deeply in that. I would hate, to use a cliche, for the baby to be thrown out with the bathwater; I would hate the government to pull money out of that process because the process was distorted by previous governments. If the process of the RDAs is one that the government supports and endorses—bringing the state and federal regional development arms together is eminently sensible—then let us fund it appropriately. Let us get some good money into there, and let us see the small business communities of regional Australia get behind this exercise. Let us let the engine room do its job and let regional small busi-
nesses run this country the way they have previously. I would hope the government supports the comments I have made and that we do get some support, particularly, as I said at the start, on the small business tax break.

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) (3.59 pm)—I am very happy to award the member for Lyne a six.

Mr Oakeshott—You said nine!

Dr EMERSON—All right, we can negotiate. We will go for a nine. I did not agree with everything he said—

The DEPUTY SPEAKER (Hon. BC Scott)—The minister will not use his prop!

Dr EMERSON—but I will deduct one out of 10 for the relatively minor things with which I disagreed. I record that they are very harsh judges over there, so even a six would be a distinction by the tough standards that they have applied to me in the past.

I do welcome very much the contribution and initiative shown by the member for Lyne in raising this matter of public importance. Small business truly is a very important matter for debate. I endorse the comments by the member for Lyne about the fiscal stimulus. It does involve more than 70 per cent in spending on infrastructure. The member for Lyne probably did not have time to fit this in, but I refer to one of his media releases earlier this year entitled ‘Oakeshott welcomes over $15 million in primary school infrastructure funding’. So the member for Lyne has never been backward in coming forward in acknowledging the value to his local community of the stimulus package and, in particular, the infrastructure component. He goes on to say:

Also, in this current economic climate it is a great opportunity for local contractors, trades people and suppliers to put their hands up for the work, so they need to register their interest with the NSW Department of Education and Training who will forward their details …

That shows a very active local member taking the initiative to ensure that the local businesses and tradies in his area are aware of the opportunities, and I commend him for doing that.

The short story is that the government has recognised in its two years of government—two years today—the importance of supporting small business in regional Australia and, more broadly, around Australia. Of course, the global financial crisis and the meltdown associated with that could not have been fully anticipated before the election of this government. But when it did arrive we acted early. We were really conscious of ensuring that the benefits of that stimulus spending were spread fairly around Australia. The Minister for Infrastructure, Transport, Regional Development and Local Government has been really conscious in ensuring that regional communities do benefit because often, as the member for Lyne will attest, when there is an economic downturn it is our regions that really feel the brunt of it. If it is just an across-the-board policy that is not attuned to the needs of regional Australia, then our small businesses, our tradies and our contractors in those areas will suffer. I come from a small country town in north-west New South Wales called Baradine near Coonabarabran, just on the edge of the Warumbungles. My father lost his job during a drought in timber quotas in 1970, and that is why I ended up in Sydney and, to cut a very long story short, how I ended up in parliament. It is just another example of how vulnerable regional communities are to an economic downturn. We have always been conscious of that.
I thank the member for Lyne for his support, too, of the small business tax break. It has actually received quite a lot of criticism from the coalition. The last time we had a debate on a matter of public importance it was initiated by the member for Moncrieff. I think he had to do that because he just cannot get a question up. It has been 543 days today since I last had a question from him. In that speech he announced a tax effective investment scheme. The shadow minister for small business said:

From the outset I questioned the wisdom of this policy … we really questioned how many of those 2.4 million small businesses Labor’s policy would actually assist. The answer, as has been played out in the various surveys, is not many at all—the reason being that Labor’s policy requires a small business to have a dollar in order to spend it.

He went on to say:

… the only meaningful expenditure from the small business sector has been on vehicles. So it has hardly been the great economic boost that the Treasurer and the small business minister claim it to be—in fact, it has largely been a flop.

So there is a contrast: the member for Lyne supporting the small business tax break and the coalition describing it as a flop. It is really interesting and timely to report on an MYOB survey that has been released today which indicates that 77 per cent of all business owners report awareness of the tax break and that 71 per cent have taken action or may take action in the future. If six out of 10 is a good number, 71 out of 100 is a beauty. We have the shadow small business minister saying that they are really not going to take it up; only very few have taken it up. Well, 71 per cent is a large number, and the CEO of MYOB says this:

Overall, this latest MYOB Business Monitor finds business improving across Australia, and a good deal more confidence than six months ago. He also says:

Support for the Federal Government may have also been boosted by the recent Business Tax Break, which over half … of business owners surveyed say has been or could be helpful to their business.

As I said, it is 71 per cent. So the point there is not really a political point. It is good that the small business community appreciates what the Rudd government is doing, but it is far more important that it is taking advantage of this tax break, and I certainly welcome the support of the member for Lyne.

Figures out yesterday on motor vehicle sales show an increase of 3.7 per cent in October—3.3 per cent higher than a year ago. Market commentary on those figures from the National Australia Bank says:

These data point to businesses on another buying spree into the end of the calendar year when the 50 per cent investment allowance runs out.

And:

… indications that private buyers are stepping into showrooms over recent months to buy attractively priced vehicles as signs of labour market stabilisation accumulates.

What they are saying there is that the showrooms around Australia are doing very well, and I know from my experience in country towns and regional centres that there are always motor vehicle showrooms. They are small businesses. They benefit from the tax break. They have families. They employ people. They should not be derided by the shadow small business minister saying, ‘All this has just involved a few people buying a few cars.’ People buying cars is important. The member for Holt, who is at the table, would attest to that, because in his local area there are car component manufacturers. It is really important in another part of Australia—most particularly, outer urban Victoria, where there are a lot of car component manufacturers. So I would not be criticising or deriding an increase in car sales and activity.
In relation to direct support and advice for small business, I can advise the member for Lyne that we were really conscious of this before the election—so much so that we committed to funding 36 business enterprise centres around Australia. There were around 108 at the time—and we dearly would have loved to have funded all 108. These business enterprise centres are very capable in delivering one-stop shop advisory services. I would like to be able to advise the member for Lyne that there is one in his electorate; but that is not the case, so I will not pretend otherwise. The 36 business enterprise centres that are being funded are spread right around Australia and they are substantially concentrated in rural and regional Australia. In addition, the 34 pre-existing advisory services are being funded through an initiative announced by the Prime Minister at a small business summit in Brisbane in October last year. I know that these are not directly in the member for Lyne’s electorate, but I will just refer to the Clarence Business Enterprise Advisory Service in Grafton and the Enterprise Training Company in Coffs Harbour. It is better than nothing, but, again, we would have liked to have funded more centres.

I think the right way to handle this matter of public importance is by responding to the points the member for Lyne has raised. I am a big fan of decentralisation. I suppose that falls easily from the tongue—and you might say, ‘Well, what are you doing about it?’—but, moving beyond the school modernisation program, much of the infrastructure investment is in rural and regional Australia. In 2006 I wrote a book, Vital Signs, Vibrant Society, which sets out a plan for providing more infrastructure and services in regional Australia. My view is that people will come to regional Australia if the costs are low, the infrastructure is provided and they can move fairly readily back to the cities to see relatives and so on. That would help make regional Australia that much more attractive. I would recommend it to the member for Lyne. It is not rocket science, but it is an endorsement of the sorts of policies that he is talking about.

In terms of direct funding for local government, I think the point the member for Lyne made is that it is effective. But you need to take some care about it. It is not just about giving money unconditionally. Again, this government has been quite systematic in doing that—through the Minister for Infrastructure, Transport, Regional Development and Local Government. We have had two major local government soirees, big meetings, here in Canberra, and they have been very well received and well attended. So, again, we are in the groove with the member for Lyne there. Similarly with regional development authorities and so on, it is a model that the Minister for Trade was very keen on when he was the shadow minister for industry and regional development.

In respect of award modernisation, I would point out that 4,000 different awards and instruments are being collapsed into just 121. This is a major microeconomic reform that will be of benefit to small businesses. Of course there are some grumbles about some of the details. I know that Restaurant and Catering Australia, through John Hart, have made strong representations. They were sufficiently persuasive that the Minister for Employment and Workplace Relations asked for a new consideration of the award by Fair Work Australia. So we are receptive to legitimate concerns. But let us not lose sight of the overall magnitude of this reform. Collapsing 4,000 awards and other instruments into 121 awards is a mammoth task. It is something that previous governments have talked about. The complexity of the award system has been the subject of complaint by the previous government and by business organisations around Australia. This task is
now nearing its end. There is a five-year transition period to address some of the issues that were raised by the member for Lyne. But I put it to this chamber that this is a major reform of large net benefit to small business.

I want to go on to the whole area of a single, national industrial relations system. Just think of the absurdity of incorporated businesses being in the national industrial relations system—which they are now—while unincorporated businesses are caught in the state systems. That is where we are at the moment. The former Prime Minister, Mr Howard, was a very big supporter of a national system. He spoke glowingly of the pressing need for reform in this area. Speaking at the Sydney Institute in 2005, he said:

... six different industrial relations systems is an anachronism for a nation of 20 million people in a region that will be the world’s economic centre of gravity in the 21st century. It is time they recognised that a single system of workplace laws is in the national interest.

Well, we do—but now the coalition do not; now the coalition are opposing it. I think that is a tragedy because, as the minister mentioned during question time, this could be a once-in-a-generation opportunity because those referrals would have to be done a second time. So we really are saying to the coalition: stop being opportunistic and get in there because small businesses will benefit from being in a single system, as the member for Lyne so eloquently explained. As small businesses grow from being a partnership or a sole trader to being a company, they would have to shift out of the system that they have been in, which would just be ridiculous.

I thank the member for Lyne for his initiative and for the quality of his debate. It was definitely a six, probably a six-plus, and going all the way up to a nine. It was a very elegant contribution indeed. Thank you.

Mr WINDSOR (New England) (4.14 pm)—I thank the minister for his comments in relation to some of the issues raised by the member for Lyne. And I would ask him to return my documentation at some stage; otherwise, I will have to rate him fairly low!

Dr Emerson interjecting—

The DEPUTY SPEAKER—The minister will not provoke the member for New England!

Dr Emerson interjecting—

The DEPUTY SPEAKER—No—the member for New England has the call. The minister will sit there in silence.

Mr WINDSOR—Thank you, Mr Deputy Speaker Scott. It becomes very difficult sometimes, as you are probably aware. I thank the member for Lyne for this matter of public importance. I pick up on a theme that has been reflected through the two speakers, particularly in relation to decentralisation. I listened with interest to the minister’s comments. I have been in public life since 1991, with a period of time in the state parliament until 2001 and here, obviously, since then. There have been a lot of words in terms of decentralisation over those years and not a lot of action. In fact, one of the reasons for standing for the federal arena was the concerns I had directly in relation to competition policy and the way in which it impacted on smaller communities and smaller businesses. Two people on both sides of the political fence have stood out in a sense. The minister for small business mentioned one of them, the member for Hotham. I can remember in the early nineties that the member for Hotham—and I believed this at the time—was a real champion in terms of regional development processes and decentralisation. The other, who some members in this chamber may not know, was the Leader of the Liberal Party at one stage in New South Wales, Peter Collins. He had not dissimilar
ideas about how you could actually drive the processes of decentralisation and the policy initiatives you could put in place to encourage people to go to the country and set up businesses.

Two very distinct things are happening at the moment and they are both quite current within this parliament. One is the population debate, which is locked in with some of the climate change issues and water issues, and where people will live. The other is the broader debate about the national broadband rollout. Those two things combined, in my view, really need to be explored under the one policy umbrella. If we are serious about encouraging decentralisation, encouraging small business to develop in country areas and growing our population in country areas, in areas where water and other issues are not a problem, we have to get serious about rolling out the National Broadband Network at a level where it is equitable to all people across the nation. It is the one thing, if it is done correctly, that negates distance as a disadvantage by being a country resident. It changes the playing field. Competition policy and other things have centralised the playing field. Decentralisation rolls off the tongue, as the minister said, but the policy mix that we have been focusing on for the last two decades has been a centralist policy mix, where you develop—and some people have heard me say this before—a feedlot mentality, where the cheapest way to provide the highest number of services to the greatest number of people at the lowest possible cost is to put them in a feedlot.

The National Broadband Network—and this is why I have been very supportive of what Senator Conroy is attempting to do—can break that nexus. When I say ‘can’, that does not mean it will—it can. If we can get the system right so that people who live in the country—or irrespective of where they live—share a common denominator in terms of the rollout of broadband services. Particularly given the population debate that is happening at the moment, we have to start to put some of those things into a policy mix rather than all the different silos we have, where it is a good idea to have this and a good idea to have that and where there is no real focus on what that means in terms of population growth, urban development, country towns, water supply and a whole range of related issues—but they are unrelated issues because of the way they are dealt with by the political process.

There are a few things that I would like to mention. I suggest to the minister for small business: other than the bankers, the people who really know what is going on in the country are the accountants. I would encourage you to talk to the Institute of Chartered Accountants and others, who really know the bottom line in terms of numbers, to find out the sorts of things that need to be encouraged to make sure that decentralisation does occur on some issues. I agree with the member for Lyne when he talked about local government and some of the local government drivers that are out there that are encouraging growth in some of those areas.

I also support the member for Lyne’s call for an extension to the investment allowance. I was in farming—and I still do a bit of farming—when Malcolm Fraser brought out the investment allowance. In hindsight, I do not think that was a good thing to have done because it drove up the price of machinery. We were buying equipment at different times, replacing harvesters and things, and a lot of people were doing the same, which was good for small business, but it drove up the price of the item that we were purchasing. Deputy Speaker Scott, you may remember that particular time. I think this is a different circumstance. Normally I would argue against the investment allowance, as it stood at that particular time, but this is a different circum-
stance in the economics of the nation. I think it is working. There are a lot of people who are taking advantage of it. We have heard suggestions that you have to be paying tax to take advantage of it, and obviously that is the case, but it flows through the community. If someone buys a tractor, the person who sells the tractor gets the benefit, as does the person who repairs the tractor. A whole chain of events occurs. In terms of stimulating small business and business activity, in this case the investment allowance has been a quite successful venture. I encourage the government to look closely at furthering it.

An unrelated matter, but something that I would say to the two gentlemen at that table, is that, whilst we are reviewing taxation and incentives, can someone do something about the baby bonus? Surely we can spend that money in a better way than the unfettered way it has been spent, in terms of the encouragement of various activities that the man who has now left the building, Peter Costello, set up to encourage. Surely there has to be a better way of helping families and children than to perpetuate the ridiculous arrangement of paying young people and others $5,000 to have more babies.

In conclusion, I reiterate: talk to the Institute of Chartered Accountants; talk to people who actually understand the mathematics of what is going on in regional and country areas of Australia; make sure that the broadband rollout occurs in a way in which it will actually deliver equity of services. The minister spoke about tradies, et cetera. Minister, you should look very closely at what is happening to TAFE. TAFE is in all our towns. It provides the skills in a lot of our communities. Look closely at what is happening—and this is a continuation of the previous government—and at modelling in terms of competition for certain aspects of the training. In theory that is a good thing. In practice, what it could mean is that a lot of the capacity to train young people in a lot of country towns where TAFE has existed in the past may well be negated by the cherry picking that occurs from time to time with the private sector. I am not saying do not have both, but be careful that we do not, over time, wipe out a service delivery and then have nothing to replace it because it has moved on to other taller cherry trees to pick.

In conclusion, I urge the minister and the government to revisit the theme that occurs from time to time of zonal taxation, and the minister himself would be aware of that. There are drivers of tax policy—the Henry review is coming up—and there are a number of initiatives that that review should look at if we are serious about driving some of the changes needed in country policy. (Time expired)

Mr NEUMANN (Blair) (4.24 pm)—I thank the member for Lyne for proposing this matter of public importance. There are nearly four million Australians engaged and employed in small business, and there are a further 1.2 million non-employing small businesses. About 1.9 million Australians are engaged in small business operations—and I was one of them. At 26 years of age I took a punt and decided to be involved in small business. I was in a legal practice which grew into a very large operation over many years, and I pay tribute to my various partners over the years. But it was a punt. Every day in small business you take a risk—every single day. You do not get any protections; you do not get sick pay; you do not get long service leave or annual leave or penalty rates. You get nothing. Instead, in many ways, you are stuck with red tape and bureaucracy that governments of both persuasions have historically imposed upon small business.

This government recognises the challenges and difficulties of small business, par-
particularly in rural and regional Australia. In my electorate of Blair, which is an electorate of about 5,300 square kilometres, moving up to 6,400 with the redistribution, I am currently servicing about 70 per cent of the city of Ipswich, just about all of the Fassifern Valley, the Lockyer Valley and now the Somerset region. It is a large area. I talk to the farmers and I talk to the small business operators in those areas and I know the challenges.

In my consideration and belief, small business has been advantaged by previous Labor governments. The Whitlam government brought in the Trade Practices Act to give small business a chance to compete against big business. The Trade Practices Act in the 1970s was a very, very important legislative reform. I was involved in cases in my legal practice that saw small business operators advantage themselves through that legislation to help them to enjoy a degree of equality and equalise the power imbalance. The reduction of tariffs, I think, was an important opening-up of the economy. The Hawke and Keating governments floated the dollar, opened up the economy to allow it to become a market-driven economy, allowed the entry of foreign banks into this country, brought in in a really considered way—in consultation with the trade union movement—enterprise bargaining, and brought in for the first time a great national treasure and initiative which was the superannuation scheme which so many Australians benefit from.

Small business is the backbone of our economy. Sadly, those opposite mouth the words that they are on the side of free enterprise—but they are not. The truth is that they are forever on the side of oligopoly, and always have supported high tariff walls of protection which result in high prices for consumers. Open, competitive markets and removing barriers improve the economy and make it fitter and more competitive, and that helps small business. That allows small business to invest. It gives us a chance. The coalition’s idea to help small business was to put upon them the sclerotic burden and rigidity of Work Choices, and of course they imposed the GST on them.

The truth is that we are engaged in a nation-building enterprise. My area has been neglected for many, many years. Indeed, the mayor of Ipswich, Paul Pisasale, often said that the last real, serious investment—until this Rudd government came to power—was in fact the Ipswich Civic Centre in Whitlam’s day. Now we see a massive amount of money injected into the local economy, and that is because of the Nation Building and economic stimulus strategy of the Rudd government—876 projects in the federal electorate of Blair, $203 million, 313 projects in 85 schools. Lest you think that that is just academic, let me tell you what Mal Jacobsen of Paynter Dixon said to me when they were opening up Cabanda Link in Rosewood, which is an aged-care facility which his company was working on, and they were also involved in the Rosewood State Primary School BER funding initiative. He sent me an email indicating that 625 people had jobs by virtue of those two projects—money from this government going into the small community of Rosewood in the rural parts of the city of Ipswich. That is the kind of thing that will help those small business operators in Johns Street, the main street of Rosewood.

We are also seeing thousands of jobs created by the most important infrastructure project in South-East Queensland, in my view, and that is the Ipswich Motorway upgrade. There are 4,000 jobs being created. It is the most important road that leads west of Brisbane. It links into the Warrego Highway, which the member for Maranoa talks about all the time, and the Brisbane Valley High-
way, which leads north-west. The truth is that this initiative will make a huge difference to small businesses—the farmers in the Lockyer Valley, the Fassifern Valley and the Somerset region. How can they get their produce to Brisbane on a road that is clogged? They cannot. They have often told me that their produce has decayed because they could not get it there on time. They find that difficult. They cannot get their employees to business appointments in Brisbane because of the infrastructure bottlenecks that were created by the Howard government, with their inertia, inaction and idleness in failing to upgrade the Ipswich Motorway. It is not just the Ipswich Motorway; it is Redbank Plains Road, the Warrego Highway and the Cunningham Highway—important road infrastructure in South-East Queensland—helping small business operators in towns like Kalbar, Boonah, Laidley, Gatton, Esk and Fernvale. This is what government can do to help small business in rural and regional Queensland.

Helping small business can be done in a number of ways; for example, through the $2 million we are giving to Bremer TAFE in Ipswich—a great initiative—and the $10 million from the Better Regions Program to help revitalise the city of Ipswich. Those things are very important—real assistance. I acknowledge also the member for Rankin. The Minister for Small Business, Independent Contractors and the Service Economy is here today. I remembered vividly his coming to the electorate of Blair in the last federal election campaign to announce that we would be funding the Ipswich Business Enterprise Centre. That centre is servicing not just Ipswich; it is part of a $46 million project servicing all those rural areas that I talked about. It involves mentoring and giving advice. It is a one-stop centre, giving assistance, running seminars and helping all those types of operators in those rural areas outside Brisbane and Ipswich. I have spoken to many business operators and people involved in chambers of commerce in those areas, and they warmly acknowledge and applaud the government’s initiative to help small business in their area. Tony Axford, the manager of the Ipswich Business Enterprise Centre, has told me how important he has felt and how warmly he has been received by so many people when he has been running seminars in that area. That is a $1.2 million initiative across many years.

The member for Lyne was talking about Regional Development Australia committees. We have appointed one in the federal electorate of Blair and across Oxley, Forde and Dickson. It is the Ipswich and West Moreton Regional Development Australia committee, looking at big infrastructure projects, what we can do about regional hospitals and what we can do to help small business. We have the Hon. Dr David Hamill as the chair of our local RDA committee. We have Councillor Kathy Benstead from the Scenic Rim area, a great community champion in that area, as the deputy chair, and we have some great people from the rural parts, as well as Ipswich, involved in that project.

I know that the farmers and the small business operators in those rural communities are looking forward to the National Broadband Network being created. That is an important infrastructure project for regional Australia. It is particularly important in terms of e-health. It is important for rural hospitals in places like Boonah, Esk, Laidley and Gatton—not just Ipswich but the rural areas outside it. Making broadband fast and affordable is critical. It will also make us globally competitive. It will help farmers in those rural areas. It will make sure that people who live in Kalbar will have the same rights to operate as the people who live in Melbourne; the people who live in Boonah the same as Brisbane; the people who live in Laidley the
same as Adelaide. It is helping small business operators and farming communities, and I warmly commend that program.

I thank the member for Lyne for bringing forward this matter of public importance. It is terrific that he has raised this issue. It is very important for all our areas.

(Time expired)

Mr KATTER (Kennedy) (4.34 pm)—The previous speaker spoke about the free market policies being wonderful for us. Honestly, I do not know how these people can come in and make such stupid statements! In the motor car industry, we had 72 per cent of the market before Keating started on this stupidity, which was completed by—

Mr Neumann interjecting—

Mr KATTER—Don’t claim the credit for it, because you must share the credit for it with Costello. You must share the blame. From 72 per cent, we dropped down to 14 per cent. Hardly any motor cars are produced in Australia now—no stoves, no fridges, no anything. And you are telling us it is a good thing. You say it is good for the consumers. Do you know what the price of a car was in 1984? Do you know what it is today? I will tell you. It is nearly 70 per cent higher in real terms. There is the outcome for your consumers.

I am very interested in the outcome for the consumers and for small businesses—because that is what our farmers are—after the deregulatory policies that came in. For a litre of milk, the farmer and the factory get 65c and the retailer gets $2. That is a Coles docket. This is after deregulation. Was it good in the field of sugar, something we use every day, or every second day, of our lives? The farmer and the miller get 39c and the retailer gets $1.35. Is this a good outcome for the consumers? With potatoes, the farmer gets 62c and the retailer gets $2.46. Is that a good outcome? These are all small business men, these farmers. With eggs, the farmer gets $1.40 and the retailer gets $4.85. That is a 230 per cent mark-up. The last speaker said this was wonderful for us.

Pre deregulation, three of those were on a fairness tribunal, the same as the arbitration commission. When we had our own arbitration commission, there was only an 80 per cent mark-up. The farmers benefited and the consumers benefited. Under this disastrous free market regime, the big sharks eat the little fishes. That is the outcome. That is the outcome for Holden motor cars and that is the outcome for food in Australia.

I very strongly back the member for Lyne in saying that the small business tax breaks and the investment allowance should stay. They are absolutely, dramatically important for people. In Queensland, Woolworths and Coles have run amok. Two publicans in my hometown of Cloncurry said to me, ‘If you want to close down a town, bring Woolworths and Coles to it.’ What is the state government doing about this? The federal government has done nothing to restrain Woolworths and Coles. The last federal government was in power for 13 years, and its members get up in this place and have the hypocrisy to talk about being for small business. You smashed small business in your 13 years of government. In 1991 Coles and Woolworths had 50.5 per cent of the marketplace—that is all they had. After you had completed your work, Woolworths and Coles had 76.7 per cent in 2002. According to their own figures, they now have 85 per cent of the market—and you congratulate yourselves on that.

I will tell you what happened on the ground in my hometown of Cloncurry. We owned a row of shops in the town. There were four businesses, with our business making that five businesses located in these shops. Where those five businesses used to
stand, only one business stands now. That is all that is left. The two publicans said, ‘If you want to close down a town, bring Woolworths and Coles to it.’ We brought in Woolworths and they closed everything in the town. There is not a single business left in the town. I like to walk in the streets of small country towns when I am campaigning, and in Cloncurry there are no doors to businesses for me to knock on. They have all gone—service stations, butchers shops. Everything has gone. That is what happens to a town.

Woolworths and Coles are now applying for 24-hour trading at Mission Beach and Mount Isa and half the other towns in Queensland. It is not enough for them to have 85 per cent of the marketplace. They want everything. There is no limit to their greed. Is there any limitation placed on them by this House? It is a disgrace. In a so-called inquiry by this place, the nearest country in the world had 22 per cent share of the marketplace. In Australia, Woolworths and Coles hold 85 per cent, and they are about to be given 24-hour trading in places like Mount Isa and Mission Beach. My son is on the council in Mount Isa. When he was rung up about this situation, he said, ‘If you want two doors left to walk through in Mount Isa then agree to 24-hour trading because that will be all that is left in a town of 26,000 people. The only businesses that will be left there will be Woolworths and Coles.’ (Time expired)

Mr CHEESEMAN (Corangamite) (4.40 pm)—I rise today to speak about the importance of small business in regional and rural Australia. Small businesses and independent contractors are the backbone of a number of our rural communities and regional centres, including my own region of Corangamite. Small businesses are today the powerhouse of our region, with Corangamite now having more small businesses than the neighbouring seat of Corio, which takes in the vast bulk of the City of Geelong. It is no coincidence that small business has grown in our region and the strength of our economy has grown with their dominance. Today, we have one of the best performing regions in Australia.

Even in normal economic conditions, small business enterprises need to work very hard to achieve commercial success. Each small business takes a risk in going out on their own—especially those who are self-employed take that risk. In the current economic climate, the difficulty in maintaining a small business has been dramatically exacerbated. This government’s sound economic management has Australia leading the world out of the global financial crisis—and that has been a great outcome for small business.

With the Rudd government’s decisive economic policies, the Australian economy is now the envy of the world. We are the first developed economy to emerge from the global financial crisis. Much of this resilience in the Australian economy has been because of the strength of the small business sector. However, we as a government are not going to rest on our laurels. We still have a long way to go. The rest of the world is still caught in the worst economic depression since the Great Depression of the 1930s. Nearly every major world economy is still in recession.

The Rudd government took decisive and early action to protect the economy for small businesses and independent contractors. The government’s economic stimulus packages were designed to assist small business; they were squarely in our mind. Local small business, especially retailers, have benefited from the cash stimulus payments to families, the stimulus spending on materials for school building projects and the other public infrastructure projects. Tradespeople, independent contractors and other small business people
are the beneficiaries of 70 per cent of the stimulus package that was spent on infrastructure, including the biggest school modernisation program in the nation’s history.

Local economies have also benefited from the housing grants, bringing new home buyers to our regions. The government understands that cash flow is clearly very important for small business. We are assisting in that regard with pay-as-you-go instalments for small business through 2009-10. To support small businesses this summer, the Rudd government is also providing $100 million in the form of the Apprentice Kickstart program. The Apprentice Kickstart program is a part of the government’s economic stimulus package and is designed to support up to 21,000 young Australians entering traditional trades. Between 1 December 2009 and 28 February 2010, the Australian government will provide a $3,350 Apprentice Kickstart Bonus to employers, small businesses, who take on young persons aged 19 years and under into a traditional trade—(Time expired)

The DEPUTY SPEAKER (Dr MJ Washer)—Order! The discussion has concluded.

COMMITTEES
Corporations and Financial Services Committee

Extension of Time

The DEPUTY SPEAKER (Dr MJ Washer)—The Speaker has received a message from the Senate informing the House that the Senate has agreed that the time for the presentation of the report of the Parliamentary Joint Committee on Corporations and Financial Services on financial products and services in Australia be extended to 24 November 2009.

HEALTH INSURANCE AMENDMENT (COMPLIANCE) BILL 2009
Consideration of Senate Message
Bill returned from the Senate with amendments.

The DEPUTY SPEAKER (Dr MJ Washer) (4.45 pm)—The Speaker’s attention has been drawn to the proposed Senate amendments (1) and (10). On behalf of the Speaker, I inform the House of the constitutional questions raised by the amendments. As I understand it, advice has been provided that the amendments, if enacted, would have the effect of increasing amounts that would be payable under a standing appropriation in the Health Insurance Act 1973 and would be construed as appropriating money.

There is doubt that the Senate may proceed in these circumstances by way of amendment because of section 53 of the Constitution. Among other things, this section prohibits the Senate from amending any bill so as to increase any proposed change or burden on the people. The view has been taken that, where revenue or moneys are to be appropriated in these circumstances, section 56 of the Constitution requires that the proposed appropriation must be recommended by a passage from the Governor-General. The House will need to consider the way in which it should proceed to deal with matters raised in the Senate amendments. If the House wishes to entertain the proposal reflected in the amendments, it may choose to proceed by alternative means.

Ordered that the amendments be considered immediately.

Senate’s requested amendments—
(1) Clause 2, page 1 (lines 7 and 8), omit the clause, substitute:

2 Commencement

(1) Each provision of this Act specified in column 1 of the table commences, or is
taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

<table>
<thead>
<tr>
<th>Provision(s)</th>
<th>Commencement Date/Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table</td>
<td>The day on which this Act receives the Royal Assent.</td>
</tr>
<tr>
<td>2. Schedule 1</td>
<td>1 January 2010.</td>
</tr>
<tr>
<td>3. Schedule 2</td>
<td>The day after this Act receives the Royal Assent.</td>
</tr>
</tbody>
</table>

Note: This table relates only to the provisions of this Act as originally passed by both Houses of the Parliament and assented to. It will not be expanded to deal with provisions inserted in this Act after assent.

(2) Column 3 of the table contains additional information that is not part of this Act. Information in this column may be added to or edited in any published version of this Act.

(2) Schedule 1, item 2, page 3 (line 23), at the end of paragraph 129AAD(1)(b), add:

; and (c) has taken reasonable steps to consult with a relevant professional body about the types of documents that contain information relevant to ascertaining whether amounts paid in respect of professional services of the same kind or kinds as the service or services referred to in paragraph (a) should have been paid.

(3) Schedule 1, item 2, page 3 (after line 30), after subsection 129AAD(1), insert:

(1A) In this section: relevant professional body means a body declared by the Minister to be a relevant body for the purpose of this section.

(4) Schedule 1, item 2, page 4 (line 14), omit “request”, substitute “written request”.

(5) Schedule 1, item 2, page 5 (after line 19), after paragraph 129AAD(8)(b), insert:

(ba) specify the information relevant to ascertaining whether amounts paid in respect of each such service should have been paid; and

(6) Schedule 1, item 2, page 5 (after line 31), at the end of subsection 129AAD(8), add:

Note: For the purpose of paragraph (8)(ba) the notice will include the reason for the CEO’s concern about the payment and explain the factual issue that the person is required to substantiate.

(7) Schedule 1, item 2, page 6 (after line 7), at the end of section 129AAD, add:

(11) The CEO may not develop a reasonable concern under this section about the clinical relevance of a particular service.

(8) Schedule 1, item 2, page 10 (after line 5), after subsection 129AAJ(1), insert:

(1A) In making an application under subsection (1), the person or estate may provide the Medicare Australia CEO with additional information to substantiate (wholly or partly) that the amount paid, purportedly by way of benefit or payment under this Act in respect of the service, should have been paid.

(9) Schedule 1, item 2, page 10 (lines 15 and 16), omit subsection 129AAJ(5).

(10) Page 19 (after line 16), at the end of the bill, add:

Schedule 2—Amendment relating to disallowance of medical services items

Health Insurance Act 1973

1 At the end of section 4

Add:

(3) If an item in a table of medical services prescribed in accordance with subsection (1) is disallowed under section 42 of the Legislative Instruments Act
2003, the corresponding item, if any, in the previous regulations is taken to apply in place of the disallowed item from the time of disallowance.

(4) In subsection (3):

corresponding item means:

(a) the item in the previous regulations with the same item number; or

(b) if no item satisfies paragraph (a)—the item in the previous regulations covering the same medical services; as the disallowed item.

previous regulations means the regulations that were in force immediately prior to the commencement of the disallowed item.

2 Application

The amendment made by this Schedule applies in relation to any disallowance after 26 October 2009 of an item in a table of medical services prescribed in accordance with subsection 4(1) of the Health Insurance Act 1973.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (4.46 pm)—I would like to indicate to the House that the government proposes that amendments (2) through to (9) be agreed to and that amendments (1) and (10) be disagreed to. I suggest, therefore, that it might suit the convenience of the House first to consider amendments (2) through to (9) and, when those amendments have been dealt with, to consider amendments (1) and (10). Accordingly, I move:

That Senate amendments (2) to (9) be agreed to.

I am going to speak briefly on these amendments as they have been agreed to between the government and the opposition, also with the work of the minor parties. The reason I want to speak briefly to them, however, is that the bill which is being amended is a compliance bill. It is an important part of the government’s determination to protect the integrity of Medicare, which the public benefit from and, as people in this House would know, had an expenditure of $14 billion in the 2008-09 financial year. These measures in the compliance bill intend to enhance Medicare Australia’s program. I will not go through all of the details of the way that Medicare Australia will be given power to require the production of documents, et cetera, where there have been concerns about claims made to Medicare but I want to flag that amendments (2), (3), (4), (5), (6), (7), (8) and (9) deal with that substantive matter.

We have had productive discussions with the opposition. As a result, the government is prepared to accept these eight amendments. They deal with a tightening of the notification process. They have been issues raised by professional groups about their involvement in the process. It allows me to specify that Medicare Australia can consult with particular professional organisations in dealing with the compliance matters. Given that we have a different view on the remaining two amendments, which I will speak to in a moment, it is worth the House noting that these are substantial changes in a complex area, making sure that we are protecting the integrity of a significant amount of taxpayers’ money, ensuring that for the small number of medical professionals and other health professionals who might do the wrong thing, there is a mechanism for Medicare to be able to investigate those matters. So it is an important initiative which the government regards as one that is necessary to protect the integrity of Medicare. Therefore, we were quite happy to work with professional groups and with the opposition.

I would like to thank Minister Bowen, Minister for Human Services, who had the carriage of the implementation issues, for the work he has done. He is overseas at the moment and has asked me to pursue this matter. So I would like to speak in support of the bill and to thank all those who have been in-
volved in dealing with what is a technical area and putting forward suggestions which the government thinks will enhance the process.

Mr DUTTON (Dickson) (4.49 pm)—I would like to thank the government for accepting our amendments to make this bill more effective, while ensuring patients’ privacy. It is important to listen to stakeholders and that is exactly what the opposition have done. In relation to this particular issue, we have always put patients first and we did in our consideration of these amendments as well. We thank the government for accepting our amendments and for the way in which negotiations were conducted.

Question agreed to.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (4.50 pm)—I move:

That Senate amendments (1) and (10) be disagreed to.

The reasons the government are disagreeing to these amendments are several. One has already been referred to in the brief statement that was made by you, Mr Deputy Speaker Washer, on behalf of the Speaker—that there is a serious issue about the constitutionality of these amendments being moved in the Senate. We have, of course, been on this merry-go-round before. The amendments were moved in a different way in the Senate and we received advice that it was not constitutional. We have already flagged that before. I said in the chamber previously that I was happy to provide that advice. We then received information that governments—ours and previous governments—have always had longstanding advice not to release the actual advice. I have released a minute from the department which details the advice. I have also released and presented to the Senate both that minute and some general advice about the presentation and introduction of items in the Senate that do have financial consequences. So we are having a little bit of a groundhog day again because the opposition are determined to oppose the reduction in the rebate payable for cataract surgery.

We disagree strongly with the opposition’s view on that matter. Nevertheless, if the opposition wants to continue to take that approach on those particular regulations, it is clearly a political stunt. It would be a stunt to try to use any other health bill that might be before the parliament at any time in the future to try to move amendments that are completely unrelated to the substance of that bill. We engaged with the opposition in good faith to negotiate amendments that related to this bill. I think the public would be pleased that the parliament could work in a way to change and improve legislation that is being debated. To use this as an opportunity to pursue another argument totally unrelated to the matter detailed in this bill in a way that is unconstitutional really shows some odd obsession of the opposition with this issue. Senators have given notice that they intend to seek to disallow the measure in the Senate in the coming days. Of course, we will oppose that, but using this sort of legislation—and potentially derailing the introduction of this important compliance measure while we have a fight and argument over something totally unrelated to the bill before us—does not do the opposition or the parliament any credit.

We feel very strongly that it is important for us to be able to, in a bill like the one that is before the parliament now, make sure we protect the integrity of the system. Of course, on many separate occasions, we will be before this House seeking to extend Medicare rebates, pay them for new items and introduce them for new technologies and we will want to be able to reduce the rate that is payable for a Medicare rebate if there are circumstances that show that it is being paid at
a rate that is no longer appropriate. If we do not do that, the sustainability of the Medicare system long term will be under threat. The ability of the current government or of governments of the future to fund new initiatives if we can never reap the savings of the benefits of technology, advances in research or breakthroughs et cetera will be hampered. We will have a financial situation and a financial burden in the health system that will not be manageable. As someone who in the previous government held a position of some responsibility for financial matters, I would have thought that the member for Dickson would have absolutely understood this.

I think it was put very well by Dr Rob Walters, as reported in the Canberra Times. Dr Walters is a GP. It is very difficult for people in the medical profession to speak out. They are not interested in attacking each other or in pointing the finger about the sorts of incomes that people earn, but he made this very clear and important point. He said:

The real issue here is the sustainability of public funds—in other words, the Medicare pie… When technology catches up and makes the procedure, as in this case, easier then you move the lines in the pie so funds are available for other health services.

I think that sums up the position that the government take. It is quite clear that we do not support the opposition’s amendments. I think it is obvious that the opposition is this week trying to divert attention onto every possible issue other than the CPRS. That was just another stunt in the Senate. They wasted several hours that could have been used for a better purpose.

Mr DUTTON (Dickson) (4.55 pm)—The Senate’s amendments to the Health Insurance Amendment (Compliance) Bill 2009 were an opportunity for the government to see common sense, to admit that its cuts to Medicare rebates for cataract surgery were ill-conceived, ill-considered, short-sighted and punitive to patients, in particular to older Australians. This is now the second opportunity the coalition and crossbench senators have given this government and in particular this minister to reconsider and to restore rebates to their previous levels for what is critically important surgery to many Australians. The Minister for Health and Ageing and the government knew their plans to slash these rebates by 50 per cent were not acceptable to the Senate. They knew for months. Indeed, they have known since 8 September, when the coalition and Senators Xenophon and Fielding announced publicly that they would vote to disallow such drastic cuts to these Medicare rebates. The minister’s response was to do nothing for weeks. Then she started a scare campaign, a deliberate attempt to frighten patients, to say that there would be no rebate at all if the Senate disallowed her changes. That was a claim that directly contradicted evidence given by a senior staff member of her department in Senate estimates hearings. The staff member said that, if the Senate disallowed the changes, rebates would revert back to their old levels. So confusion reigned at the highest levels in the minister’s office and among her senior departmental staff, where there were differing opinions.

The coalition took a responsible course to ensure that there was no confusion and ensure that rebates would be restored. We initiated a private member’s bill that would restore any disallowed rebates to previous levels. We gave the government a simple way out of the mess it had created with its bloody-minded determination to force people to pay hundreds of dollars more for cataract treatment. What was the government’s response? It refused to debate the bill. The minister came into the House to claim that she had legal advice that the bill was unconstitutional. The minister said that she was happy to provide that advice and to this day
has refused to make public her so-called legal advice. The coalition has advice from the Clerk of the Senate that directly refutes the minister’s assertion. The Clerk of the Senate said the Health Insurance Amendment (Revival of Table Items) Bill 2009—and, as such, these amendments—was perfectly legitimate and that it was in no way unconstitutional. Further, independent legal advice given to the AMA supported that view. Both of those views are on the public record, while the minister’s so-called legal advice is not.

When the Senate refused to allow the government to go ahead with its savage cuts to the rebates and disallowed them, the minister decided she would ignore the will of the majority of senators. She then introduced a new rebate that amounted to a 46 per cent cut to the rebates rather than the 50 per cent reduction outlined in the government’s budget. So, instead of facing extra costs of just over $300, older patients in particular but patients in general in need of cataract surgery were to be just under $300 worse off. That is where things remain today. Australians needing cataract surgery are having to pay $300 or more for treatment than they did just a month ago. Who are these Australians? As I say, they are mostly senior citizens—pensioners, the people who can least afford to pay more for a treatment that is incredibly beneficial to them and allows them to maintain an independent lifestyle. They are cancelling appointments. They are learning that the alternative is to have the surgery carried out in a public hospital and they are learning that they will wait months and months for treatment.

That is what this government has done. It is punishing patients. Its reason for the halving of rebates is that technology has made treatment ‘quicker, easier and cheaper’, in its words. It argues that greedy doctors are being paid too much. But what does it do in the end? It does not punish the doctors; it punishes the patients. It makes them pay more—and all of this at the same time that the Minister for Veterans’ Affairs is declaring that in his portfolio there will be an increase in the rebate payable for cataract surgery for veterans in need of that surgery. It is completely at odds with the advice that the health minister is providing as part of this debate.

Tomorrow, again, the Senate will tell the government that it is unacceptable. Tomorrow the Senate will disallow the government’s hard-hearted reductions of Medicare rebates to patients. Today the government again is being given the opportunity to reverse its course and restore the rebates to the levels of a month ago. The amendments to the Health Insurance Amendment (Compliance) Bill 2009 moved by the coalition and Independent senators Xenophon and Fielding will ensure that Medicare rebates for cataract surgery revert to the higher level. (Extension of time granted)

These amendments have the same effect as the Health Insurance Amendment (Revival of Table Items) Bill 2009. Specifically, they seek to ensure, as did the private member’s bill, that the disallowance process is workable in relation to the General Medical Services Table. The government can end the pain and anxiety it is causing for thousands of senior Australians by agreeing to these amendments. If it refuses, the impacts of its ill thought through measures are on its head. It will stand condemned for its intransigence on this matter and the thousands and thousands of people—in particular, the older Australians—who need cataract surgery will not forget the government’s attitude to them.

The coalition along with the Independent senators will be insisting on this amendment in the Senate. We put the government on notice. They have had plenty of time to sort this mess out. They have refused to negotiate in
good faith with the ophthalmologists to try to deliver a better outcome to patients. I am concerned that the government have not been able to put forward any advice in relation to supporting the minister’s advice that these operations are taking much shorter periods of time. There is no evidence the minister has been able to put on the table to back up those claims. This is a perfectly legitimate way for the opposition to proceed in relation to these matters. We are going to hold the government to account, because this is a very serious outcome for older Australians in particular but for those patients who need cataract surgery in general.

I seek leave to table advice from Harry Evans, Clerk of the Senate, which confirms the view that this is a constitutional course of action; and also the advice that has been provided to me that had been provided by Blake Dawson—again confirming the claims made by the opposition in relation to the constitutionality of the action that we have taken. I seek leave to table those two documents.

Leave granted.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (5.03 pm) I will speak briefly on some of the additional matters that the shadow minister has raised, because I know that it is to the House’s convenience for us not to debate these at length, given that I think we are all aware that there will be another opportunity in another place and again in the House to do that in the future.

Obviously both the member for Dickson and I have been in this House long enough to know that there are on occasions differences of view between the House and the Senate. Thinking that the will of the Senate, therefore, must be agreed to within the House seems to be turning the idea of democracy on its head somewhat. Similarly, we cannot require that the Senate always share the view of the will of the House. It is a matter that the government will not support. We do disagree to these amendments. We do not believe that they are constitutional. We do not believe, in any case, that they are the mechanism that should be used to deal with a disallowance, which will no doubt be before the Senate again tomorrow.

It will not be a surprise to anyone, either, that on occasions not only are the will of the Senate and the will of the House different but the legal advice from the clerks and provided to the clerks might on occasion be different too. We have, as we have advised the Senate, advice from the Government Solicitor. The Deputy Speaker read advice that had been provided—or obtained; I am not privy to that—by the Speaker. We can argue back and forth about the constitutionality for as long as we like, but the substance of this measure is not agreed to by the government because (1) we do not believe that it is appropriate to delay the introduction of a compliance bill which is in no way related to the level of rebate paid for cataract treatment and (2) we do not believe that taxpayers should be unable to reap the benefit of technological advances when they become available. We can look at international comparisons—I can speak for another half an hour on these—but those issues are all already on the record and I do not think it will further debate today. But it is very important for that to be acknowledged.

I did meet last week with the ophthalmologists—both the college and the association. We are continuing to have discussions with them. Of course, fairly strong disagreements have been registered, but that does not mean that people do not think they can be mature enough to work through to see if there is another way to resolve this matter. It is not going to be resolved by an amendment which means that forever and a day a government is unable to change a rebate for a Medicare item when it has spent $14 bil-
lion just in the last financial year. Taxpayers expect us to have good scrutiny to make sure every one of those dollars is spent well and to the best advantage. For those reasons, the government opposes amendments (1) and (10).

Question agreed to.

Ms ROXON—I present the reasons for the House disagreeing to the Senate amendments (1) and (10), and I move:

That the reasons be adopted.

Question agreed to.

COMMITTEES
Public Works Committee

Report

Mr PRICE (Chifley) (5.06 pm)—On behalf of the Parliamentary Standing Committee on Public Works I present the sixth report for 2009 of the committee relating to the proposed redevelopment of the Villawood Immigration Detention Facility.

Ordered that the report be made a parliamentary paper.

Mr PRICE—by leave—The sixth report for 2009 of the Parliamentary Joint Standing Committee on Public Works addresses the Villawood Immigration Detention Facility project, jointly sponsored by the Department of Finance and Deregulation and the Department of Immigration and Citizenship at an estimated cost of $186 million.

The Villawood Immigration Detention Facility is an essential component of Australia’s immigration detention infrastructure and is in urgent and critical need of an upgrade. The committee found that the current centre is largely inappropriate for housing people who are under administrative detention. It looks and feels like an antiquated prison, offering little recreation space or individual privacy. The committee is well aware of the importance of this facility to Australia’s migration system and was concerned to ensure that the redeveloped centre would both be operationally effective and respect the rights of detainees. The report’s nine recommendations focus on this outcome.

The committee has recommended that the works proceed, with some recommendations to be implemented immediately, including providing a lockable space for each detainee and ceasing use of the loudspeaker paging system, as it breaches detainees’ privacy. However, the committee has reserved its judgement over certain elements of the project, recommending that the final designs and costings be brought to the committee prior to construction commencing. This is because the committee is not confident that the existing buildings can be adequately retrofitted to afford dignity to detainees or cope with surge conditions. In addition, the committee was concerned that no decision has been made on the stage 1 high-security facility, which will be phased out of use. This facility is so inappropriate that the committee has recommended that it be demolished. The committee has also recommended that, in line with the centre’s being renamed the Villawood Immigration Detention Facility, accommodation sections within the facility be renamed—less formally—to help break down some of the institutional culture of the facility.

The committee was pleased to note that as a result of its 2005 inquiry into the Maribyrnong Immigration Detention Facility the department now has written standards for the design of immigration facilities. In recognition of the importance of this document the committee has recommended that it be accredited by Standards Australia to ensure that all future facilities are of the highest possible standard.

The committee received submissions from local residents concerned about security and site management and has recommended that
the proponent agencies work more closely with the local council and residents throughout the redevelopment. The committee met with a group of detainees at the centre. This meeting informed much of the committee’s deliberations on the state of the current centre, and the committee is grateful for the detainees’ input.

On a personal note, I find some satisfaction in this report as I was involved in the review of detention centres by the Human Rights Subcommittee of the Parliamentary Joint Committee on Foreign Affairs, Defence and Trade. I say to all senators that I think it is high time that the eight hours of in camera evidence from the department and from detainees should finally be released. I thank the members and senators on the committee for their work in relation to this inquiry and commend our very professional committee secretariat staff, who have done a wonderful job. I commend this report to all honourable members.

Public Works Committee
Report

Mr PRICE (Chifley) (5.11 pm)—On behalf of the Parliamentary Standing Committee on Public Works I present the seventh report for 2009 of the committee relating to referrals made August to October 2009.

Ordered that the report be made a parliamentary paper.

Mr PRICE—by leave—The seventh report for 2009 of the Parliamentary Joint Standing Committee on Public Works, Referrals Made August to October 2009, addresses six works located from Queensland to Afghanistan and from Sydney to Paris—although I did not travel to those locations, I point out. Together these projects represent $1.7 billion worth of infrastructure investment. In each case the committee has recommended that the House of Representatives agree to the works proceeding. The works in this report are: defence housing at the Gordon Olive Estate in McDowall, Brisbane, for Defence Housing Australia, at an estimated cost of $27.2 million; defence housing at Larrakeyah Barracks, Darwin, also for Defence Housing Australia, at an estimated cost of $52.4 million; Midlife Engineering Service’s refurbishment of the Australian Embassy in Paris for the Department of Foreign Affairs and Trade, at an estimated cost of $28.3 million; enhanced land for a stage 2 facilities project for the Department of Defence at 12 defence bases and training areas of Australia, at an estimated cost of $1.457 billion; redevelopment of Tarin Kowt in Afghanistan, also by the Department of Defence, at an estimated cost of $86.4 million; and tropical marine research facilities in Townsville and Cape Ferguson for the Australian Institute of Marine Science at an estimated cost of $49.5 million.

This report demonstrates the breadth of projects regularly considered by the committee, and the committee is pleased to table a report that is so diverse in both subject matter and geography. The works approved by the committee in this report will help protect Australian soldiers serving in Afghanistan, develop internationally unique marine research facilities, provide housing for members of the ADF and their families, ensure the viability of one of Australia’s best-known embassy buildings and provide the Army with facilities for its expansion.

The committee was pleased throughout the inquiry process to have a number of submissions from members of the public about projects under consideration. The committee was particularly pleased to note that practical solutions to some project issues were developed through discussion amongst witnesses at the hearings. The committee will continue to promote broader community consultation and discussion as an essential part of all projects as members have seen
repeatedly how this leads to tangible results. In respect of the enhanced land force stage 2 project, for example, the committee has recommended that the Department of Defence develop a consultation protocol to ensure that it mirrors the consultation required under routine local planning procedures. This is particularly important for Defence given the constraints imposed increasingly on established bases by growing urban areas. There is sometimes a tension between competing priorities and, whilst everyone demonstrates considerable interest in working towards a practical and workable solution, the committee felt that Defence needs to be more explicit as to how it intends to consult.

Given the obvious diversity of projects considered by the committee, it is worth noting some of the common threads running through the proposed works. In each case the committee has sought to ensure that agencies plan and design facilities with reference to local climate and weather conditions. The committee has also placed an emphasis on the environmental sustainability of each project as a whole including demolitions, adaptive re-use, new construction and the ongoing use of facilities. The committee inquired about the flexibility of projects and the capacity for future expansion of planned facilities as well as their impact on the nearby community. The committee was pleased to note that agencies are attentive to these considerations throughout the planning, design and construction process. Again I would like to thank the serving members and senators for their work in relation to these inquiries. Again I would like to commend our very highly professional and competent staff that serve the committee so well. I commend this report to the House.

STATUTE LAW REVISION BILL 2009 AVIATION TRANSPORT SECURITY AMENDMENT (2009 MEASURES No. 2) BILL 2009

Referred to Main Committee

Mr PRICE (Chifley) (5.16 pm)—by leave—I move:
That the bills be referred to the Main Committee for further consideration.

I indicate to all honourable members that the Chief Opposition Whip, the honourable member for Fairfax, concurs with this motion.

Question agreed to.

NATIVE TITLE AMENDMENT BILL (No. 2) 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 LAURIE FERGUSON (Reid—Parliamentary Secretary for Multicultural Affairs and Settlement Services) (5.18 pm)—by leave—I move:
That this bill be now read a third time.

Question agreed to.

Bill read a third time.

COAL MINING INDUSTRY (LONG SERVICE LEAVE FUNDING) AMENDMENT BILL 2009

Second Reading

Debate resumed from 18 November, on motion by Ms Gillard:
That this bill be now read a second time.

Mr KEENAN (Stirling) (5.19 pm)—I rise to speak on the Coal Mining Industry (Long
Service Leave Funding) Amendment Bill 2009. I say from the outset that the coalition does not oppose this bill. This bill will, if passed by both houses, ensure that the existing sector-specific long service leave arrangements for the coalmining industry can continue beyond 1 January next year. Currently, the sector-specific long service leave provisions to which this bill relates are contained in industry-specific awards. These awards require the payment of a levy to the relevant fund by an employer from which the employer may seek reimbursement where they have made a payment of long service leave to an eligible employee. This bill is necessary as from 1 January next year Labor's system of so-called 'modern awards' will apply. These awards do not contain a provision for long service leave. It is the understanding of the opposition that the government intends that long service leave become one of its national employment standards.

We were told, during the debate on the Fair Work Bill and subsequent legislation, that the government, in conjunction with the particular department and state governments, will be developing standards provisions for long service leave entitlements around the country. On this point, a question that looms large in my mind is exactly how these standardised provisions for long service leave will apply. These awards do not contain a provision for long service leave. It is the understanding of the opposition that the government intends that long service leave become one of its national employment standards.

I will move firstly to the New South Wales situation. In that state the entitlement is for two months leave after 10 years of continuous service. Thereafter, there is one month of leave for each subsequent five years of continuous service. I note that the entitlement on termination in New South Wales is that if an employee terminates for any reason then they will receive a full payment of their entitlement after 10 years of service. A pro rata amount applies for the five-year period immediately after the 10-year service trigger. I also note that for between five and 10 years of service an employee might be eligible for pro rata long service leave on termination of employment if that termination occurs at the initiative of the employee—on account of illness, incapacity or domestic or other pressing necessity—or where an employer terminates an employee for any reason other than serious or wilful misconduct. And I note that in New South Wales, unless the employee has had five years of service, there is no obligation for an employer to pay any entitlement to long service leave.

In Victoria, the system is reasonably similar, but there are still some minor differences. For example, in Victoria there is no entitlement for long service leave for any employee that has had less than 10 years of service. For between 10 and 15 years of service, an employee can receive a payment for their accrued long service leave on termination for any cause and for any reason, other than if the employer terminates the employee for serious or wilful misconduct. And, after 15 years of service, an employee who terminates for any reason will receive the payment of long service leave.

In Queensland there are differences as well. In that state, the Queensland Industrial
Relations Act provides that employees will receive over 8½ weeks—8.6667 weeks, to be precise—on completion of 10 years continuous service. Further leave is available for each additional five years of continuous service. On termination after 10 years, an employee is entitled to receive the payment of their long service leave entitlement for any cause. However, in relation to an employee who has completed less than 10 years of service but more than seven years of service, they may be eligible for pro rata leave should they be terminated by their employer for any reason other than the employee’s conduct, capacity and performance, or by death of the employee for whom the entitlement has accrued. However, where an employee has completed less than seven years of service there will be no entitlement. This is different to the Victorian and New South Wales systems.

In South Australia, the entitlements to long service leave are different. In my home state of Western Australia, there are also subsequent variations. The same goes for Tasmania, as it does in both of the territories. So in all of the eight jurisdictions around Australia there are slight differences in how an employee can accrue long service leave. I bring these differences to the attention of the House because, based on what we have seen about how Labor operates in government, we hold concerns, given this existing patchwork of legislation that currently exists throughout Australia, about how the government will go about standardising a system of long service leave.

In particular, the opposition is concerned about what guarantee the government will give in relation to either employers or employees going backwards with respect to long service leave entitlements and conditions. As I have detailed, there are substantial differences between the amounts of accrual, the circumstances upon which the entitlements can be paid out to workers and in particular the pro rata provisions applying in each state or territory. We are concerned that, if the government seeks to standardise long service leave arrangements across the country, it will result in a situation akin to the intentions and the promises made by Labor with respect to the bungled and botched modern award process.

I need not remind the House that, after introducing the fair work legislation into parliament, the minister gave us a promise that workers would not be worse off as a result of those changes. Subsequently we were given a promise, or the Australian people were given a promise, that the aims and intentions of the modern award system would include a requirement that no increase in labour costs would be borne by employers. There was a dual promise given to this House and to the Australian people, firstly, that no employee would be worse off as a result of the changes through the modern awards and, secondly, that no employer would face increases in their cost base.

We have seen, since these promises have been given, that they have been nothing more than hollow and false promises that the government has failed to deliver on. Australian workers and business have every right to feel ripped off as result of the award modernisation process and the outcomes it has delivered. We have seen business, particularly small business, very concerned about the increased labour costs they will be facing as a result of the award modernisation process. Retailers in New South Wales will have increased operating costs of up to 22 per cent per year. The pharmacy sector have indicated that they will have to curb trading hours for that sector, resulting in reduced services to the community and reduced service for people seeking access to medical assistance and the advice of a registered pharmacist.
The hotel sector in Western Australia is predicting that as a result of the modern award process it will lose, within that sector alone and within the one state of Western Australia, between 300 and 400 employees. The Queensland Newsagents Federation has stated that as a result of modern awards a newsagent employing just one casual employee will have a cost increase of over 31 per cent per year. I can continue to list these adverse results from the award modernisation process, but I have detailed those concerns extensively in the House before. However, I wanted to highlight them again in relation to the government’s desire to standardise long service leave arrangements around the country and to say that the opposition remains very concerned about how they are going to go about this. We remain very concerned that they will not go down the same path that they have adopted in relation to modernising the award system.

We would be very concerned, as an opposition, if the process of standardising long service leave entitlements resulted in further spin and further hollow promises about the effects that it will have on workplaces. We are very concerned on behalf of business, particularly small business, that their costs may increase as a result of seeking consistency regarding the application of long service leave. We would also be most distressed if Labor’s attempts to standardise these provisions resulted in workers being worse off. To this end we call for the government to make it clear to the Australian people, and everybody in Australian workplaces, exactly what their intentions are with respect to the standardisation of long service leave. We seek from the minister some guarantees and an undertaking that the botched and bungled approach that she has taken to modernising the awards system will not be repeated in relation to such an important entitlement as long service leave.

These concerns aside, I note that this bill continues the existing scheme applicable in the coalmining industry for workers and employers. Had this bill not received the support of the opposition, it would have resulted in a circumstance from the beginning of next year where employers and employees might not have been covered by an appropriate system of long service leave regulation. It is likely that they would have had to revert to their relevant state systems.

We are pleased that this bill is a result of discussion between industry representatives—the Minerals Council and the relevant mining unions. I am also pleased that other stakeholders potentially affected by this legislation, including the Australian Mines and Metals Association and the Australian Industry Group, have not indicated that they hold any concerns about this legislation. However, our position on this bill should not be taken to represent any future view that we have with respect to long service leave generally and, in particular, any system of portable long service leave. Whilst we do recognise that in this particular sector there have been longstanding arrangements and agreements between stakeholders about long service leave arrangements, they are specifically applicable to this industry and it is not the case for all other sectors. We will reserve our position in relation to any future development in that area. However, we will not be opposing this bill.

We do believe that it is necessary to reiterate the call to the government and the Minister for Employment and Workplace Relations to make sure that when developing a standardised system of long service leave there is a degree of consultation and cooperation between stakeholders—including the opposition—at all levels. This is something the minister consistently fails to do. We see today she has run around expecting the opposition to make up for her inability to man-
There needs to be an underlying fundamental approach taken to this standardisation and it must be different from the bungled modern awards process. We do not want to hear more hollow rhetoric and spin from this minister. We do not want her to make promises to the Australian people that she cannot keep, and we will be watching very closely as her proposals to develop standardised long service leave arrangements are developed.

Ms LIVERMORE (Capricornia) (5.31 pm)—I rise today to support the Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009. This bill shows the Rudd Labor government’s continued commitment to the coalmining industry and, particularly, to those thousands of men and women, who are the backbone of the industry, working in coalmines and to the coalmining communities of the Bowen Basin in my electorate. The coal industry has a unique set of arrangements for the accrual and payment of long service leave entitlements, dating back to 1949. This bill will guarantee the continuation of the long service leave arrangements in the black coal mining industry. Specifically, the amendments will clarify that the long service leave entitlements that have been preserved within the Fair Work Act 2009 will be covered by the Coal Mining Industry (Long Service Leave Funding) Act 1992. This bill means that employees in the black coal mining industry can be secure in the knowledge that their long service leave entitlements remain unchanged. Employers know that they will continue to be reimbursed by the Coal Mining Industry (Long Service Leave) Fund for long service leave payments that they make to individual employees.

The bill will establish definitions of ‘black coal mining industry’, ‘employee’ and ‘employer’ and also adjust the definition of ‘eligible employee’ in the funding act to ensure that the scheme applies universally in the black coal mining industry. As we have heard, in the coalmining industry employees are entitled to long service leave based on their time in the industry, not their time with an individual employer. Mobility of the workforce has always been a feature of the coalmining industry, and the ever-increasing demand for skilled miners will make it even more likely that miners will move from mine to mine and employer to employer as opportunities open up for them. The scheme was designed to accommodate this mobility as well as protect the entitlements of miners in the event of company insolvency. That is not such a problem these days, but it was a definite consideration in the original establishment of the scheme.

Funding for long service leave is maintained by an industry scheme created by the Coal Mining Industry (Long Service Leave Funding) Act 1992 and related legislation. Under this act, employers are reimbursed from the Coal Mining Industry (Long Service Leave) Fund for any long service payments that are made to an employee. From January 2010 the current industry awards covering long service leave will be taken over by ‘modern awards’ under the Fair Work Act 2009. Modern awards will not include long service leave entitlements. Instead, existing award based entitlements will be preserved as a statutory entitlement under the National Employment Standards, pending development of national long service leave arrangements. Due to these changes, and as the funding act does not currently cover entitlements determined by the National Employment Standards, employers will not be entitled to reimbursement for the fund in respect of the long service payments they make to employees. This bill will ensure that this situation is rectified.

The amendments that this bill represents will ensure that as of 1 January 2010 em-
Employers will be entitled to reimbursement from the fund in respect of long service payments that they make to employees pursuant to the preserved entitlements in the Fair work Act. This is in addition to the current arrangements for reimbursement of entitlements paid under industrial instruments and contracts. The changes in this bill will not affect an employee’s long service leave or an employer’s long service leave fund obligations. It guarantees that employees will not lose their current long service leave entitlements.

This bill contains only minor technical amendments but, in doing so, provides certainty and security for employers and employees in the black coal industry. It recognises—and the government recognises—the unique history of the industry and its special significance to regions like Central Queensland. There can be no doubt that the government recognises the vital importance of the coal industry as our biggest exporter, a major employer and a driver of economic growth.

I remind the House that, contrary to the scare campaign mounted by the Australian Coal Association in recent months, the latest Treasury modelling shows the coal industry growing by at least 50 per cent by the year 2050. Consistent with that, we will see 10,000 new jobs created in the coal industry in the next 10 years. The ads paid for by the coal companies might be convincing if it were not for these and other independent predictions, and the evidence all around us in Central Queensland, that the industry is strong and is in fact gearing up for further growth.

As members know—and they know because I keep telling them—there have been some major announcements for the Central Queensland coal mining industry in the last few months. Only last week the Rudd Labor government granted major project facilitation status to Waratah Coal’s proposed northern export facility infrastructure project. This gives support to a $7.5 billion commitment to develop a new coalmine as well as associated rail and port facilities in the Galilee Basin, near Alpha, which is just west of my electorate of Capricornia. This mine will service the international export market for thermal coal. In addition to the mine, the project will involve construction of a railway potentially in excess of 400 kilometres long, depending upon the option chosen, to transport processed coal to an expanded facility at Abbot Point, near Bowen, or to a new export terminal to be established at Dudgeon Point. New major water and power supply infrastructure would be necessary to service the mine and port. The proposed open-cut mine is expected to be developed in stages and have an initial export capacity of 30 million tonnes per annum with a mine life in excess of 30 years. Initial exports are targeted for 2013. Construction of the mine will involve an estimated 6,000 jobs.

This is a massive investment in the mining industry in Central Queensland. Importantly, it is another example of the disconnect between the claims of the Coal Association and those opportunists who see political advantage in opposing the CPRS and the reality of what is happening in the coal industry, where companies are backing their belief in the future of the coal industry with substantial amounts of money. Talk in this debate is cheap—unless you are talking about the Coal Association’s ads—but the big-dollar investments going on all around us tell the real story.

Members who have heard me speak in the last few weeks will know that there is even more to the story. Just two weeks ago a new coalmining deal was announced between Stanwell, a power generator in my electorate, and Wesfarmers. This will see the Curragh...
mine, at Blackwater, expanded, creating up to 300 construction jobs. This agreement will also create 90 full-time positions in a long-term boost for the Central Queensland economy. The new deal allows coal from Stanwell’s excess reserves to be mined by Wesfarmers, with Stanwell to share in the revenue generated from the export of the coal.

There is also more to come for Central Queensland, with Xstrata accelerating its proposal to build Queensland’s fourth coal port, at Port Alma, along with its plans for a new billion-dollar harbour between Gladstone and Rockhampton. This would service the Wandoan Coal project, which has the potential to become Australia’s most productive coalmine. This terminal would provide 100 full-time jobs and could export up to 100 million tonnes of coal. Extensive environmental impact investigations have already been done on this area. If all goes well, work will commence as early as 2012 and Port Alma may be able to ship coal by 2014.

As you can see, Madam Deputy Speaker Burke, there are great developments happening in the coalmining industry in Central Queensland that will create jobs and continue to boost our economy. We on this side of the House believe that coal has a strong future. We also want it to have a sustainable future. That is why the government is making huge investments in accelerating the development of clean coal technology through its support for carbon capture and storage. We are contributing millions of dollars towards carbon capture and storage projects and demonstrating international leadership through the establishment of the Global Carbon Institute.

The Rudd Labor government is committed to securing the future of the coal industry through these investments in research and development. All the evidence tells us that coal will continue to be a major source of energy for the world well into the future, but we cannot ignore the imperative to reduce carbon emissions. The future for Australia’s coal industry lies, therefore, in exporting not just coal but also the technology that will enable our overseas customers to generate low-emission energy.

The government’s support for the coal industry cannot be questioned. It was further confirmed today in the offer made to the opposition to amend the Carbon Pollution Reduction Scheme to increase transitional assistance to coalmines. Overall, we are putting forward a total of $1.5 billion for the coal industry over the first five years of the scheme. As announced by the Minister for Climate Change and Water earlier today, there will be two components to this assistance—if it is agreed to by the opposition, of course. The Coal Sector Adjustment Scheme will provide free permits to the most emissions intensive mines. This will enable the fugitive emissions carbon liability for the most gassy mines to be reduced from around $20 per saleable tonne of coal to around $5 per tonne at a carbon price of $25 per tonne. I stress that this refers to the most gassy mines. We should not forget that many mines will face a carbon liability of less than $1 per tonne of saleable coal under the CPRS.

I noted in a speech last week—and, Madam Deputy Speaker, I think you were in the chair when I made the speech—that Macarthur Coal reported a drop in its profits. The losses were attributed to unexpected demurrage costs for ships waiting to load from Dalrymple Bay coal loading facility. They also referred to the impact of the strong Australian dollar. I mention that because it highlights the many factors that go into the profitability of coalmines and puts into perspective the additional cost that carbon permits represent for companies. It is less than $1 per tonne for some mines. When companies are selling coal for $65 or $80 per tonne,
or even more, and are subject to many more costs—not to mention state government royalties—that does not sound like the end of the world for the majority of mines.

Of course, the CPRS has always included compensation targeted to the most gassy mines, and today’s announcement represents an offer to increase that targeted compensation. In addition, there will be a coalmining abatement fund within the Climate Change Action Fund. The coalmining abatement fund will be increased by $20 million to a total of $270 million. It will fund coalmine abatement projects and capital grants, with priority for waste coalmine gas electricity generation projects. Coal companies in my electorate have already entered into successful partnerships with waste coal gas generators such as Energy Development Ltd and Envirogen to use their fugitive emissions to generate electricity, thus abating fugitive emissions while also displacing emissions intensive coal fired power generation.

I welcome the measures put forward by the government to facilitate the expansion of such partnerships because I know there is real scope for that to create jobs and benefit communities in my electorate as well as making a significant contribution to reducing carbon emissions. Specifically, I support the possibility, announced today, of a review of the renewable energy target, through the COAG process, to consider whether new waste coalmine gas projects should be eligible under the renewable energy target.

On this the second anniversary of the election of the Rudd Labor government I want to assure all coalminers and their families, particularly the members of the CFMEU, that I have not forgotten the tremendous support you gave me in our fight against WorkChoices. It was a mighty battle and a successful one. Work Choices is gone and the Labor government wants to provide to workers in the coalmining industry the security they deserve as they work hard to bring this country unprecedented prosperity. This bill adds to that security by preserving the coalmining industry long service leave arrangements that have served employers and employees in the coalmining industry well for so long. I commend the bill to the House and, by the way, I also commend to the House the government’s offer to amend the CPRS.

Mr WINDSOR (New England) (5.45 pm)—I also rise to support the Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009. I listened closely to what the member for Capricornia had to say. Some of it was not quite related to the bill, but that may give me some degree of licence in the Deputy Speaker’s mind.

The DEPUTY SPEAKER (Ms AE Burke)—I think that is up to me to determine, Member for New England! Please proceed.

Mr WINDSOR—The coal industry is on everybody’s lips at the moment. I guess, with the current debate in relation to emissions trading and other issues. The coal industry, as the member for Capricornia said, is a very important industry in a lot of our electorates. The coal industry has been active for well over 100 years in various parts of the electorate of New England and west of the electorate, more towards the Gunnedah Basin. There are a number of initiatives, some of which the government is looking to assist with. As most members would know, the electorate of New England—or the Bog gabri, Gunnedah, Quirindi coal basin—is just over the Liverpool Range from the Hunter Valley, which is the member for Hunter’s electorate. That links our area with the Port of Newcastle. The Port of Newcastle has had quite massive expansion in coal loading capacity. From memory, with a third load, they
will be able to handle something like 120 million to 130 million tonnes of coal annually, which will make it the biggest coal exporting port in the world, I am told. So the Hunter Valley, Newcastle and the lower part of New England in particular—although there is some exploration of coal reserves going on in the northern part of New England—will be very significant contributors to the export earnings of the state of New South Wales.

Currently there is a proposal before the Australian Rail Track Corporation. Minister Albanese is well aware of this. Some hundreds of millions of dollars were set aside in various infrastructure programs to rebuild a pathway through the Liverpool Range which will increase the capacity of the trains coming out of the New England area and down into the Hunter. Currently there is a range, which is at the top of the Murray-Darling system, which I will refer to in a moment, and a tunnel where trains have to be physically pushed and pulled. There have been a range of incidents there over the years. The capacity of those trains is quite restricted because of the height of the tunnel through the range. The Australian Rail Track Corporation have in train a number of feasibility arrangements to look at proposals—some above the ground and some below ground by way of a tunnel—which will increase the capacity. I would encourage the government—particularly the minister who made certain assurances in here that this would be part of the stimulus package—to make sure that this program goes ahead, not only for the coal industry and for the workers who will be receiving long service leave through this legislation but for the economy of Newcastle and other areas, as well as the nation.

The other issue that I would like to mention is the long-term future of the coal industry and where it locates. I am aware that in Queensland there are issues in some parts about the granting of exploration licences to coal companies in what some people would view as fairly sensitive lands. Some people in the chamber and those listening may well have watched the Four Corners program about two months ago that looked at exploration licences that were granted to BHP Billiton and a Chinese company called Shenhua that were proposing to explore for coal on what is called the Liverpool Plains. The Liverpool Plains are part of the flood plain that comes off the Liverpool Range that I talked about a moment ago where the new tunnel is being looked at. That particular range is at the top of the Murray-Darling system in that part of the world. The drainage system that comes off the Liverpool Range onto the Liverpool Plains—which, in fact, over hundreds of thousands of years has formed this magnificent flood plain, interspersed with a degree of sandy ridges—has magnificent soil, some of the best soil in the world. There is a current debate about the granting of the coal mining exploration licences to BHP and the Chinese company Shenhua. There is great concern about the impact of particularly longwall mining, which BHP proposed to put in place, but also of the open-cut mine that Shenhua is looking at. There is great concern about the impact that the mining plans could have on the underground water systems. There are quite large underground aquifers in that area that are currently used for irrigation in a sustainable way. A major adjustment process took place earlier this century.

The proposal to mine some of that land is of great concern to landholders in the immediate area who are normally affected by coalmining. I am not against coalmining. I live within a kilometre of a coalmine and I do not have any issues with them. In fact, as a state member I assisted them to develop in other parts of the electorate. The issue here really is not about whether or not coalmining is a good thing; it is about the impact of an
activity such as coalmining, and maybe other activities, on the demeanour of the land form that may well be mined—in this case an aluvial flood plain underpinned with these massive groundwater resources. The critical point, and the question that is yet unanswered, is the need for an independent scientific water study to ascertain the relationship between the land and the water—the groundwater systems that are there—and how they are interconnected as well as their relationship with the Murray-Darling system through the Namoi River. That was the point that the Four Corners program took. We need to ascertain the science of these systems before a disturbance from an activity such as mining takes place; otherwise, the damage that we do could in fact be irreparable.

There are massive coal reserves in these two exploration sites—over a billion tonnes between the two sites and the two sites are only about 10 kilometres apart. It is massive, and it is massive dollars. The sites are massive groundwater systems and they have some of the best soils in the world. So we have this collision point that is going to occur in this place, even though the granting of mining licences is essentially a state issue. The collision point will be in this building rather than the state building because of the legislation that was passed last year on the Murray-Darling Basin arrangements, putting in place a process for the future whereby the basin is actually looked at as one rather than as part of four states.

There is great concern that, if mining proposals do go ahead before the science of the hydrology of the system—the hydraulics of the groundwater systems—is fully understood, there could be irreversible damage done to the connectivity of those systems, the quality of the water in those systems and part of the recharge area of the surface water system itself. In a sense it makes a mockery of the Murray-Darling Basin arrangements. I do not blame them for this—they have been given their riding instructions—but they are trying to put together a water audit with end-of-valley caps which will eventually end up with a plan for the basin whereby certain extraction activities can occur. Then the allocations et cetera will flow from there, and the environmental benefits will be gauged as one catchment. The Haystack Plain area on the Darling Downs is a similar area with slightly different problems but, nonetheless, is part of the Murray-Darling system.

If we allow these mining activities to occur in these very sensitive areas, it could have enormous implications for water quality, particularly given the much higher salt levels which could be extracted from that mining area even than the methane gas that is also there. We need to fully understand the science of the hydraulic nature of the Namoi system and the proposed coal activities. As I explained in another speech, the Liverpool Range provides the hydraulic push for the groundwater systems. Through this enormous valley, the surface water ends up going through a neck of land about six kilometres wide and then fans out again as it goes towards Gunnedah. You have about 150 kilometres of this system and we have very little knowledge of the groundwater and surface water issues.

Right at the worst possible point, we have a potential proposal from BHP Billiton to long-wall mine across this system. I have absolutely no idea of what that will do to the hydraulics of the system or the hydrology or the quality of the system. I know that if you long-wall a mine under a flat plain it falls in. That has a whole range of other issues as well which, under the Murray-Darling arrangements will probably not be allowed to occur. BHP is suggesting that they might just mine in the ridges and they fully do not understand—no-one does—the relationship between one side of the ridge and the other
as to the groundwater that is being driven
through that system.

I raise those issues just so that the parlia-
ment is aware that there is great concern out
there. If we want people working in a sus-
tainable farming system and a sustainable
mining system into the future where people
can access their long service leave for long
periods of time into the future, we really
need to look at these systems and the need,
particularly within the Murray-Darling sys-
tem, for what is called a bioregional assess-
ment. The Commonwealth again might well
have to provide a lead role here. The Com-
monwealth has taken the lead role in the
Murray-Darling system itself and what we
may need to do now is actually plan the ac-
tivities, or risk assess the activities, which
can and cannot occur within various parts of
that catchment. I suggest that on the Liver-
pool Plains in particular, because of the sen-
sitive nature and the relationships between
water, soil and food production in one of the
best food-producing areas in the nation, we
should tread very lightly on this. If need be,
we should not allow these activities to occur
before we do a comprehensive and proper
bioregional assessment of the assets that are
there and the potential risk to those assets of
certain other activities—in this case, mining.

The other issue that I will raise briefly is
the failure of the planning system in New
South Wales to really address issues such as
mining in some of these sensitive areas. Cur-
rently, as most people are probably aware,
part 3A of the Environmental Planning and
Assessment Act is the trigger mechanism for
allowing a mine plan to proceed from an ex-
ploration licence through to something that is
real and focused. That legislation—and some
of the other legislation that impacts on min-
ing approval—does not mention water once.
The word ‘water’ is not included in that
process once. We really have not looked at
how the state legislation and approval proc-
esses and the new Murray-Darling Basin Au-
thority and the federal Water Act are going to
react, if in fact they do run into each other in
terms of legislative assessment. We need to
do that.

Essentially what the state based planning
process does is assess a mining application:
look at the site, make sure that nothing can
get away from that site and, if something
goes wrong, it is held within that site, and
look at the land immediately adjacent to the
site. In some cases, the miner may have to
buy that adjacent land so that the distur-
bances to neighbours et cetera are taken care
of. It is a fairly simplistic process. But when
you are dealing with an underground water
system like the one that feeds the Murray-
Darling system, the impacts may well occur
hundreds of kilometres away from the mine.
The argument is, ‘If something goes wrong,
you just compensate the people around
you—pay them some money or come to
some arrangement.’ But that does not allow
for the unknown nature of the science in
terms of the push, the drive, on those sys-
tems from the Murrurundi range right
through to Walgett, which is probably 350
kilometres—and it probably goes further that
we do not even understand. You cannot have
a state based process that only looks at the
small area where the mining activity is going
to occur, if it is in an area where you have
these other systems.

I am pleased to see the Minister for Re-
sources and Energy here. I am about to con-
clude. It is very difficult when we do not
have a full understanding of the science of
those groundwater systems. The minister
would be aware of these issues, so I will not
bore him with them, but the relationship be-
tween the state based mining approval proc-
esses and the Murray-Darling Basin ar-
rangements really does need to be addressed.
A possible solution for the mining compa-
nies, the farm organisations and the farmers
themselves in the communities is an appropriate bioregional assessment of the assets—mine wise, food wise and water wise—in these regions so that we can assess them for the benefit of all into the future. I support the legislation.

Mr TREVOR (Flynn) (6.03 pm)—I wish to support the Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009, a bill that will ensure the unique long service leave arrangements that are already in place in the black coal mining industry will continue to operate as effectively as they have been. The bill will clarify that the existing long service leave entitlements preserved by the Fair Work Act 2009 will be covered by the funding act and will effectively preserve existing arrangements for hardworking employees in the black coal mining industry with respect to long service leave. The bill will also ensure employers that make long service leave payments to employees are reimbursed from the fund. Other changes include the introduction of definitions of ‘black coal mining industry’, ‘employee’ and ‘employer’ and the amendment of the definition of ‘eligible employee’ to make certain that the scheme applies universally in the black coal mining industry.

The bill is about providing certainty for the workers and employers of the black coal mining industry. It is about providing rock-solid legislation that will not only preserve the current security that is felt by the workers of the industry with regard to their long service leave entitlements and the reimbursement of employers in the industry for long service leave payments but also ensure its future longevity. This bill will update the laws to allow them to work cooperatively with the modernisation of the workplace relations systems and guarantee a secure, certain future for the employers and employees of the black coal mining industry in relation to long service leave.

Under the current legislation, long service leave entitlements are dictated by industrial instruments, namely awards and workplace agreements, and from contracts of employment. The important factor to note is that, unlike in many other industries, the eligibility of an employee in the black coal mining industry for long service leave entitlements is determined by their length of service in the industry, not their service with a particular employer. Their length of service with a particular employer has no impact on their eligibility for long service leave entitlements. It is determined independently by their length of service in the industry. Currently this is supported by an industry scheme established by the Coal Mining Industry (Long Service Leave Funding) Act 1992 and other related legislation, including the Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992 and the Coal Mining Industry (Long Service Leave) Payroll Levy Collection Act 1992. The bill today is amending the Coal Mining Industry (Long Service Leave Funding) Act 1992 and the other legislation I have just mentioned.

The amendments in this bill aim at ensuring that the long service leave scheme applies universally in the black coal mining industry. This will be achieved by introducing a definition for ‘black coal mining industry’ in the funding act, which flows through to the other related legislation. This definition has been added to align the act’s definition with the definition in the coal award, which will effectively provide consistent coverage. In particular, this amendment will ensure that the reimbursement of employers from the fund for long service payments made to an eligible employee are matched over time by contributions into the fund with respect to that employee. It will also make sure that the long service leave entitlements of employees are portable.
The bill will also introduce definitions for 'employee' and 'employer' and will amend the definition of 'eligible employee'. These definitions will be made more accurate by these changes to provide clarity as to their meaning and make certain that the scheme applies universally in the black coal mining industry.

Another change that this bill will bring that will assist further with the universal application of this long service leave scheme for all workers in the black coal mining industry pertains to the allocation of the Coal Mining Industry (Production and Engineering) Consolidated Award 1997 to be extended to all eligible employees who do not otherwise have long service leave entitlements derived from an award. This effectively means that all eligible employees who do not have an award-derived long service leave entitlement will be deemed to have such an entitlement by reference to the main industry award. This will ensure that the bill will apply to all workers in the black coal mining industry by providing scope for more people to have coverage for their long service leave entitlements, which will in turn ensure that more employees of the industry can receive their long service leave entitlements and all employers of these eligible workers can be reimbursed for the long service leave payments that they make to them.

These amendments and additions aim at ensuring that all employees in the black coal mining industry are granted the long service leave entitlements they deserve. Industry stakeholders have suggested to the government that these definitions and changes will provide greater certainty to the scope and definition of the existing scheme, which seems logical and sensible and is thus the reason they have been included.

Another of the major amendments in this bill aims at protecting employers within the black coal mining industry by ensuring they are reimbursed for any long service leave payments they make to eligible employees in respect of their long service leave entitlements. In the past, employers have been reimbursed for these payments from the Coal Mining Industry Long Service Leave Fund, as stipulated in the funding act. The issue that has arisen with this particular aspect of the legislation is that once the present industry awards are superseded by the modern awards under the Fair Work Act 2009, which will not include long service leave entitlements, the funding act will not cover the reimbursement. This is because of the change in legislation covering long service leave entitlements. Existing award based entitlements will be preserved as a statutory entitlement under the National Employment Standards, pending of course on the development of national long service leave arrangements. As the funding act does not currently cover entitlements determined by the National Employment Standards, employers will not be entitled to the reimbursements.

Fortunately, the amendments in this bill will change this and prevent the situation from occurring. The changes ensure that employers will be entitled to reimbursement from the fund for any long service leave payments they make to employees pursuant to the preserved entitlements in the Fair Work Act 2009, which is in addition to the current arrangements for their reimbursement of entitlements paid under industrial instruments and contracts. Although this is a vital change, it will have absolutely no impact on employees’ long service leave entitlements or employers’ long service leave fund obligations; it is merely correcting a technicality.

The amendments in this bill will act to preserve the arrangements already in place for employees in the industry. For the people of Flynn, where numerous deposits of black
coal are located, this is an extremely positive step towards maintaining the conditions they are currently operating under. It will ensure that the hardworking men and women of Flynn who are working in coal will continue to receive their long service leave entitlements and that many new workers in the black coal mining industry can accumulate and achieve their long service leave entitlements as well. It will mean that they will not miss out on their entitlements, and it will also mean that employers will continue to be reimbursed for the payments of these entitlements to eligible employees. Overall, this means more employees in the black coal mining industry will be covered in terms of long service leave and their employers will continue to be reimbursed by the fund for long service leave payments made to eligible employees. The black coal mining workers and employers not only in my home electorate of Flynn but across Australia will benefit from this bill. This is great news.

It seems obvious that passing this bill is a positive step towards retaining the current arrangements with regard to the long service leave entitlements for both the employers and the employees in the industry. It has the best interests of the men and women working for, and the employers of, the industry. The bill has the support of key stakeholders from the industry. By passing the bill, we can put in place measures to make certain that the scheme that is already in place continues to ensure these workers do not miss out on their entitlements, irrespective of how many different employers they work for in the industry. The government has considered the best interests of all the stakeholders involved with the issue and it has their support.

The changes in the Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009 are vital to ensure the preservation of long service leave entitlements for the workers of the black coal mining industry and the reimbursement of employers from the fund with respect to these payments to eligible employees. It is for all of these reasons that I commend this bill to the House.

Mr BIDGOOD (Dawson) (6.13 pm)—I rise to speak in favour of the Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009. As always, I like to say that the Labor Party is the miners’ friend. It has always been and always will be the miners’ friend because it is the party that delivers for the mining industry.

In speaking in favour of this bill, we are here to make sure that workers’ rights and entitlements are protected—unlike those on the other side of this House. This bill will amend the Coal Mining Industry (Long Service Leave Funding) Act 1999—known as ‘the funding act’—and related legislation, including the Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992 and the Coal Mining Industry (Long Service Leave) Payroll Levy Collection Act 1992.

This bill ensures the portability of long service leave entitlements for all employees in the black coal industry. The scheme applies universally to all workers in the black coal mining industry. Amendments made by the bill will commence on 1 January 2010. Employees in the coalmining industry are entitled to long service leave on the basis of service in the industry, rather than their service with a particular employer. Funding of long service leave entitlements is supported by an industry scheme established by the Coal Mining Industry (Long Service Leave Funding) Act 1999, the funding act, and related legislation, including the Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992 and the Coal Mining Industry (Long Service Leave) Payroll Levy Collection Act 1992, as I previously mentioned.

Under the funding act employers are reimbursed from the Coal Mining Industry
Long Service Leave Fund for any long service payments they make to eligible employees in respect of their long service leave entitlements. Firstly, the amendments will clarify that the existing long service leave entitlements preserved by the Fair Work Act 2009 will be covered by the funding act. Secondly, the amendments also extend the current long service entitlements in the industry award to all eligible employees who do not otherwise have an award-derived long service leave entitlement. Thirdly, the bill will also introduce definitions of ‘black coal mining industry’, ‘employee’ and ‘employer’ and amend the definition of ‘eligible employee’ in the funding act to ensure that the scheme applies universally in the black coal mining industry. Fourthly, the bill has the support of key stakeholders in the coalmining industry, including employer and employee representative bodies.

If workers for whatever reason do not have an award-derived long service leave entitlement, they will have one from next year. We are about providing for workers entitlements; we will never be about stripping them away. We will ensure that workers have their rights. Bills such as these are the kinds of protections that a Rudd Labor government is delivering for Dawson and for workers in the coal industry. I am proud that this government recognises the importance of the coal industry to our local economy and our local jobs.

The Rudd government believes in a coal industry with a future and is investing strongly in its future, for both the industry and the workers in the industry. I have listened to coal workers and their families. I meet them all from time to time on the street, at mobile offices, at markets and at schools. They email me and they call my office. They tell me very clearly that they want a coal industry with a future. They want what is best for their kids. They want job security and they want a government that delivers for their communities and will into the future.

As far as communities go, coal towns are relatively new communities but they are dynamic communities. The Bowen Basin coalfields have been producing coal and growing communities for over 30 years. Communities which border my electorate like Moranbah, Dysart, Middlemount, Nebo and Coppabella are mining towns with schools, hospitals, sporting clubs, pubs, small businesses and community groups. There are workers in those communities who have been there from day one. There are workers there who have only just been put on. All these workers will be protected by these new laws being debated today. These laws protect all workers in the black coal industry.

We on this side of the House will always stand up for workers in the coal industry. Unlike those opposite, we will never stick up the white flag of surrender on the industry and its workers in Australian coal fields, we are proud of this industry and proud of its workers.

We stand in this place to make laws that protect and provide a strong future for these workers. We make laws in consultation with and for the benefit of all stakeholders, including the workers’ representatives like the unions and the employers, through providing certainty and predictability. Unlike the Liberal and National parties, we are about protecting the rights of workers in the coal industry. Workers know that, unlike those opposite, we did not support Work Choices and AWAs in the mining industry, Work Choices and AWAs which unashamedly stripped away workers’ rights. Workers know that in government we have delivered on our promises by abolishing AWAs and Work Choices.
We support the coal industry’s existence because, unlike the Liberal and National parties, we do not support a nuclear future for Australia. Unlike some of those opposite, we do not want 50 nuclear power stations dotted across the continent—absolutely no way. That is the Howard government way and they made it clear that it had not ruled out a nuclear future for Australia; nor do the current members of the Liberal and National parties. They want a nuclear future. As little time ago as last week, we had the National Party’s Senator Joyce making it clear in the media yet again—Senator Joyce is the man who wants to mine for oil in Antarctica—rehashing his idea that shire councils should decide whether their communities should be home to nuclear plants. Can you imagine being a councillor on a regional council in Mackay, in the Whitsundays, in the Burdekin or Townsville Regional Council going to your council chamber and saying, ‘I want a nuclear power station in my backyard and all that comes with it’? I do not think so. Barnaby Joyce has lost contact with his community, he has lost contact with the people he purports to represent in rural communities. I know we do not want a nuclear power station in Dawson and I do not want to see any nuclear power stations anyway around Australia. That is not the road we are going down. We are not going to go down the nuclear road; we are going to go down the renewable energy road, the sustainable energy road. That is the way forward for Australia.

To have a Leader of the Opposition who wants Australians to adopt the French attitude towards nuclear power in Australia is simply unbelievable. How out of touch can you get? By embracing a nuclear future for Australia, those opposite are saying that they are giving up on a future for coal. Look at the European experience, where nuclear power stations proliferate. There is virtually no coalmining industry left in the UK. There is virtually none in France or across the rest of Europe. Why? It is because of nuclear power. I tell you what: you may cut emissions but you will cut dead the coal industry if you go nuclear in Australia. The mine-workers know that very clearly. I do not see them campaigning—as Barnaby Joyce would want—their local shire councils and saying, ‘We want a nuclear power station in the backyard of Dawson.’ No way. It is not going to happen on my watch.

We reject a nuclear future for Australia and I support a future for coal that is clean—that is, a future for coal with a international market now and into the future. That is the way to go, to embrace clean coal technologies and export those technologies to developing countries so that they can continue to use coal fired power stations. We believe in new technologies and innovations for coal, like carbon capture and storage. In fact, the government has contributed $2 billion for carbon capture and storage technologies to help clean up the industry, to support other infrastructure projects and to help improve our export capacity. The difference between the Labor and the Liberal and National parties is that we know and understand that many of the workers in the industry are in it for the long haul. It is their career. Mining is their livelihood and their children’s livelihood, and we owe it to them to protect it, to grow it and to ensure there is a market for coal internationally and into the future.

Coal and its associated industries are a major driver not only for the Australian economy but also for the economies in my electorate of Dawson. Many of the working families in the mining sector live in Mackay, Bowen and the Whitsundays, and they want a government that will stand up for them now and stand up for them in the future. Mining communities know just how important coal is for Australia’s economy, for jobs and for the bottom line of the wealth of this
nation. Workers and their families know that under a Labor government the coal industry will always continue to grow. Treasury modelling shows that the coal industry will continue to grow by 50 per cent by 2050. Workers know that under a Labor government we will always see a future for coal. It will be an optimistic, clean future for one of our national exports. We see a future for coal. That is why we have invested $14 million in the Mining Technology Innovation Centre, based in Mackay in my electorate of Dawson. I wish to commend Peter van Iersel, the Centre Director, for doing a fantastic job in helping firms from around the nation support the mining industry in cutting edge innovation and new, smart business practices.

In conclusion: mining communities in Central Queensland—in Dawson, in Capricornia and in Flynn—will not forget John Howard and his Work Choices laws. Workers will not forget the threat that these laws posed to workers’ entitlements such as long service leave. We are instead about delivering for workers, not taking away their rights. I fully and wholeheartedly commend this bill to the House.

Mr CRAIG THOMSON (Dobell) (6.26 pm)—I rise to support the Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009. The aim of the bill is to ensure that, from 1 January 2010, employers who make long service payments to employees can be reimbursed from the Coal Mining Industry Long Service Leave Fund and to define the ‘black coal mining industry’ in the funding act and related legislation to align with the modern award and ensure that the scheme applies universally in the black coal mining industry. In particular, this amendment will ensure that the reimbursements of employers from the fund for long serve leave payments to an eligible employee are matched over time by contributions into the fund in respect of that employee. It will also ensure the portability of entitlements for employees. The bill provides that the Coal Mining Industry (Production and Engineering) Consolidated Award 1997, which is the main industry award, applies to all eligible employees who do not otherwise have an award-derived long service leave entitlement. From 1 January 2010 this will become an applicable award-derived long service leave term for the purpose of section 113 of the Fair Work Act. In effect, all eligible employees who do not have an award-derived long serve leave entitlement will be deemed to have such an entitlement by reference to the main industry award. Amendments made by this bill will commence on 1 January 2010.

I will endeavour shortly to look with some detail into what exactly this bill does, but first I would like to examine the background of this bill—that is, long service leave generally. Long service leave is an almost uniquely Australian product. For a history of the scheme I looked at a research paper from the Labour Ministers Council. It said that long service leave was a period of paid leave granted to employees after a period of continuous employment with the one employer. In certain industries, such as construction, stevedoring and coalmining, policymakers in the past have allowed the entitlement to vest after a period of continuous service in that industry, regardless of the number of employers. Hence its portability between employers. The entitlement has its origins in the 19th century Victorian and South Australian civil service acts. These provided for civil service officers who had completed at least 10 years of service to be granted leave of absence with pay for periods of six to 12 months. The purpose of the leave was to reward those who had performed long and faithful service in the colonies by providing an opportunity for them to return to the United Kingdom. All state and Common-
wealth public servants were subsequently
granted the entitlement. It was then gradually
extended to other public sector employees.

Long service leave began to be included
in federal awards by consent in the late
1940s. It did not become a standard em-
ployment condition for all employees until
the passage in the 1950s of long service
leave legislation in all states. The purpose of
such legislation, according to parliamentary
debates prior to the introduction of the Long
Service Leave Act 1955 in New South
Wales, was to reduce labour turnover, pro-
vide a reward for long, faithful service and
enable employees halfway through their
working lives to recover their energies and
return to work renewed, refreshed and rein-

In 1964 the Commonwealth Conciliation
and Arbitration Commission arbitrated its
first long service leave award to provide
what has become the standard provision for
non-Public Service employees—that is, 13
weeks leave after 15 years service, with a pro
rata payment in lieu on termination of em-
ployment after 10 years. State legislation and
existing awards were amended to provide the
same entitlement. South Australia later intro-
duced a 10-year qualifying period for the full
13-week entitlement, but this has not been
followed by other states. Public sector em-
ployees generally have more long service
leave entitlements. Whilst long service leave
entitlements are currently predominantly
provided for under state laws, the Common-
wealth makes legislative provision for long
service leave entitlements for those em-
ployed in the Commonwealth Public Service.

You can see that there is quite a long his-
tory of this particular provision in Australia,
and the next stage in the evolution of this
almost uniquely Australian entitlement of
long service leave is being developed now.
We are developing a national employment
standard in long service leave. This next step
will apply to all employers covered by the
Fair Work Act. Long service leave is one of
the 10 national standards to be introduced by
this government. The others will be a stan-
dard 38-hour week, annual leave, parental
leave, flexible work for parents, sick leave,
community service leave, public holidays,
information in the workplace, notice of ter-
mination and redundancy pay.

Of course, talking about coalmining and
long service leave in one breath was unheard
of back in the days of early coalmining. As a
reflection, a recent report published by the
University of Queensland on the Australian
coal industry said:
Work in early Australian coal mines was hard. In
convict times, being sent to Newcastle was a pun-
ishment, above and beyond ordinary transporta-
tion, and the early Newcastle mines were danger-
ous places, with poor ventilation and inadequate
drainage.

Ms Grierson—It’s true.

Mr CRAIG THOMSON—And I ac-
knowledge the member for Newcastle, who
is in the chamber at the moment. Workplace
conditions today, of course, have improved
dramatically, and we must always be looking
to improve conditions even more, especially
in places such as underground coalmines,
with the inherent difficulties and dangers that
they have.

I now turn back to the bill we are debating
today, which is about coalmining industry
workers—and which, I might add, has the
support of key stakeholders in the industry.
Employees in the coalmining industry are
entitled to long service leave on the basis of
service in the industry rather than service
with a particular employer. Funding of long
service leave entitlements is supported by an
industry scheme established by the Coal
Mining Industry (Long Service Leave Fund-
ing) Act 1992 and related legislation, includ-
under the Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992 and the Coal Mining Industry (Long Service Leave) Payroll Levy Collection Act 1992. Under the funding act, employers are reimbursed from the Coal Mining Industry (Long Service Leave) Fund for any long service payments they make to eligible employees in respect of their long service leave entitlements.

From 1 January, the present industry awards prescribing long service leave will be superseded by modern awards under the Fair Work Act 2009. Modern awards will not include long service leave entitlements. Rather, existing award based entitlements will be preserved as a statutory entitlement under the National Employment Standards pending the development of national long service leave arrangements. As a consequence of these changes, because the funding act does not currently cover entitlements determined by the National Employment Standards, employers will not be eligible for reimbursement from the fund in respect of the long service payments they make to their employees.

The amendments contained in this bill address this situation. The amendments ensure that from 1 January 2010 employers will be entitled to reimbursement from the fund in respect of long service payments they make to employees pursuant to the preserved entitlements in the Fair Work Act, in addition to the current arrangements for reimbursement of entitlements paid under industrial instruments and contracts. This is a technical amendment which will not affect employees’ long service leave entitlements or employers’ long service leave fund obligations.

The current long service leave entitlements in the Coal Mining Industry (Production and Engineering) Consolidated Award 1997 will be extended to all eligible employees who do not otherwise have an award-derived long service leave entitlement. The bill also aligns the definition of ‘black coal mining industry’ in the funding act with the definition in the coal award, amends the definition of ‘eligible employee’ and introduces definitions of ‘employee’ and ‘employer’ to ensure that the scheme applies universally in the black coal mining industry.

Let us not forget what employees in the coalmining industry faced back in the bad old days of Work Choices—and those bad old days were not all that long ago. In a newsletter to its members in June 2006, APESMA, the union covering engineers, scientists and the like, had a question and answer article about long service leave, which I will just take a few quotes from to show how they saw the effects of Work Choices on long service leave. The first question was:

**What happens if my employer is not bound by the Award, or if I move to a new mine site?**

**Answer:** WorkChoices means that to access the all-important legally enforceable entitlement of Long Service Leave staff at any new mine site not bound by the Award as at 27 March 2006 do not have access to an Award Long Service Leave entitlement. Instead staff must rebargain for the Coal Mining Industry standard Long Service Leave in an enterprise agreement.

The next question was:

**I have an entitlement to long service leave in my contract—isn’t this enough?**

**Answer:** Should there be a disagreement about bridging your service between one employer to another, or deeming your service, then your common law contract doesn’t provide the answer. This is because the only way a Tribunal can determine bridging or deeming if there is no agreement, is if the legal power to determine the dispute is given to them via the Award or enterprise agreement.

The third question was:
My employer is paying into the Long Service Leave Fund anyway, so why should I have a problem in getting my long service leave?

**Answer:** All employers in the Coal Mining Industry are bound to pay into the Long Service Leave Fund pursuant to the Long Service Leave Funding Act. That Act puts the responsibility on the employer to make contributions to the fund. Unfortunately, that Act does not provide employees with a legally forcible entitlement, and a way to solve disputes where there is disagreement about bridging or deeming.

You can see that there were all sorts of issues that were being faced by coalmining industry employees under Work Choices in relation to their long service leave. In fact, what they were being faced with, quite simply, was the possibility that their entitlement was going to be much diminished. The issue of portability, which is so crucial in this industry, was very much under threat. Yet there are still many of those opposite who would not hesitate to bring back Work Choices if they could.

We saw in this chamber only last week the debate on legislation to bring about a national workplace relations system. That is something that the previous government said they believed in, but we faced the incredible situation of those opposite opposing this position even though they said it was one of the key motivations behind Work Choices. In fact, they went to the High Court in relation to the corporations power to have a national system, and they said that that was fundamental. But what we found here was that there was a more overriding principle that has always lurked beneath the opposition’s psyche and that was that they actually still believe in Work Choices more than the philosophy of a national system. That is why they voted against the national system. The opposition spokesperson made it clear that one of the two reasons they did not want the legislation that was here before this place last week and that the opposition voted against was they did not like the fact that the new system did not have many of the principles of Work Choices.

Between the member for Stirling and the member for O’Connor, they listed the three key issues that they thought should be in a national industrial relations system before they would support it. The first was the reintroduction of AWAs, and employees in the coal industry in particular were subject to more AWAs than almost any other industry. They wanted those to be returned. The member for O’Connor said that he did not believe in penalty rates and if there were penalty rates in any system then he could not support it. Then the issue of flexibility of hours generally was also raised by the member for O’Connor. The position of the opposition spokesperson on workplace relations, the member for Stirling, was that any system that provided unfair dismissal rights was a system that he could not support.

They are three fundamental issues that the Australian people voted on in the last election, and they voted overwhelmingly to support this side of parliament’s position in terms of the type of industrial relations system they wanted—making sure that there was fair access to unfair dismissals, making sure that individual contracts were no longer part of the system and making sure that penalty rates were not stripped away. These three issues are fundamentally the issues that those opposite want to see returned to any industrial relations system and that caused them to make the extraordinary decision to oppose a national industrial relations system in legislation that was there before.

It is little wonder that it is this side of the House that is left to make sure that the long service leave entitlements of those working in the coal industry are protected, because we know quite clearly, from the actions of those opposite in the past and the actions of those opposite only last week, that they...
would be looking at ways in which they could strip back entitlements from workers in all industries but in particular in relation to this industry. We need to make sure that we are protecting those long service leave entitlements for those who work in the coalmining industry.

The coalmining industry will remain important in this country for many years to come. To give you an idea of just how significant an employment role the industry continues to play, projections are that demand for skilled labour in coalmining, even based on various assumptions about energy use, will remain very high over the longer term. The government’s energy white paper released earlier this year stated that the projected demand for skilled labour in the coalmining industry will rise from over 35,000 in 2008 to about 55,000 in the year 2020. This is an increase of 19,000 or 53 per cent. These projections are based on mineral output projections for Australia’s current major mining commodities to 2020 and they take full account of global market conditions and domestic market conditions such as the proposed emissions trading scheme that is obviously plaguing the opposition’s party room right through all of today.

There are strong partnerships in place to improve the industry’s safety and efficiency. In November 2007, to specifically address the domestic energy supply industry and the demand for skilled labour, the Australian government committed to work with the state and territory governments in the energy sector to improve the consistency of state based regulations such as occupational health and safety requirements that apply to the energy sector. In June 2008 the Ministerial Council on Energy agreed to establish the Energy Technical and Safety Leaders Group to develop a plan to harmonise state and territory electricity and gas supply industry technical and safety regulations. Harmonisation would facilitate greater labour mobility and swifter emergency response in the energy supply industry especially in the context of skilled labour shortages. The leaders group is shortly due to deliver its final plan to the ministerial council. So you can see that the coal industry remains important to Australia, and this government recognises that.

To sum up, the effect of the bill is to preserve existing arrangements for employees in the black coal mining industry with respect to long service leave and also to ensure the reimbursement of employers from the fund with respect to long service leave payments they make to eligible employees. The government considers that this is a desirable measure that recognises the unique historical circumstances surrounding long service leave in the black coal mining industry. This government is about making sure that workers’ rights are preserved. This stands in stark contrast to those opposite, who look at every opportunity they can to strip back and take away employees’ rights. I commend the bill to the House.

Ms GRIERSON (Newcastle) (6.44 pm)—I too rise today to support the Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009. The coalmining industry is intrinsically tied to my electorate of Newcastle and to the Greater Hunter region. I am the granddaughter of a coalminer and, although we are now a dynamic and diversified city, I think you may still struggle to find any Novocastrian who is not linked to somebody involved in the coal industry in one way or another. Just as coal originally laced the beds of the Hunter River, coal is in the bloodstream of our region, and that is the case for many regions around this country. That is something that this government recognises, and the government and I will always make sure we legislate for the benefit of this great industry, of those who work in it and of those who depend upon it.
This legislative amendment looks at improving and streamlining the long service leave funding agreement in the national coal industry and preserving the continued operation of existing unique long service leave arrangements in the black coal industry. To quote from the legislation:

Employees in the coal mining industry are entitled to long service leave on the basis of service in the industry, rather than their service with a particular employee. Funding of long service leave entitlements is supported by an industry scheme established by the Coal Mining Industry (Long Service Leave Funding) Act 1999 (the Funding Act) and related legislation, including the Coal Mining Industry (Long Service Leave) Payroll Levy Act 1992 and the Coal Mining Industry (Long Service Leave) Payroll Levy Collection Act 1992.

In the black coal industry formerly, long service leave was always portable, moving with the individual miner. That has been the case since 1949, as recognition that often miners work between one mine and another, depending on the scaling up or scaling down. The legislation continues:

Under the Funding Act employers are reimbursed from the Coal Mining Industry (Long Service Leave) Fund (the Fund) for any long service payments they make to eligible employees in respect of their long service leave entitlements.

However, from 1 January next year the present industry awards prescribing this long service leave are set to be superseded by more modern awards in line with the Australian government’s Fair Work Act 2009. These awards are not permitted to include long service leave entitlements. Rather, existing award based entitlements will be preserved as a statutory entitlement under the National Employment Standards pending development of national long service leave arrangements. Our movements towards some harmonisation have been very well received. But, because the funding act does not currently cover entitlements determined by the National Employment Standards, employers will not be entitled to reimbursements from the fund in respect of the long service payments that they make to employees. This is obviously not a desired outcome for coal industry employees.

The amendments contained in this bill address this situation. They ensure that from 1 January 2010 employers will be entitled to reimbursement from the fund in respect of long service payments they make to employees pursuant to the preserved entitlements in the Fair Work Act in addition to the current arrangements for reimbursement of entitlements paid under industrial instruments and contracts. This is a technical amendment which will not affect employees’ long service leave entitlements or employers’ long service leave fund obligations. The bill also aligns the definition of ‘black coal mining industry’ in the funding act, which flows through to related legislation, with the definition in the coal award. It amends the definition of ‘eligible employee’ and introduces definitions of ‘employee’ and ‘employer’ to ensure that the scheme applies universally in the black coal industry.

I wish to congratulate the Deputy Prime Minister, Julia Gillard, and the Rudd government for recognising the unique historical circumstances surrounding long service leave in the black coal mining industry and ensuring through this amendment that existing arrangements are present and preserved for employees and that employers are reimbursed from the fund in respect of the long service leave payments that they make to eligible employees. I would also like to put on the record my appreciation to Graham Kelly, the Secretary of the United Mine-workers Federation (Northern District), for his strong advocacy on this issue on behalf of coalminers in the Hunter Valley.
We are all aware of the importance of the coal industry to our local, state and national economy. The mining of black coal is one of Australia’s most important industries, creating significant employment in regional Australia, providing fuel for low-cost electricity generation and steel making, and creating vital export income. Australia is the world’s biggest coal exporter and black coal is Australia’s largest export. The coal industry in Newcastle is thriving. The Rudd government contributed $580 million to improving the coal chain between the Hunter Valley and the port of Newcastle, one of the most important arterial freight lines in the country. The construction at the port of the third coal terminal, the NCIG terminal, is almost complete, and there are plans for a fourth terminal with Port Waratah Coal Services. There has been significant private investment, with $1.4 billion for the expansion of coalmines under way as well as for rolling stock and export infrastructure, and negotiations are happening now around a further possible $5 billion expansion.

Some recent articles from the MiningCoal website shed further light on the bright outlook for the coal industry in Newcastle. The website reported in September that coal mining companies that use the port of Newcastle say they are confident of doubling exports within seven years—that is, going from the current 100 million tonnes to 200 million tonnes. There are also longer term plans to triple coal exports from our port to 300 million tonnes. The news came following the Australian Competition and Consumer Commission’s re-approval of the port’s coal export quota system. A further report in October said that coal exports from Australia’s Newcastle port have jumped 35 per cent as mining shipments with Japanese utilities increase.

There has been a scaremongering campaign coming from some within the coal mining industry regarding the impact an emissions trading scheme would have on the industry. I have talked about it in the House before, so I will not go into all that again; however, when you note the developments and expansion that the industry is planning for in Newcastle and the Hunter—$1.4 billion now and a further $5 billion over the next decade—then you can see that coal and the coalmining industry are strong and sustainable in the Hunter region. One need only turn to perhaps the real representatives of the coal industry, the Construction, Forestry, Mining and Energy Union, to see that much of what has been said about the ETS by the business end of the industry is unfounded. In an article that appeared in the Australian newspaper last month written by Matthew Stevens, CFMEU president, Tony Maher, accused the Australian Coal Association of running a deceptive scare campaign. Maher said the coal industry would continue to grow with an ETS, even if not as quickly.

Today I congratulate the Prime Minister, the Treasurer, the Minister for Climate Change and the Minister Assisting the Minister for Climate Change in releasing the Carbon Pollution Reduction Scheme in its now revised form—in particular, its support for the coal sector. A total of $1.5 billion in transitional assistance will be provided to the coal sector over five years. This is an increase from the $750 million previously—so a doubling—and the government will commit $270 million to the coalmine abatement fund through the Climate Change Action Fund to assist gassy coalmines reduce their emissions. In addition, the current COAG renewable energy target review process will consider whether the new waste coalmine gas project should be eligible. This is a considerable investment into the future of people like those in Newcastle and the people of the Hunter Valley. It is very welcomed and it gives us great confidence.
Resistance to the ETS—and it has been considerable—is something that I am amazed at. I represent the city of Newcastle and we just commemorated the 10-year anniversary of the closure of the BHP steelworks. At that time it was said that we were ruined—our economy would be ruined. It was said that the loss of jobs would be staggering and that we would never recover. At that time, state and federal governments provided some adjustment funds. I now point to our economy which shows 4.4 per cent unemployment during a global financial crisis; I point to the productivity and growth within Newcastle and the fact that its greatest employment sectors and growth sectors are knowledge based.

We have nothing to fear from an ETS and much to embrace. It will be the catalyst for wonderful change. It will be the catalyst for new investment, productivity, efficiency and innovation. It is something in our region that we have been preparing for for some time. In valuing our coal industry while also appreciating that there will be pressures on energy provision, we have invested—as has this government—into the clean energy sector and the renewables sector. We are preparing. We know what it is like to be resilient and adaptive. An ETS will provide that adjustment catalyst for industry to make those adjustments, to diversify, to enrich their efficiency and innovation, to value add to their activities and to remain totally productive and to potentially create greater industries around the country.

I have to say to the many people who have feared for the loss of their job, because of the Australian Coal Association’s campaign, that we do not have anything to fear from our adapting to this changing world environment and to change that is supported so strongly through our ETS and, in this case, with particularly strong support for the coal industry. This bill being debated, though, is further demonstration of the commitment by the Rudd government to supporting not just the coal industry but the jobs and employment rights of people around this country. It is recognition of the importance of the coal industry to our nation’s economy and to my region’s economy. It will provide invaluable support and assistance to those involved in the industry and it will give them comfort that their entitlements—ones that they have been entitled to since 1949—will be protected and that their long service leave provisions will not be diminished in any way. I commend the bill to the House.

Mr CLARE (Blaxland—Parliamentary Secretary for Employment) (6.56 pm)—I thank members for their contribution to the debate on the Coal Mining Industry (Long Service Leave Funding) Amendment Bill 2009. This bill implements a series of measures that have been agreed to by the coal mining industry working party, which consists of both employer and employee stakeholders. The measures in the bill will apply portable long service leave entitlements and the supporting funding arrangements universally in the black coal mining industry from 1 January 2010.

The black coal mining industry has a long-standing, unique arrangement whereby employees have accessed portable long service leave entitlements under the terms of federal awards since 1949. The long service leave entitlement set out in the Coal Mining Industry (Production and Engineering) Consolidated Award 1997—13 weeks after eight years continuous service in the industry—was established in 1966. The funding arrangements administered by the Coal Mining Industry (Long Service Leave Funding) Corporation have been in place since 1993. Given these historical circumstances and the joint representations made by industry and unions to government requesting that the existing long service leave entitlement ar-
rangements for the industry are maintained and administered consistently throughout the entire industry, the government is pleased to put forward this legislation. I am glad to see that it has the support of all members of this place, and 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 CLARE (Blaxland—Parliamentary Secretary for Employment) (6.58 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ACIS ADMINISTRATION AMENDMENT (APPLICATION) BILL 2009

Second Reading

Debate resumed from 18 November, on motion by Mr Martin Ferguson:

That this bill be now read a second time.

Mr BRIGGS (Mayo) (6.59 pm)—It is very disappointing that my favourite Rudd government minister is not able to stay for my contribution this evening to the debate on the ACIS Administration Amendment (Application) Bill 2009.

Mr Champion—It better be good!

Mr BRIGGS—And, to the member for Wakefield, the contribution will be short. Thank you for the intro. As I understand it, this bill corrects a technical error in a piece of legislation that we discussed not too long ago in this place. The government’s New Car Plan for a Greener Future committed to providing motor vehicle producers with a smooth transition to the new Automotive Transformation Scheme by providing increased assistance under ACIS in 2010. It was also the government’s decision that this additional assistance be conditional on the enactment of the Automotive Transformation Scheme Act 2009, which occurred on 29 September 2009.

The amendment corrects, as the government has termed it, the unintended consequence arising from the link between the ACIS Administrative Amendment Act 2009 and the commencement of the Automotive Transformation Act 2009. It is a technical amendment that would give formal effect to the legislation already considered in parliament and would honour the original intent of the legislation.

The bill clarifies that the commencement date for the ACIS act is 1 January 2010 and not 1 July 2010. The coalition do not oppose this piece of legislation. We do have some questions, which I will put in Hansard for the consideration of the minister. How was the unintended consequence of the original legislation overlooked? When was the mistake found? Was this due to a lack of consultation with industry? And was it, as we see with so many pieces of Rudd government legislation, a last-minute rush job which resulted in this error? These are issues which, I am sure, the minister will address in his summing up of this bill, which fixes an administrative error.

Obviously, over the 11½ years of the coalition government the car industry received an enormous amount of support, particularly in my home state of South Australia, including Holden, which is located in the member for Wakefield’s electorate and which employs many people who live in the member for Makin’s electorate, and also Mitsubishi, which was in the member for Boothby’s electorate. However, it decided not too long ago to terminate its operations in Australia. I think that highlights a potential issue we will have going forward with this industry as the
challenges become greater than they are today. As we said in the debate on the original legislation, this place and the government of the time will need to consider just how much assistance this country is willing to give to this industry. I acknowledge that it is an important industry in certain parts of Australia, but it is also a lot of money that we are paying.

The amendments that we moved in the consideration in detail stage of the original bill provided transparency, and it was a pity that the government did not see the reasons for those amendments. It is something that is worth while considering, because they are large sums of money we are talking about with this industry and there are important considerations for employment in certain areas. There is a very thick set of jobs in certain areas and we are seeing that, with the assistance packages for Holden workers, more are taking them up than was expected.

It will be a challenging time for not only the car industry but also the associated industries and communities. I suspect that this subject is difficult and touchy for many people and it is very difficult to manage. I know that the member for Wakefield is intensely interested in this issue, and we all look forward very much to his contribution to this debate, as we do to the contribution of the member for Makin. On that note, I will conclude my remarks.

Mr ZAPPIA (Makin) (7.00 pm)—I take this opportunity to speak about the ACIS Administration Amendment (Application) Bill 2009. I note with interest that the three speakers on this amending legislation are all from South Australia, which I suspect indicates, at least, the level of support for the automotive industry via the South Australian representatives in this chamber. That is certainly the case in respect of the member for Wakefield, who is in the chamber, and me because there is no question that we believe the automotive industry is absolutely vital to the long-term future prosperity of South Australia and, in particular, to those families which are employed and which, in many cases, have been for a long time, at the GM plant at Elizabeth.

The bill corrects an anomaly that would have resulted in automotive manufacturers receiving a lower amount of money than was intended under the Australia Competitiveness and Investment Scheme during the transition period until the Automotive Transformation Scheme came into effect. This was an unintended consequence. The Automotive Transformation Scheme was implemented and during the transition phase it became obvious that automotive manufacturers would have in fact been paid less than they would otherwise have expected under the old ACIS. The importance of those payments should not be understated at all. By way of background, the automotive industry in Australia directly employs some 63,000 people across the country and there would be around another 100,000 employed in the supply chain and support industries to the automotive manufacturers. The industry contributes $7.7 billion a year to the Australian economy, and we still have automotive plants in Victoria and South Australia—manufacturing Toyotas and Fords in Victoria and manufacturing Holdens in South Australia.

What is just as important in respect of the automotive industry is that certainly in South Australia, and I expect it is the case in Victoria, it underpins invaluable research, design, innovation and engineering right across the manufacturing sector. Without a viable automotive sector, many of those smaller industries involved, whether it is in research, design, innovation or engineering, would simply not be able to survive. In fact, if we lost the automotive industry the result would undoubtedly be an undermining of the ability
and capacity of Australia to continue to manufacture goods. To its credit, the Howard government recognised this and, in 2001, introduced the Automotive Competitiveness and Investment Scheme. After being in place for only one year, the scheme was extended for a further 10 years and was due to continue to 2015. This, quite rightly, highlighted the importance of the automotive sector to the Australian economy.

When the Rudd government came to office, time had moved on. We had seen tariffs reduced in 2005, from 15 per cent to 10 per cent, which in turn had some impact on the industry. The Rudd government commissioned the Bracks inquiry, which resulted in A New Car Plan for a Greener Future for Australia. The Rudd government committed $6.2 billion towards ensuring that the plan can be implemented over the next decade, and within that funding is, of course, the $3.4 billion associated with the Automotive Transformation Scheme.

We all know that the global financial crisis has literally decimated the automotive industry across the world, particularly in the Western countries. When you combine that with the competition that automotive manufacturers in the Western world are now experiencing from new car plants in developing countries, you can understand why this is an industrial sector that has some real challenges ahead. Schemes such as the Automotive Transformation Scheme and the ACIS scheme are vital to the survival of the automotive industry in Australia and will be even more so when tariffs are reduced from 10 per cent to five per cent from 1 January 2010.

The GM plant in the northern region of Adelaide—and I note that the member for Wakefield is in the chamber and I am sure he will speak in a similar vein in a moment on this matter—has been there for around 60 years. For the last 60 years it has been the critical industry that has sustained that region. Whilst over the years that region has expanded and many other industries have also been established there, the fact is that they were all drawn to the region because of the presence of the GM operations in Elizabeth.

Only yesterday, when I was speaking on the Foreign Acquisitions and Takeovers Amendment Bill 2009, I referred to the case of the Bridgestone plant in Salisbury, which opened in 1964 but, sadly, is planned to close in April next year, with the loss of some 600 jobs. Only recently the member for Wakefield, the member for Port Adelaide, the Minister for Employment Participation, Senator the Hon. Mark Arbib, representatives of the ETU, the AMWU and the LHMU and I attended the Bridgestone plant to ensure that the employees there are being provided with the necessary support as part of transitioning to other employment and in respect of any redundancy payments due. I reiterate what I said yesterday: I compliment the work of all those unions and, in particular, David Di Troia, the secretary of the Liquor, Hospitality and Miscellaneous Workers Union, who along with his team has been working diligently to ensure that all of the people at that plant, the majority of whom are members of his union, are given their rightful entitlements. In that respect, I also acknowledge the contribution made by the federal and state governments of $5.7 million—over $4 million of which came from the federal government—to support those workers. That is a classic case of the importance of the GM operations to that region. I have no doubt that it was a result of the downturn in production at the GM plant that contributed to the closure of the Bridgestone plant. So you do not have to go very far to understand the importance of the automotive manufacturers
to the regions, wherever they are established in Australia.

On a positive note, I was pleased to read that the GM operation at Elizabeth has begun to increase its production of motor vehicles. I understand that production has in fact now risen from 310 vehicles per day to 340. That is encouraging. But none of that would have been possible had GMH not been supported by the federal government over the last decade. Again, the previous government needs to be recognised for that, and certainly the Rudd government’s $6.2 billion automotive restructuring plan will ensure that we continue to have a viable automotive industry.

There is, of course, another element to ensuring that we continue to have a viable automotive industry. The proposal we are looking at, A New Car Plan for a Greener Future—and the title quite rightly says, ‘a greener future’—is all about designing and building cars that create lower emissions. That goes hand in glove with the very issue we are confronted with in Australia and across the world in reducing carbon emissions—a matter that is the subject of debate before this parliament right now and which will be debated in Copenhagen next month. As the Prime Minister has said time and time again, it is a matter that is in the national interest. If we can support car manufacturers in this country, it will ensure not only that there is some economic benefit but also that, simultaneously, there will be the benefit of producing lower emission vehicles than are currently being produced. Unless they do that, the reality is that they will find themselves coming under increased competition from overseas manufacturers and designers who are doing exactly that and who are perhaps gradually increasing their market share in Australia because they are manufacturing cars that produce lower emissions.

I represent an electorate where many of the families who work at the GM operations at Elizabeth live. They are very much dependent on the future survival of that plant. This amendment bill, as I said, corrects an anomaly in the legislation that was introduced into this House earlier. In so doing it will enable the GM operations, particularly at this point in time when they have some very serious challenges ahead of them, to continue their operations.

I support the amendment. The member for Mayo talked about whether this amendment arises because of a lack of consultation at the time that the original legislation was introduced. Can I say, as someone who has taken the trouble to read this legislation in detail and to look at exactly the way in which the New Car Plan for a Greener Future and the Automotive Transformation Scheme are structured, that this is a very complex matter. It is not surprising and it is not unusual that unintended consequences are highlighted once a piece of legislation is brought into the House. That is exactly what has happened here. The fact of the matter is that the legislation will correct that anomaly. It will correct it in time, before the Automotive Transformation Scheme payments come into effect. Therefore, there has been no detriment to the automotive industry at all. The very fact that it has been brought into this House at this point of time shows that the government is on the ball with this legislation. I commend the bill to the House.

Mr CHAMPION (Wakefield) (7.14 pm)—It is a great honour to follow my colleague the member for Makin, who always speaks in a very intelligent manner and with a great deal of knowledge and street smarts. He was a great mayor of the great council of Salisbury. I was happy to be a resident of Salisbury and happy to vote for you Tony too, on occasion. You always did a great job by those in my electorate and also by those
in the electorates of Port Adelaide and Makin. You have a long history of serving the northern suburbs.

It is also always interesting to follow the member for Mayo, who has departed to the party room for the CPRS debate—no doubt to participate in that cage match that they are having. It is a bit of a cage fight. It reminds me of that movie _Fight Club_. Do you remember _Fight Club_? Underground boxing by people who should know better but do not? Young men just punching on, I think is the expression. There is no doubt that a Liberal Party meeting is a lot like that at the moment. But I digress and I should be discussing the importance of manufacturing in Australia.

This industry is tremendously important to Australia. It produces billions of dollars in export revenue, it directly employs over 50,000 people and it indirectly employs thousands more. These people need our support and encouragement to keep making the great products that they make. This government knows that if you do not have car manufacturing—if your country does not have a car manufacturing industry—then generally you have very little manufacturing full stop. This is a government and a Prime Minister that want to see Australia as a country that makes things, that makes elaborately transformed manufactures. As Paul Keating used to often say: ‘We don’t just want to be a mine or a quarry or a beach for the rest of the world. We want to make things and we want to export things.’

This industry is tremendously important to South Australia. I cannot stress its importance enough. Despite all the tribulations of the previous decade—losing Mitsubishi and losing many component firms associated with car and other forms of manufacturing—manufacturing is still the heart and soul of the South Australian economy. Defence manufacturing is increasingly important and it is interesting to note that the Rann government has won some $44 billion worth of defence contracts in recent times. Manufacturing has been tremendously important to the wine industry, which has a big impact as an employer and an exporter in my electorate and the areas adjacent to it.

Of course car manufacturing is where it all began, when Sir Thomas Playford, a great Liberal premier of our state, went out to the world in his own particular fashion. It is hard to imagine a more humble man—he was a cherry farmer from the Adelaide Hills—but he marched into various boardrooms and convinced them to invest in South Australia. That is why a lot of companies like Holden and Bridgestone set up in South Australia. There are a lot of great stories about the foundation of manufacturing in South Australia. In my heartland in northern Adelaide, in the city of Playford and the city of Salisbury, one in four workers is a manufacturing worker. The income they earn is tremendously important to their families. Manufacturing jobs tend to be well paid, they tend to have good conditions and, despite what some people say, they do have good secure futures. If you doorknock places like Salisbury, Elizabeth or Gawler or even the country towns to the north, like the town I grew up in, Kapunda, you will find vehicle industry workers from Holden, Bridgestone, Futuris and the hundreds of small engineering firms that get their business from manufacturing either in the food area, in cars or in defence. Manufacturing has been important to the identity and the culture of the northern suburbs of Adelaide. Holden is still a major sponsor of the Central District footy club.

Mr Zappia—Premiers!
Ms Kate Ellis—Boo!
Mr CHAMPION—The premiers this year, as we are many years. I hear the mem-
ber for Adelaide, who would be disappointed of course because a couple of years ago the Bays, of which her family are great supporters, went down in a screaming heap yet again. It will happen one day for the Bays, I am sure, as it will happen one day for Sturt or North Adelaide—one of them. One of them will win, eventually. But I digress again.

This government has been tremendously supportive of the manufacturing industry, and our New Car Plan for a Greener Future contains the Automotive Transformation Scheme, which works in tandem with the ACIS Administration Amendment (Application) Bill. It starts in 2010. It provides $3.4 billion in grants to industry for research and development to improve environmental outcomes and work skills development. It is all about renewing this industry and making sure it has a future in Australia. It is all about helping it to adjust to a greener economy.

This assistance also takes into account the reduction in automotive tariffs from 10 per cent to five per cent in January 2010. This reduction will mean that Australia’s tariffs on passenger vehicles are amongst the lowest in the world. In fact, we will have the fifth most open market for cars in the world, and that is an important signal to the rest of the world about free trade. It is an important message at the moment about learning the lessons from the Great Depression and avoiding protectionism, particularly during a period of economic crisis and declines in world trade. That is obviously a larger global issue. We often wait for other nations to practically implement some of their rhetoric around free trade and not just talk about it. I have told the House a few times of my reservations about rapid tariff reductions, and I still hold those reservations. Australia does lead by example in this area, and my electors hope that the rest of the world follows at Doha. It is tremendously important to the world’s economic growth, but it is also important for the rest of the world to match Australia’s performance in this area.

This bill does correct an unintended consequence that would have produced a three-month gap in support from 1 January 2010 to 31 March 2010, which occurred through the linking of this scheme, ACIS, with the Automotive Transformation Scheme. Such things happen; you just have to get on and fix them. Nobody is immune to oversights or mistakes, and we are correcting this one.

The content of the bill basically delinks assistance from a calculation based on an ever-declining tariff rate to a new calculation based on the flat rate of 7.5 per cent, and it treats the value of cars the same, regardless of whether they are produced for domestic or export markets. That is an important thing to do.

As I conclude, I would like to make a few remarks about Bridgestone and about some of the economic dislocation that is occurring in the western and northern suburbs of Adelaide. Even before Bridgestone, we had faced over 3,000 redundancies, and a lot of those jobs were manufacturing jobs. If you want to know about the toll of the economic crisis then you need to come to western Adelaide or northern Adelaide.

It is tremendously damaging to people’s lives and to their families to lose a job and have to go on the hunt for a new one. It produces uncertainty and economic hardship, and it unsettles families and communities. We want to avoid that at all costs, which is one of the reasons why we have invested in the economy and put stimulus into the economy, because we know that, without that, thousands more would join the job queue. And that figure does not include Bridgestone; it does not include the 600 who will face an uncertain future as they come to the end of that plant’s life.
Many of these workers devoted decades of their lives to this plant, and it is not just a job for them; it is a way of life. Making tyres is a way of life. It is about their workmates and friends, who are more like a family than any other relationship. It is about losing stability and certainty about where they work and what they earn. Many of those workers face an uncertain future, and no-one in this House or outside of it can predict the individual paths that they will take from here.

We have unions fighting for better wages. The government has visited the plant and has pledged resources for retraining. We have an excellent local employment coordinator, a lady named Pippa Webb, on the ground drumming up enthusiasm and putting employers who do want to employ Bridgestone workers together with those workers. There are some employers who have come to the party already, and I certainly congratulate them. But, in the end, no-one can predict the future for these workers, and such circumstances breed worry, anxiety and anger, and it is perfectly justified that these workers feel this way.

When we visited the plant, along with the members for Makin and Port Adelaide and the Minister for Employment Participation, Mark Arbib, we took a tour through the plant. Such tours are always a little stage-managed by companies, I think it would be fair to say, and workers are never entirely frank. But we did have a few interactions with some of these workers that just brought home what they face.

One fellow who we stopped to talk to had previously had a WorkCover injury—he had an injured arm—but he was still working. The first thing he said to us was, ‘I want to work; I am a worker,’ and you could just tell that, for him, that was the priority—that he get another job and have the dignity of looking after himself and his family. He did not want to go on the dole. He did not want a redundancy. He did not want to have to face uncertainty and unemployment. And I think that is commendable. These are the people that you are dealing with—good people; working-class people.

Another worker I met had to suffer the indignity of hearing from a relative that his job was gone. He was a night-shift worker. His brother-in-law rang him to tell him that the plant was closing; he had seen it on the news. I think that is a terrible indignity for anybody to have to endure—to be told by a friend or a relative who has seen it on the news before you have heard it yourself. And if there is one message I want to give to companies, it is this: there is absolutely no excuse in this day and age for a worker to hear from someone else or from the news about their job being finished. These days, with text messages, emails and telephone calls, communication is instantaneous. You can have instantaneous communication with your workers—and Holden does this. When Holden has a significant change to any part of its plant or its production schedule, they make sure the workers know before the media know—that the workers know before anybody else knows. That is a really empowering thing to do. It is the decent thing to do. And it is in the company’s self-interest, too, because you get the one message going out to workers; they are not left in the dark.

I have seen many redundancies—at John Martins, at places like Harris Scarfe, and at textiles factories like Levi’s in Adelaide. It is always a terrible process; it is always a difficult process. It is never pleasant for employees or employees. But it can be done properly, which means telling workers first, giving them accurate information and giving them certainty about their entitlements, about production schedules, about retraining options, about time off for a new job and about the method of paying redundancies—
whether they can leave for a new job and still get their redundancy. These are all important things to do. Communicating with workers is an important thing to do. It makes a difficult process more bearable and it allows people to leave their jobs with some dignity and without bitterness or anger.

It is my hope that Bridgestone adopt a best practice approach to their closure, but I am very fearful that they will not. I am very fearful that this company will get it wrong and that there will be a bitter taste left in these workers’ mouths. Despite all the efforts of their unions and of this government, that is my fear. If there is one message I would like to leave the House and Bridgestone with it is that you have to actually do this right. It is not good enough to just pack up and leave Australia and leave these workers in the lurch and not to a good job in saying goodbye. If it has to be goodbye, then do it properly.

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) (7.31 pm)—I thank those who have spoken on the ACIS Administration Amendment (Application) Bill 2009: the member for Groom, the member for Mayo, the member for Makin and the member for Wakefield. I do not know the member for Wakefield as well, although I am getting to know him. I do know, though, that he—

Ms Kate Ellis—Don’t get too close!

Dr EMERSON—I am being urged not to get to know him to well. Fortune favours the brave and I will stick on my present course—

The DEPUTY SPEAKER (Ms JA Saffin)—Ignore the interjections, Minister.

Dr EMERSON—They are very disruptive, that is right. I do know that he has represented vulnerable workers during most of his working life before coming into this parliament and he has had to experience and work through the sort of dislocation that he has just described in respect of Bridgestone with textile, clothing and footwear workers. You have heard from the member for Wakefield some of the human costs associated with the dislocation and closure of plants and so on. When there is a story of human turmoil, the family is often badly affected. I think his call for businesses to be as sensitive and helpful and supportive as possible should be endorsed by everyone in the chamber. I know the member for Makin would join me in making those observations and urging that we always need to be mindful of the terrible consequences for families of people losing their jobs—and he told of the loss of the dignity of work in one particular story.

In summing up the bill I point out that the bill does amend the ACIS Administration Amendment Act 2009 to correct an unintended consequence arising from the act’s link with the commencement date of the Automotive Transformation Scheme Act 2009. Under a New Car Plan for a Greener Future, the government announced additional support through the Automotive Competitiveness and Investment Scheme to smooth the transition to the Automotive Transformation Scheme. The additional support, estimated at $79.6 million, delinks the assistance rate for cars produced in 2010 from the general tariff rate and replaces it with a flat rate of 7.5 per cent. It also equalises the treatment of cars produced in 2010 for the export market with cars produced in 2010 for the domestic market. The unintended consequence, if not corrected by this bill, would be that not all the additional support would be provided, and this would diminish the ability of Australian vehicle producers to continue their recovery from the global economic crisis.
I would quickly point out, too, that figures on motor vehicle sales in Australia came out yesterday and they are quite encouraging. I would add that the commentary on motor vehicle sales from the National Australia Bank points to the influence of the small business tax break and the fact that businesses appear to be getting in on that tax break before its expiry date of 31 December.

I was asked by the member for Mayo to provide information to the parliament on when this oversight was detected and whether there was ample industry consultation. The advice to me is that the oversight was detected on 12 November and that there was ample industry consultation.

By including an application provision, the bill clarifies that the government is providing additional assistance under ACIS for motor vehicle production from 1 January 2010, not 1 July 2010, as currently provided by the act. This amendment delivers the certainty promised to this vital manufacturing industry as it moves into a new area where economic sustainability is driven by investment in innovation. I commend the bill to the House.

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) (7.36 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Mr Haase (Kalgoorlie) (7.37 pm)—I rise to speak on the Australian Centre for Renewable Energy Bill 2009. The purpose of this bill is to establish the Australian Centre for Renewable Energy, ACRE—that is, the board and the position of chief executive officer. ACRE is an initiative under the government’s Clean Energy Initiative, CEI, and will complement the Carbon Pollution Reduction Scheme and the expanded renewable energy target by supporting the research, development and demonstration of low-emission and renewable energy technologies.

The Clean Energy Initiative, announced in the 2009-10 budget, also includes the Carbon Capture and Storage Flagships Program, involving funding to support the construction and demonstration of large-scale integrated carbon capture and storage projects in Australia; the Solar Flagships Program, involving funding to support the construction and demonstration of large-scale solar power stations in Australia; and the Australian Solar Institute, which will support solar research and development and encourage collaboration between Australian researchers and with international solar researchers and institutes.

The previous coalition government made a substantial investment of more than $2 billion in renewable and clean energy sources, including the Low Emissions Technology Demonstration Fund of $500 million, of which $350 million was committed to projects; Australian Asia-Pacific projects, worth $100 million, with a further $50 million committed for 2007 and beyond; the Renewable Energy Development Initiative, which was $100 million; and the mandatory renew-
able energy target, or MRET, which stimulated $3.5 billion in renewable energy investment after its introduction in 2001. Domestic level support included a photovoltaic rebate program, worth $202 million; a solar hot water rebate, at $252.2 million; the Green Vouchers for Schools program, at $336.1 million; and Solar Cities, at $75 million.

The coalition’s commitment to renewables was further evidenced in our successful negotiations earlier this year on the renewable energy target. The coalition supports Australia’s transition to a lower emissions economy. But this transition must take place in a manner that does not jeopardise our energy security. Australia will need ongoing investment in alternative energy sources. We must consider, firstly, how to best make the transition to low emissions technology without risking jobs or investment and, secondly, what role Australia will play in the international supply of clean energy.

Debate in Australia has been about both of these issues but has been almost exclusively confined to the context of clean coal development. Sure, it is an important technology, not least of all because 37 per cent of the world’s power supply comes from coal. In Australia, 80 per cent of our energy comes from coal. The Rudd government must face up to the very real questions about how soon clean coal technology will be available for commercial use, what it will cost per megawatt hour and how much taxpayers will need to pay to subsidise the technology. Data released by the Rudd government’s own Global Carbon Capture and Storage Institute shows that clean coal power stations are unlikely to be viable until at least 2030.

There is still no commercial scale clean coal power station anywhere in the world. Because we are the world’s largest exporter of coal, our future is undeniably bound up with the viability of the coal industry. We cannot sweep under the carpet legitimate questions about how Australia’s baseload energy requirements can be met at the same time as a reduction in emissions from coal. Australia’s rapidly expanding gas industry has the ability to provide cleaner energy, and renewables will deliver 20 per cent of Australia’s energy by 2020. However, to ensure Australia’s energy security, a comprehensive mix is required. Gas, geothermal, solar, wind and clean coal research all have a role to play.

We are not alone in facing the challenges of a transition to low emissions technology that does not compromise standards of living. But Australia is increasingly isolated in terms of the Rudd government’s blatant refusal to consider the possibility of nuclear energy. All but four of the other G20 member countries use nuclear energy. Sooner or later Australia must have an open-minded and full debate about the role of nuclear energy. It is a question that the community should have full ownership of, but it is one the Rudd government is determined to smother. Australia needs serious clean energy alternatives that can be delivered at an affordable price in the short, medium and long term. The establishment of a national body such as ACRE by this government could not come sooner for the energy and resources sectors and the science community—in fact, for all Australians wanting to support renewable energies in Australia. It is hoped that the Rudd government is capable of ensuring that ACRE achieves the objectives it is designed to accomplish, those being strategies to develop, commercialise and use renewable energy technologies.

Australia is home to one of the most diverse landscapes in the world, with each state responsible for exploring, researching and developing its own energy resources. These investments by each state in gathering
information on renewable energy rightly ensure that residents and state businesses reap the benefits. However, this approach lessens the positive impact of information sharing between the states. The silos of information held within the states are traditionally guarded by the relevant agencies and the establishment of an umbrella authority, at least in theory, will ensure a cohesive arrangement of information sharing between the states. ACRE’s intention is to address this very real lack of national coordination amongst renewable energy technology programs, and it is strongly hoped that the government will ensure the integrity of ACRE is not compromised to the same degree as the government’s Energy Efficient Homes package. This scheme provided ceiling insulation worth up to $1,600, prior to its being wound back to $1,200, for Australian householders, including owner-occupiers, landlords and tenants of currently uninsulated homes or homes with very little ceiling insulation.

The Energy Efficient Homes package is currently the subject of a Senate inquiry. This inquiry is into, but not limited to, the roting and abuse of the rebate; the waste, inefficiency and mismanagement within the program; what advice was provided to the government on safety matters, particularly in relation to fire and electrocution risks; and to what degree the government acted on this advice. By the way, submissions for this inquiry should be received by 18 December this year and the inquiry is due to report by 30 March 2010. One of the most blatant rotting scams to emerge under the Rudd government’s controversial pink batts program was when $1,600 was paid to insulate a house set for immediate demolition. After it had been insulated, the house was vacated to make way for a new bus way. Imagine the shock for the former owner when she received a letter from Peter Garrett’s department confirming it had just paid $1,600 to an installer to insulate the property. The house was demolished just a week after the insulation was claimed to have been installed in July. Reports of a couple receiving separate quotes—$300 and $1,600—for the same job is another example of the Rudd government’s mishandling of the Energy Efficient Homes package. Reputed to be a billion-dollar blow-out, this package reeks of waste and roting.

Industry leaders warned earlier this year that inexperienced and ill-trained installers would put themselves and homeowners at risk of electrocution and fire with their shoddy work. With one installer electrocuted and numerous others receiving serious shocks, this advice, which was not acted upon, has come back to haunt the Labor government. Authorities have also issued warnings after dozens of house fires have been started by incorrectly installed ceiling insulation. In fact, fire and consumer bodies in five states have warned of fires caused by insulation placed over hot downlights or ceiling fans.

Upon the eventual admittance that there were huge problems associated with the installation, the Rudd government finally set up a program to randomly check the work of the insulation installers. The checking is done by people with little or no insulation installation experience who sit through an induction lasting 30 to 45 minutes before they are sent out with a ladder and a torch to check on the installers. So from beginning to end this whole insulation debacle has demonstrated why we are right to call a Senate inquiry into the government’s wasteful insulation program.

With mounting evidence of a lack of cohesion and harmony within the Rudd government towards their policies, it is imperative that the government listen to all stakeholders and not give free rein to themselves
in an area that is as important as renewable energy. It is with pride that I acknowledge the ongoing contribution of Western Australia to this new and exciting chapter in Australia’s energy and resources sector, despite the many failed promises made to ordinary Western Australians by this government. In Western Australia, in which my electorate of Kalgoorlie encompasses the largest electoral landmass in Australia in addition to being one of the most resource-rich areas in Australia, there are currently five areas of major initiative being undertaken with regard to renewable energy projects. These areas of renewable energy are hydro, wind, biomass and solar energy—photovoltaic and solar thermal. In addition, wave energy technology is being tested with some degree of success.

We look forward in the very immediate future to huge increases in the demand for renewable power. We are greatly concerned about the issue of climate change or weather change. We are also concerned about energy security. Perhaps I should say we ought to be more concerned about energy security because, as we move to legislate to make the generation of coal fired power less palatable and more costly—and I remind you that 80 per cent of Australia’s power currently comes from coal power production—we need to be very careful indeed that ACRE does its jobs, and I will refer to one of the jobs that it might do, and do well, given its objectives. I remind you, Madam Deputy Speaker, of what ACRE’s objectives are, and I will quote them:

ACRE’s objectives will be to promote the development, commercialisation and deployment of renewable energy …

Specifically, amongst other things, it will do this by:

(c) managing the cost effective delivery of Government funded renewable energy and enabling technology programs;

(e) fostering collaboration between governments, industry and the research community on renewable energy projects;

(f) any other activities that it is directed to do by the Government to support renewable energy and enabling technologies.

The elephant in the room undeniably in relation to greenhouse gas emissions reduction is the generation of electricity by the use of nuclear energy. The purists will argue that nuclear energy is not renewable energy because we only have a certain amount of uranium resources. But it is generally accepted at this point in time that Australia has some 40 per cent of the world’s known uranium resources, and it would seem fairly obvious to even a blind man that, given the richness of this resource within Australia, Australia—and especially this government—ought be at least considering, with all of the hullabaloo going on about reducing greenhouse gases, the use of nuclear energy. Many critics of nuclear energy—and I am talking about the informed critics of nuclear energy; I am not talking about those who remain with their head firmly in the sand—will suggest to you, quite rightly, that, with the competition of brown coal as a source of energy, nuclear energy is not financially viable, and I accept that.

But we are moving to an era where it is becoming more and more popular to embrace those energy sources that do not produce greenhouse gases. If we in this place could enlarge our minds for a moment, we need to consider another problem that this great nation of ours is facing: the issue of a shortage of water, and more specifically potable water. We have a major issue of wanting to avoid the generation of greenhouse gases. We have the major issue of guaranteeing water supply, specifically potable water supply. And we have the detractors suggesting we cannot have nuclear energy because
we do not have the mass necessary to justify a plant of a size whereby there is economy of scale.

I put it to the House that in addition to those two problems, with nuclear energy we could solve a third one. Currently the largest of our cities, at certain times of the year, have to suffer the problem of smog and exhaust gas created hazardous atmospheres. If we were to locate somewhere within a coastal region of south-eastern Australia a very safe generation IV nuclear power plant, we could size that power plant to a point whereby excess energy, excess electricity created—not required by those populations within easy transmission reach—could be used to extract hydrogen from water. And with the development of the hydrogen fuel cell and the development of motor vehicles using that form of energy conversion, we could be running cities with hydrogen fuel cell driven vehicles that would generate no pollution whatsoever. The only conversion that takes place is that oxygen is taken from the atmosphere and electricity and water are produced. We could perhaps either keep the water onboard to water the garden when we get home, or we could dampen down the streets for dust suppression. But it is a very simple solution. That is just one part of a possible justification of building nuclear power plants to a critical mass size. Perhaps I should not use ‘critical mass’ in the same speech that is talking about the use of nuclear energy.

The problem with potable water supply and the recognition today that desalinated water is going to be our saviour in the future for cities’ potable water supply, that is what a generation IV nuclear power plant can do most efficiently—that is, to take seawater or saline water and produce potable water. Given that we are looking at population increases, given that we are looking at the change in the weather and the fact that we want to guarantee our water supply, including potable water supply, and given we want to clean up the atmosphere in cities, I suggest to this place that the great solution as we move into the future contemplating many forms of non-polluting energy sources, including renewable energy sources—if we are fair dinkum in this place about coming up with solutions and enabling technology to occur for the benefit of this nation and for the benefit of the people who live in this nation—then we must consider nuclear energy, nuclear power generation as a justifiable addition to the mix.

To that end, the coalition supports this bill’s recognition of and intent to address the lack of coordination within governments with regard to renewable energy technology programs which have evolved over a number of years. With the current government’s dismal track record, it is imperative that the ACRE’s aspirations are not jeopardised so as to ensure that Australia’s energy future features a mix of technologies to guarantee we can make the transition to a lower emissions economy without compromising our energy security.

Mr KELVIN THOMSON (Wills) (7.57 pm)—The purpose of the Australian Centre for Renewable Energy Bill 2009 is to establish the Australian Centre for Renewable Energy and the position of chief executive officer. ACRE is an initiative under the Clean Energy Initiative. It will complement the Carbon Pollution Reduction Scheme and the expanded renewable energy target by supporting the research, development and demonstration of low emission and renewable energy technologies.

It is very timely that we have a debate about renewable energy today. Whatever the political pressures we are under concerning a move away from carbon based energy, and no doubt they are significant, we have a duty
to take a science based, evidence based approach. I note that Senator Nick Minchin recently said on *Four Corners* that climate change:

For the extreme left … provides the opportunity to do what they’ve always wanted to do, to sort of de-industrialise the western world. You know the collapse of communism was a disaster for the left, and the, and really they embraced environmentalism as their new religion.

Let me observe that I do not hear anyone proposing that we de-industrialise the Western world, and I hope that Senator Minchin looks closely at this bill when it gets to the Senate. Proposals to move to solar, wind and geothermal energy, or for greater energy efficiency or for electric cars, do not represent an atom of deindustrialisation. Proposals for solar panels and rainwater tanks promote the kind of household self-reliance one would expect a champion of rugged individualism to be enthusiastic about. More worrying, it suggests that Senator Minchin is so stuck in the Cold War battles of the past, locked in time with the fall of the Berlin Wall 20 years ago, that he is going to see this issue through ideological blinkers rather than look at the science, look at the evidence, look at the facts. Apparently he would rather see his own city of Adelaide sizzle and burn than admit that the Left might be right about this issue.

Contrary to the propaganda of commentators like Senator Minchin, most people who seek to protect the environment do not want to lower their standard of living; what they seek to do is to put their lifestyle on a sustainable basis. It is true that some aspects of our lifestyle have become extravagant and excessive and that there is plenty of scope to reduce our consumption of electricity, water and vehicle fuels. But our need for electricity, for water and for cars is not going to go away, and it does not need to. What is needed is to generate that electricity, deliver that water and power our vehicles from energy sources in a way that does not trash the planet. That is why we need to move to renewable energy and that is why we need this bill.

It is said that renewable energy is not capable of meeting Australia’s baseline power needs. This is quite misleading, on three counts. First, much of the increase in power use, and therefore the increase in carbon emissions, arises at peak periods—for example, the use of air-conditioners on hot summer days. This is precisely the time at which solar power works best. Renewable energy which meets peak demand is extremely important in meeting our future energy needs. Secondly, while any given renewable energy source may be intermittent, the fact is there are many different energy sources located across many different areas of Australia. In combination, they are capable of meeting large chunks of Australia’s power needs in a predictable, reliable way. The existence of the national electricity grid facilitates this. Thirdly, it is not a matter of all or nothing. For example, wind power can operate in concert with gas fired power stations to produce power with much fewer carbon emissions than our present coal fired arrangements.

People who claim that renewable energy can only operate at the fringe of electricity generation are quite wrong. Professor Ian Lowe has pointed out that renewables now account for a quarter of the installed energy capacity of California, half of Norway’s and three-quarters of Iceland’s. Grid connected solar energy is growing at 60 per cent per annum worldwide and renewable energy industries now employ nearly two million people. These are examples of just some of the renewable technologies which are presently being applied.
Solar thermal power plants generate electricity using heat. Much like a magnifying glass, reflectors focus sunlight onto a fluid filled vessel, generating heat that drives a turbine to produce electricity. The United States and Spain are developing this technology—ironically, originally conceived in the early 1990s at the University of Sydney—with plans for over 5½ thousand megawatts of new capacity to come online by 2012. The output from these plants would be enough to power one-quarter of Australian homes. Solar photovoltaics, solar PVs, use semiconductors to convert sunlight energy into direct current electricity. Excess energy is stored in batteries for later use. It can also be fed back into the electricity grid. Australia receives enough solar energy in one day to supply half a plant’s annual energy use, but countries like Germany and Japan are way ahead of us in using this technology. There is solar hot water, which is mandatory in Israel. There is wind power. Wind turbines convert the kinetic energy in wind into mechanical energy.

The Texas state government is driving an effort to build 23,000 megawatts of wind-generating capacity, the equivalent of 23 coal fired power plants—enough to meet the residential needs of half of Texas’s population. It would take 4,200 wind turbines to meet all of South Australia’s energy needs. Denmark, which is two-thirds the size of Tasmania, has already installed 5,000 turbines. Then there is bioenergy generated from organic matter. This is suitable for electricity, heating and transportation. It is important to note that growing crops for bioenergy purposes should not compromise global food production or degrade native forests. Unfortunately, there is evidence of this occurring in emerging countries such as Brazil and Indonesia.

I want to say a little bit more this evening about geothermal energy. It does not get discussed much in the parliament, but it is potentially the largest source of energy in the world today. Unlike solar energy, which comes to the earth from the sun, geothermal energy comes from deep within the planet itself. Like solar energy and wind power, geothermal energy could, if properly developed, match all of the energy available from coal, oil and gas combined. Indeed, the amount of geothermal energy potentially available is, according to the United States Secretary of Energy, Steven Chu, effectively unlimited. And Al Gore’s most recent book says that the amount of geothermal power available is so frequently underestimated primarily because its use as a source of electricity has long been associated with the few locations where hot water bubbles or spouts to the surface. In fact, the global geothermal resource base of stored thermal energy is very large. According to the United Nations world energy assessment report, the geothermal resource is roughly 280,000 times the annual consumption of primary energy in the world. Moreover, geothermal power has numerous advantages over any other form of energy. Unlike coal, oil and gas geothermal energy has virtually no CO2 emissions. Geothermal plants are modular and scalable. They have the smallest environmental footprint on the surface.

Like solar power, geothermal resources are available virtually everywhere on earth. It is underneath developing countries as well as wealthier countries. It is not intermittent. Once it is in place it provides power 24 hours a day. There are two kinds of geological areas where geothermal resources have traditionally been most easily located. The parts of the earth where the temperature beneath the surface gets hottest are usually located at the boundaries where tectonic plates come together and where active volcanoes are often found. There is a new and growing excitement about geothermal electricity, based on new technologies, that makes it possible
to exploit sites deep in the earth that have enormous amounts of heat but lack one or more of the characteristics found in hydrothermal reservoirs. For example, many of these sites do not have water. Capturing the energy from these new non-hydrothermal resources has led to new approaches. This new technology for making geothermal power is called ‘enhanced’ or ‘engineered’ geothermal systems.

By using new technology that exploits the advances in drilling and reservoir stimulation—developed in part as a result of the frenzy of oil and gas exploration in the 20th century to create active reservoirs that emulate the properties of hydrothermal systems—geologists and engineers believe that they have found ways to produce extremely large sources of geothermal power from regions several miles deep in the crust of the earth. The geothermal resources worldwide are usually associated with volcanic activity, but we also have geothermal resources in Australia associated with heat-producing granites. Development work is underway in the Eromanga Basin in South Australia and Queensland as well as in the Hunter Valley in New South Wales. The potential geothermal resource is estimated at 450 times Australia’s total energy needs. Geothermal energy could directly replace coal fired power, as it provides a constant power source.

I think that this parliament and this country need to put a greater investment of energy and effort into exploiting this great potential resource. The fact is that Australia has a lot of potential—a lot of unrealised potential—in relation to renewable energy. Australia currently sources just eight per cent of its electricity from renewable energy, down from 10 per cent in 1997. Australian electricity consumption has increased more rapidly than renewable electricity supply. This compares very unfavourably with Germany, which has 25 times more wind energy installed than Australia. Even though their wind sites are less windy than Australia’s worst commercial sites, they have six times more wind energy per person than Australia. Japan and Germany each have 24 times more solar-electric panels installed than Australia despite having significantly poorer solar resources. At the end of 2005 both of those countries had 1,400 megawatts, compared to Australia’s 60 megawatts.

So, although Australia has unrivalled solar, wind and geothermal resources and led the world in the development of solar technology, we have not been using these natural advantages in the way that we should. We have had companies move overseas for want of market support. In a 2006 review of international markets’ attractiveness to renewable energy investors, Australia ranked 16th—that is, fourth from the bottom. This is unfortunate. Globally, there is a lot of investment in renewable energy. In 2005, worldwide investment in new renewable energy was worth US$38 billion. In 2005, grid connected solar-PV power grew by 55 per cent and wind power grew by 24 per cent.

I also believe we need to look at vehicles. In June this year we saw General Motors in America go into bankruptcy. This company basically failed to see where petrol prices were going and failed to see where consumers were going. Our car manufacturers need to think seriously about manufacturing cars that run only on electricity. China, Israel and Denmark are doing this. There are companies that have produced a business plan involving the construction of car battery recharging stations at parking spaces and billing motorists online for the electricity they use. Fully charged cars would be able to travel around 160 kilometres, and for longer trips motorists would pull into stations resembling car washes and exchange their spent batteries for new ones.
The Silicon Valley based company Better Place has raised hundreds of millions of dollars and entered into agreements with Israel, Denmark, a number of governments in the United States, Renault and Nissan. Under the Better Place model, consumers can either buy or lease an electric car from the French auto maker Renault or the Japanese car maker Nissan and then purchase miles on their electric car battery in the same way people purchase mobile phone time from a mobile phone carrier. The cars are sold at a relatively low price and owners are charged operating fees. The total cost of owning an electric car, including the upfront prices and ongoing operating expenses, is expected to be less than for a conventional car.

China is seeking to become the leading producer of hybrid and all-electric cars within three years. It is behind the United States, Japan and other countries when it comes to making gas-powered vehicles, but it is skipping the current technology and hoping to get a jump on the next one. Of course, electric cars that use electricity from traditional sources produce carbon, but, if we move to renewable energy such as solar, wind, geothermal and other carbon-free methods of producing electricity, we could obviously get around this problem. That would give drivers freedom from petrol price fluctuations, and Australia would get a sustainable future for our car industry, an improved trade balance and energy independence.

Finally, I want to note that it is not just about renewable energy, it is also about energy efficiency. It is important that we have a balanced approach to this issue. I commend to the parliament the formation of the Australian Alliance to Save Energy, which intends to raise the profile of Australia’s opportunities in energy efficiency in a concerted and sustained way. Its operating model is drawn directly from the Alliance to Save Energy, headquartered in Washington, DC, and it has had senior representatives from Washington advising it during its formation phase. The Alliance to Save Energy has been at the centre of energy policy debates in the United States for over 30 years and has helped design, implement and evaluate a range of domestic and international demand-side programs and distributed-energy programs.

The government has been very active on the renewable energy front. We have had the initiatives in the 2009-10 budget, including a $4.5 billion clean energy initiative. We have had the renewable energy target legislation, which we debated and passed earlier this year. And, finally, we now have the establishment of the Australian Centre for Renewable Energy. I commend the government on its renewable energy initiatives and I commend the bill to the House.

Mr KATTER (Kennedy) (8.13 pm)—I have never seen a debate where there is so much hot air and so little science. I do not know why people do not actually sit down with scientists and go over this in detail. Madam Deputy Speaker, imagine that four of my Akubra hats are up on the ceiling and that the ceiling above us is a giant fluorescent light. Would those four Akubra hats stop this room from being illuminated? Clearly, they are going to have virtually no effect at all. But that is what you are saying. You are saying that 400 parts per million of carbon is going to reflect light back to earth. Let us have a look at the science of this. You have CO2 molecules floating around and you have photons—light—going upwards from the earth. The photons from the sun’s rays rebound and go back up again, and they hit the CO2 molecules.

A tiny bit of that energy is absorbed by the molecule, but basically the photon is deflected. It continues on to outer space. If you throw a rock at a boulder that is poking up,
the rock will continue to go forward unless you actually hit the boulder right in the centre—otherwise, it will continue its forward momentum. It will not come back down to earth; it will continue in forward momentum. You do not have to be a scientist to work all of this out.

I am not a global warming sceptic; I am a global warming anti, as I have said on many occasions in this place. If you do not like that position, then for heaven’s sake argue the science of it in this place. This is where it needs to be argued. Having said that, we have a dramatic increase, and that is occurring at an increasing rate. We have an exponential growth here in the problem. So, whilst there is no global warming now—and I could not really see a serious problem arising for another century or two centuries, as far as global warming goes; and it is not the case in the oceans—if you increase the CO2 level of the atmosphere, you will increase the CO2 level in the oceans by exactly the same rate.

I scouted around and found out that Dr Katrina Fabricius at the Institute of Marine Science is one of the world’s renowned scientists in this field. I was told she is one of the top scientists in the world in this field—she is a very self-deprecating person and she denied that, but I think it may be true. We know the pH levels in the earth are seven—seven is neutral. Seawater is 8.1. It has a logarithmic change. A change of only 0.1 of a pH unit will result in a 30 per cent increase in hydrogen ions. They are ionic and I think they would be referred to as free radicals. Whilst I do not want to get too carried away with the science, if you have CO2 plus H2O you end up with H plus ions plus HCO3, moving on to CO3, CO2 minus, plus 2H plus.

What that means to a layman like me is that at this pH level there is a decreased number of CO3 ions because they have now become HCO3. No CO3 is available to form calcium carbonate. Calcium carbonate comes from the shell of shellfish. A vast area of all ocean biodiversity is in fact shellfish. The food supply chain has at its very basis bivalves, if you like, which are shellfish. They cannot be seen by the naked eye. We can dig up eugaries under the bridge, but bivalves are very small particles—the same sort of thing but infinitely smaller. I asked: has any hard research been done? Dr Fabricius said yes. She pulled out a study, which I refer to the House: ‘Marine biocalcifiers exhibit mixed response to CO2 induced ocean acidification’. Justin Ries, Anne Cohen and Daniel McCorkle are the authors of the paper. It was in Geology, in December 2009. It is a very honest document in so far as five of the sea life that have been analysed do not show any negative response as a result of increasing carbon dioxide in the seawater, but, of the 18, the rest of them do. There is a very serious change in calcium carbonate growth as a result of the increasing carbon dioxide in the ocean.

What all that means is that we do have a problem that we may have to look at seriously in the immediate future. I think that every member of parliament in this place—even a person who may be described as being at one extreme of the debate—would say, and even I would say, that we need to take a bit of a pull on the reins. How would you do that? I had the privilege of being the mines and energy minister in the Queensland government. No greenie am I—I can assure you. I am just the opposite of a greenie and my government was an anti-greens government. We resolved to go to solar hot water systems in all of the government houses in Queensland. If we did that, over the next 10 years—and I think it was more likely to be over the next six or seven years—we would not have to build a 1,000-megawatt power
station, which was about one-fifth of our generating capacity in Queensland at that stage. So what I was doing was saving the taxpayers of Queensland $1,000 million.

You might well ask: ‘Hold on a minute. You’ve got the cost of the solar hot water systems.’ They were government houses. If you added the rent and the electricity charges together, we would increase the rent to pay for the solar hot water system and of course the electricity costs would come down. The net result would be a reduction in the cost to the householder. This may sound like magic but it was no magic. We were a very hard-nosed government that could add up—almost all of us were people from private business; some of us made a lot of money and some of us had lost a lot of money as well as having made a lot of money. We knew what it was like to make an economic decision. The economic decision was taken that we would move to solar hot water systems. Very regretfully, we lost government the next year and the scheme was abandoned by the incoming Labor government—the people who come in here and preach to us about how we should be saving the planet! A CSIRO gentleman—I think it was Dr Sacher; I may stand corrected on that—got a lot of publicity for saying that the government proposal will not work. The government proposal being put up here simply will not work. The government proposal being put up here simply will not work. It will not work because you cannot avoid being honest at some stage in government.

The government is being honest and says it will have to let them plant trees. I for one am desperately opposed to massive monoculture. On the scale that we are talking about here, literally millions of hectares would be required. That is what is going to happen. Madam Deputy Speaker Saffin, your area and my area are suffering as a result of tree plantations. We are losing jobs left, right and centre because of the managed investment schemes which the last government failed to control and the current government is failing to control. An awful lot of these investors are simply looking for a way not to meet their tax burden and they are putting their money into trees. To give you some idea of what is going to happen, thousands of acres were wiped out in Ingham in the last flood. People do not understand that trees take a hell of a lot of looking after. The environments in which they are being planted, where you can have millions of hectares, are not naturally kind to trees. Trees will grow there but at a very, very restricted rate of growth, unless you can apply some irrigation to them. We planted a million trees in the most wonderful tree-friendly regime in the world in Far North Queensland during the Greening Australia campaign and I am reliably informed that only 28,000 of those trees are left.

What will happen here is that you will see the Macquarie Banks and the Goldman Sachs and all of those people growing wealthy through buying and selling securities out there, because the new security will be the carbon credits that you will buy and sell. They will be a tradeable commodity worth thousands of millions of dollars, and these people will get hundreds of millions of dollars, if not thousands of millions of dollars, for trading these securities backwards and forwards. If there is something that we are absolutely notorious for in this country, it is gambling. It comes from the fact that almost all of our forebears who were here before the Second World War and all the miners before the Boer War came out during the gold rushes. There is no doubt that built into our culture is a bit of a gambling culture. If you put thousands of millions of dollars worth of securities out there, all we are going to be doing once again in Australia is playing Russian roulette with securities. We are going to plant a whole stack of trees that simply will not be there in 30 or 40 years time. We will
have wasted all of this time, money and effort and we will not have reduced the CO2.

The CSIRO officers—I must praise them very highly but I do not want to embarrass them by mentioning their names—believe most profoundly that their own government is on the wrong track here. They believe that the government should be taking positive action to reduce the CO2, not relying upon the marketplace. Surely in this country we have woken up to the fact that marketism is dead—and it has almost killed Australia with it. There is no doubt about that. Manufacturing has gone and agriculture in this country is two-thirds gone. There is nothing left except the mining regime, which is now going to be destroyed by having to carry a burden and a handicap that no-one else on earth has to carry. It is going to be 25 per cent of the cost of mining. I rang three of the biggest mines in Australia to confirm this figure: 25 per cent of the cost of mining is in electricity. There seems very little doubt, and no-one is denying, that the cost of electricity is going to go through the roof when this occurs.

Let us look at the options. I refer to Professor Szokolay’s book *The Solar Home*. It is a book that is highly respected throughout the world. It is on the reading list of many universities around the world but particularly in the United States. The book says that 40 per cent of domestic energy consumption is in the heating of water. So we could reduce by 20 or 30 per cent domestic consumption in one hit. Madam Deputy Speaker, your area and my area are quite capable of producing 20 per cent, maybe 30 per cent, of Australia’s petrol needs. I hold up to you, as I have done many times in this House, the government’s own graph of oil production and the graph shows that up until almost 2002 we were self-sufficient in oil. As the Minister for Resources and Energy, Martin Ferguson, has pointed out in this place on numerous occasions, that graph rapidly divides now and by 2014 Australia will have only one-third of its oil requirements met by its own indigenous reserves.

Surely we are going to do something about a situation which will cause another massive blowout in the current account and make us totally dependent upon Indonesia and the Middle East for our source of oil. That can transform itself immediately into 60 per cent indigenous if we move to ethanol. We highly praise the New South Wales government for the initiatives they are taking. I am deeply depressed to tell you that no such initiatives are coming out of Queensland. There is a lot of hot air and rhetoric—they have been promising it now for about 11 years—but nothing has transpired. On the other side of the document I am holding here, as I have held up on many occasions in this House, is a picture of a very handsome fellow in a big white Akubra hat in Sao Paulo in Brazil filling up his Holden motor car at 74c a litre. The price in Australia at the same time was 124c a litre. Unfortunately, I lost the picture of me filling up a motor car in Minnesota for 84c a litre. The United States and Brazil have ethanol; this country does not. Why doesn’t it? Because the government listens to the big corporations. The political parties are in the hands of the big corporations. That is the only reason this country, which is so suited to ethanol, has not gone there.

If we switch to an ethanol regime, no less a person than Al Gore—the greenies patron saint—nominates on I think page 136 of *An Inconvenient Truth* the first solution as corn ethanol. Corn ethanol is only one-third the value—it is only 29 per cent—and is only one-third as good as sugar ethanol, which is available in the electorates of the honourable member for Richmond, who has just stood down from the chair, the member for Dawson and the member for Leichhardt and my electorate. We can do it tomorrow if we get
the cooperation of the government. But the government is spending $120 million on building a solar energy research centre in Canberra. What in heaven’s name? The last place on earth I would put a solar energy research centre is in Canberra. I have not got time, unfortunately, to outline to the House just what dumbness has come out of this place, but let me just give you one example.

Debate interrupted.

ADJOURNMENT

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

That the House do now adjourn.

Veterans

Mr JOHNSON (Ryan) (8.30 pm)—I want to raise a very important issue that concerns a substantial majority of my electorate. In particular it concerns the veterans of the Ryan electorate. This is an issue that, quite frankly, neither political party has taken to heart. It is an indictment of both parties. I regret to say that, during the time of the Howard government, we did not give this front and centre attention. But the now Labor federal government, led by Prime Minister Rudd, has been especially dismissive and should be especially sanctioned because, during the 2007 election campaign, the then Leader of the Opposition, Mr Rudd, told the veterans of Australia and of the Ryan electorate that, if he were elected, he would make it a priority to ensure that there was equity, fairness and justice in relation to military superannuation and the pensions of veterans.

I want to read into the Hansard the words of a very distinguished Ryan constituent, a former brigadier of the Australian Army, who is widely respected in Ryan for his service to our nation wearing the uniform and for his continued commitment to equity, fairness and justice, not just for himself but for many veterans who do not have the voice, the eloquence and the status that he has as a former brigadier. I refer to his letter to me because it reflects the scores of emails to me from veterans and their families who see this as an issue of equity, fairness and justice. This is what Brigadier Brian Wade AM—and I should say very clearly for the record that he has been awarded an AM by this country—of Taringa said to me, writing on 31 October:

Dear Michael,

I am writing to express my extreme displeasure in relation to the Government’s decision to adopt the recently released Matthews Report into the indexation of Military and other Commonwealth Superannuation.

This is a matter which is of considerable importance to all of the current and retired Military community and the purpose of this letter is to ask you to take some action.

The effect of the implementation of this report is that Military Superannuation Pensions will remain indexed to the CPI, whereas Welfare and Age Pensions are indexed at a higher rate, namely the greater of CPI or Pensioner and Beneficiary Living Costs Index (PBLIb) or Male Total Average Weekly Earnings (MTAWE), and pre-2004 MP’s and High Court Judges Pensions are wage based indexed to the salaries of serving backbench MPs.

I have seen credible statistics and graphs which show that, in the period 1989 to 2008, Military Superannuation Pensions rose by 68%, while Age Pensions rose by 110% and those of retired MP’s rose by 131% per cent!

Put another way, a person who had served our country in uniform and retired in 1989 on a Superannuation pension of $30,000 would, in 2008 be receiving $50,400. Compare that to $63,000 for a welfare recipient and $69,300 for a politician! Hardly fair by any measure.

I do not know if those figures are 100 per cent accurate. I will not challenge them for their absolute accuracy, but, even if they are only partially accurate, I cannot stand by, as
the member for Ryan, as the son and grandson of veterans from different theatres, at different times, who wore the uniform for their different countries, and say that we are satisfied with the current position. We must do something.

For the record, I want to make it very clear that I intend to continue to raise this issue of fairness, equity and justice in my party and in the parliament, because this is the right thing to do. If it requires substantial allocation of funds and the withdrawal of funds from elsewhere, then I am prepared to work with anybody in government or in the bureaucracy to find those billions of dollars, because there is great waste in this government. There is great waste in budgets. There is an opportunity for us to find money for a more equitable, more just and more fair cause. The country must honour those who have worn the uniform in our name and served under our flag. We must honour them. (Time expired)

**Nation Building Economic Stimulus Plan**

Mr SYMON (Deakin) (8.35 pm)—Last Friday, I had the pleasure of visiting some of the sites in my electorate that are undergoing work as part of the government’s Nation Building Economic Stimulus Plan, along with the Victorian coordinator-general of the program. There are over 284 nation-building projects being delivered in Deakin, at a total cost of almost $127 million. While the sites I visited on Friday represent only a small snapshot of everything that is going on in my electorate, they were an excellent example of the nation-building programs that the Rudd government is investing in for our future.

The four sites that we visited on Friday showed how the government is investing in housing, transport infrastructure and education. We began the day with a tour of a new social housing development in Ringwood East, in Stanley Avenue, a place I know very well—I looked at a house there for purchase many years ago. The development consists of six units and was recently completed, with some tenants having already moved in. I spoke to Norm Robinson, the builder in charge of the project, who has done a fantastic job and has other similar projects ongoing in the local area.

Social housing projects sometimes have issues relating to their proximity to transport, shopping centres and other amenities. I am pleased to say that the development I visited in Stanley Avenue in Ringwood East is located close to great local facilities—the station, the school and medical and health services—which is one of the reasons why I looked at buying a house very close by many years ago. It is an excellent example of a well-planned social housing development.

We then went on to visit the site of a most important project and certainly the No. 1 local issue in my electorate—the Springvale Road Rail Separation at Nunawading. This project is coming along very quickly, which will be welcome news to the more than 50,000 vehicles and the people in them that use the crossing each day, the people in the 218 trains that go across it each day and the 5,000 pedestrians who also have to fight their way through this mess. The $140 million project is receiving funding of $80 million from the federal government and a grant from the state government for $60 million. This demonstrates a great partnership between two great Labor governments.

I was given a tour of the building site on Friday and it was fantastic to see the progress that has been made since I was last there on 29 July when I saw the first pole being driven into the ground. The building of the new Nunawading station site has commenced. Modular train station buildings are being installed this month as well as the west and east side station roof canopies. Cranes,
boom lifts and scissor lifts are everywhere on the site. Over 150 people are working on this project. I am told that the project is on track to finish on time, and I have no doubt that the Springvale Road Rail Alliance will achieve this goal. The workers are doing a great job on this long-overdue project, and the cooperation between employers and the unions on site is commendable.

We then visited two primary schools in the area that have received funding under the government’s Primary Schools for the 21st Century program and the National School Pride Program. New multipurpose halls are being constructed at the schools, and the principals at each of these schools are very excited about the projects that are happening right under their nose. At Blackburn Primary School, we met up with Principal, Sue Henderson, and builders, Higgins. They showed us the progress of the new hall on that site. It already has its concrete slab, steel work, timber frames and roof. The hall is moving along at a great rate of knots and should be completed around May next year.

We then went to Burwood East Primary School where we saw another Higgins’ construction, a new multipurpose hall, which is also progressing well. The builders are at the point of putting in the windows and the fit-out. Until this project, this school did not have a hall. Quite often, the school has had to conduct assemblies in the baking sun or the pouring rain because there was simply not the room to hold assemblies anywhere else but outside.

While these projects represent only a fraction of the great work being done in my electorate and, indeed, around the country, they show us how the government’s economic stimulus plan is working to build the infrastructure we need for generations to come. We should also remember that the Liberal and National parties voted against the stimulus plan. If those opposite had their way, there would have been no social housing development and no money for local schools to build new halls or paint their classrooms. How can we forget their vote against the Nation Building Program (National Land Transport) Amendment Bill on 1 June this year? If this bill had failed to pass through the houses, there would have been no money to fix Melbourne’s worst level crossing at Springvale Road and provide for over 100 other road and rail projects across Australia. The Liberals had promised for more years than I can remember to fix Springvale Road, so the sheer hypocrisy of their promising funding for Springvale Road in an election campaign while voting against Labor’s funding bill in this House simply astounds me. As the events of today prove, the Liberal Party’s only interest is in their own jobs, not those of working Australians. (Time expired)

Property Rights

Mr HAWKE (Mitchell) (8.40 pm)—I rise tonight to speak about the ongoing erosion of private property rights in Australia due to an increase in the amount of environmental legislation and associated legislation affecting the rights of property owners. In particular, I want to raise this concern in relation to my electorate, which is an outer metropolitan electorate in Sydney, where property owners are being subjected to many plans from all layers, and often overlapping layers, of government that ensure the ability of property owners to use their land in a productive way is reduced.

I want to note that, this week, Queensland’s Labor government have introduced a new environmental property credential in their legislation that requires anyone selling their home to complete a 56-point questionnaire detailing the property’s environmental credentials. This gives effect to the fact that, before being able to offer a property for sale,
homeowners must fill out forms describing the home’s energy and water efficiency, including whether or not it has solar power, a gas cooktop, insulation, water-saving shower heads and a rainwater tank. I want to record that this is just the latest intrusion upon a property owner’s rights, considering that, if anybody were seeking to purchase the property, of course they would be seeking to understand all of its facilities and whether or not these were good quality improvements. This is a piece of mindless bureaucracy.

However, I particularly want to speak about the Native Vegetation Conservation Act in New South Wales that has completely removed the ability of a property owner to clear their land. The Native Vegetation Conservation Act requires that all landowners have approval before they clear their land, regardless of what they are clearing—whether it is weeds or forests. The act covers anything that may be classed as a plant. This legislation came into effect on 1 January 1998 under the Carr Labor government, ostensibly to manage land clearing in New South Wales. The government says that land clearing is now better managed than at any other point in the state’s history. I suspect that is not the view of farmers whom I have spoken to around the state of New South Wales. I have been to different parts of New South Wales. Just this week I was in Cooma at a large property where land clearing is an issue for people wanting to productively use the land. The extent of land that is at risk from salination is certainly recognised; however, the ability of a landowner to interpret what use is best for the land has been removed by this legislation. I regard farmers as the best people to manage the land and the best people to productively use the land and care for it and they have historically done so, but they have been removed from the equation and replaced by government—and that is something which I reject.

Further, I want to record something that is symptomatic of this ongoing assault on property rights and ownership. In Parramatta, near my electorate of Mitchell, we saw the famous High Court case relating to the Civic Place redevelopment by Parramatta City Council. The High Court ruled 5-0 in favour of the landowners that the council did not have a case to take away their property or to acquire their property compulsorily without their consent. What we then saw was a disgraceful move by the New South Wales government to change the law after a citizen took their right to travel to the High Court and receive a 5-0 verdict in favour of landowners and against the council. The New South Wales state Labor government simply changed the law and allowed for the compulsory acquisition of that property. The amendment to the Land Acquisition (Just Terms Compensation) Act, which clarified, according to the government, the original intention of the act, once again eroded the capacity of a person in this country to use their property in the way that they wanted.

On behalf of those property owners in my electorate who had their ability to rezone or redevelop their property restricted by over 37 plans in some cases—REPs, LEPs, local development controls—I want to record that this trend that government has more and more control and the landowner has less and less say over property in Australia needs to be resisted and needs to be changed. Certainly I reject the idea that the government, on whatever basis, be it environmental or on the basis that it knows better than a landowner what it ought to achieve from a piece of property, is not one that I accept. So in defence of those people in Queensland who now have 56-point questionnaires in relation to their property and in defence of the people in Parramatta, I reject this idea. (Time expired)
Page Electorate

Ms SAffIN (Page) (8.45 pm)—Tonight I want to talk about my electorate of Page, about what a wonderful electorate it is, the whole 16,091 square kilometres of it, and the people, some 137,000-odd at the last census, that is, two per cent of the population of New South Wales, and just how wonderful some of the people are. I do so on what is the second anniversary of my having the privilege and pleasure of being elected to represent the people of Page. It has been two years since the general election when I was elected as part of the Rudd Labor government. I am very proud to be a member of the government and I am very proud to be the local representative in Page. I have worked hard over the past two years and made some good progress in key areas. I know there is still progress to make—there has been a lot that has not been done in Page over a long period.

I am making progress in the key areas of education, roads, bypasses, preschools—there are about 37 community preschools in my electorate—in health with the Grafton Base Hospital redevelopment and with the Integrated Cancer Care Centre at Lismore Base Hospital. There is a lot more that I want to do in health and the reforms will go some way towards tackling longstanding problems in health. I am making progress in small business matters, community services and housing and also in smaller community projects—I am just being a committed and consistent advocate for our area. That is what most people want at a local level, particularly in Page. I am also tackling a number of projects which I am driving, supporting, being involved in and advocating for—things like the agri-tourism project. Currently research is being done by the bureau of rural research in certain areas around Australia—thankfully, Northern Rivers is one of them—looking at what can be done to help landholders, particularly farmers, develop the agri-tourism market. Also I am involved locally in a football project. That is a project in which I have taken a lead, along with Craig Foster, who would be known to some of you—he comes from Lismore—and Southern Cross University and others, working with the vision, the goal, of having an Asia-Pacific centre for football in our area, to respond to local needs and also to the broader Asia-Pacific. That is a project we are currently working up with the Football Federation of Australia and Northern New South Wales Football.

We are fortunate also to have the Southern Cross University, which covers five electorates in New South Wales from Port Macquarie, to Coffs Harbour, through Grafton to Lismore and Tweed Heads, and there is a new campus under construction at the Gold Coast Airport precinct, which should be open in February. Last week’s local newspapers—Northern Star, Tweed Daily News and Coffs Coast Advocate—ran good articles detailing the value of the Southern Cross University to the North Coast, the Tweed and the smaller Gold Coast region. The value is some $483 million and the breakdown is as follows: $292 million to Northern Rivers region, $67 million to Coffs Coast and $125 million to Tweed and Gold Coast areas. The newly appointed Vice-Chancellor, Peter Lee, was quoted in the Northern Star as saying: We are based in Lismore and remain the heart of a multi-campus university.

It was the Southern Cross University’s Regional Futures Institute which prepared the report, which is a first and reflects the combined efforts of many in the university community and more broadly. There are 1,873 jobs which arise out of the university with new projects yet to come. (Time expired)
Assisting the Victims of International Terrorism Legislation

Mr BALDWIN (Paterson) (8.50 pm)—
Last night in the Main Committee I spoke on the Assisting the Victims of International Terrorism Bill 2009 and unfortunately, due to timing, I did not get to put on the record all of my concerns. I want to say that I support the private member’s bill as put forward by the member for Warringah, seconded by me, which provides up to $75,000 in compensation for the victims of international terrorism when they are subjected to terrorism overseas. Why do I support this? I support this because I have a personal knowledge, feeling for and understanding of those who have been victims of international terrorism. A person I have known for some 14 years, Paul Anicich, and his wife Penny, and Tony Purkiss, who I have known for a while, are outstanding people. I have seen the effect of that bomb blast in Bali in 2005 on their lives.

As members of parliament we can stand here and speak all we like about what we think or understand they are going through—the pain, the suffering, the loss of quality of life, the loss of income, the stresses on families—but I am not Paul Anicich and I am not Tony Purkiss. I cannot feel what they feel. I can only think I understand what they are going through.

As I said in the Main Committee last night, the Paul Anicich that I met 14 years ago was a leading legal practitioner in the Hunter. He was a model corporate citizen, shown through his engagement and leadership in the community. Tony Purkiss was an outstanding man. But I see these people now and it breaks my heart to see what they have gone through. Paul Anicich, when he came to see me not long after he got back to Australia and started to recover, wanted nothing more than a victim’s gold health card to help offset the additional financial costs of health treatment for what he went through in that bomb blast on that night in October 2005. Paul did not want cash; he just wanted some assistance by way of a card. He found it extremely traumatic to go to a new doctor and have to go through the whole scenario again, of what happened to him and the treatments—that is, of reliving that moment over and over again. He wanted to be spared that.

The private member’s bill put forward by the member for Warringah and seconded by me has our support. It was argued last night that there was no precedent for a $75,000 payment for victims in this situation. I would put to you that under the provisions of state governments there is a $75,000 victim of crime payment available. We are saying that these are Australian citizens, that these are Australians that deserve our support and that we as a federal government should make available to those people a payment of $75,000. That would go not just to the individual victims but to parallel the state provisions so that, if somebody had unfortunately been killed by one of these acts, their next of kin would be able to access this support—as, indeed, they are able under the state provisions—to help. This would not be a hugely expensive exercise. To date, if all the around 300 people from Australia who have been victims of international terrorism were paid $75,000, it would amount to less than $23 million. That is not a lot of money in the scheme of things.

The Prime Minister today decided to berate me for wanting to speak in support of this. I support his idea of establishing a national insurance scheme. But that is for the individual. This is about supporting the victims of international terrorism. I would have thought that doing something to help our fellow Australians who have suffered at this would have been a noble thing to do. So I asked the Prime Minister to go back to the drawing board, to reconsider his opinion and
to look at this as a special case, as a special need for support. There is no member in this parliament who could ever know—and I hope they will never experience—what these people as individuals and their families have gone through. My call goes out to the Prime Minister: have a heart and consider the plight of these people and their pain and their suffering.

Assisting the Victims of International Terrorism Legislation

**Mr PRICE** (Chifley) (8.55 pm)—I want to correct the public record following the contribution of the member for Paterson. Madam Deputy Speaker, as you know with private member’s bills, there are no seconders. There are absolutely no seconders. It was not the member for Paterson’s private member’s bill; it was in fact the member for Warringah’s.

**Mr Baldwin**—Madam Deputy Speaker, I raise a point of order. The member for Chifley is misleading the House. I actually had to sign a form seconding it.

The DEPUTY SPEAKER (Ms AE Burke)—The member for Paterson will resume his seat. There is no point of order.

**Mr PRICE**—Madam Deputy Speaker, I want to pay tribute to you and the rest of the Speaker’s panel for the way you have facilitated the business of the Main Committee. Let me give you the history. In fact, we did have a whips meeting and there was no proposal before the whips meeting about the private member’s bill. We concluded that meeting. Then I was approached and told it was an oversight, that they wanted to make a change. So I did. That change was made, and it was agreed that there would be two speakers—one each from each side for 10 minutes. Then there was a further approach—and this is where I think you deserve due credit, being responsible for the Main Committee—that the opposition be allowed to split their speaking time on the second reading debate. Again, we agreed. There were supposed to be two opposition speakers for five minutes each and one government speaker. There was a government speaker for 10 minutes. But the first speaker, the proposer of the bill, was Mr Abbott, who spoke for seven minutes.

**Mr Baldwin**—He spoke for five minutes.

**Mr PRICE**—He spoke for seven minutes. Then, when the time of the member for Paterson expired, halfway through his speech, both of them launched a vicious attack on the Deputy Speaker. They suggested all sorts of things about agreements about time. In fact the member for Paterson stated—and it is in the *Hansard*—that he was entitled to a further 20 minutes to speak on it. Then he said he wanted to have a vote on it.

**Mr Baldwin**—That’s right.

**Mr PRICE**—That is right. The former Leader of the House, Mr Abbott, did not know the procedures of the House for private member’s bills. I would say that this was a very important issue. I will concede to the member for Paterson and the member for Warringah that this is a very important issue. But wouldn’t you think that a former Leader of the House and the junior shadow minister for defence, representing the shadow minister for defence in this chamber, would understand standing orders and the procedures that are required? But no. They tried to harass Deputy Speaker Thomson in the Main Committee. I want to put on record that I think the member for Wills handled himself with dignity. He was correct in his rulings in dismissing all the points that were being made by the member for Warringah, the former Leader of the House, and the member for Paterson. He deserves to be commended. In fact, he was very conscious that any delay beyond the expiry of the time for the private member’s bill would have knock-on effects.
Again, I want to place on record my appreciation to you, Madam Deputy Speaker, for the way you were so flexible to accommodate this second reading debate in the Main Committee. It is a matter of regret to me the way both members—who should know better—have tried to prosecute their case. They should have let the dignity of what they were trying to do speak for itself rather than try to use sleazebag tactics both in this House and in the Main Committee.

Mr Baldwin—you don’t understand your own standing orders, Roger!

Mr PRICE—I think I understand standing orders. You ought to read them. You ought to open them for the first time, member for Paterson. Someone who has been Leader of the House I say should have a very good grasp of the standing orders. He should understand what happens with a second reading debate, should know that it does not go to a vote and should know that, when asked by the member for Paterson, it cannot be referred back to the House for a vote. Why don’t you just stand up in a dignified way and seek bipartisan support for what you are trying to—

The DEPUTY SPEAKER (Ms AE Burke)—Order! It being 9 pm, the debate is interrupted.

House adjourned at 9 pm

NOTICES

The following notices were given:

Mr McClelland to present a Bill for an Act relating to proceedings in Australian and New Zealand courts and tribunals, and for related purposes.

Mr McClelland to present a Bill for an Act to deal with transitional and consequential matters in connection with the Trans-Tasman Proceedings Act 2009, and for related purposes.

Dr Emerson to present a Bill for an Act to establish the Australian Astronomical Observatory, and for other purposes.

Dr Emerson to present a Bill for an Act to deal with transitional matters in connection with the enactment of the Australian Astronomical Observatory Act 2009, and for other purposes.

Dr Emerson to present a Bill for an Act to amend the Textile, Clothing and Footwear Strategic Investment Program Act 1999, and for related purposes.

Ms Roxon to present a Bill for an Act to amend the law relating to health, and for related purposes.

Ms Macklin to present a Bill for an Act to amend the law relating to Aboriginal land rights, social security, veterans’ affairs, family assistance and child support, and for other purposes.

Ms Macklin to present a Bill for an Act to amend legislation relating to the Northern Territory National Emergency Response and to provide for matters relating to income management, and for related purposes.

Ms Burke to present a Bill for an Act to amend the law in relation to fisheries, and for related purposes.

Mr Griffin to present a Bill for an Act to amend the law relating to veterans’ affairs and military rehabilitation and compensation, and for other purposes.

Mr Butler to present a Bill for an Act to amend the Therapeutic Goods Act 1989, and for related purposes.

Mr McClelland to present a Bill for an Act to amend the law in relation to international arbitration, and for related purposes.

Mr Albanese to move:

That the House:

In considering any matter referred to it which may involve, or give rise to any allegation of, a contempt, the Committee of Privileges and Mem-
bers’ Interests shall observe the procedures set out in this resolution, in addition to any procedures adopted by the House for the protection of witnesses before committees. Where this resolution is inconsistent with any such procedures adopted by the House for the protection of witnesses, this resolution shall prevail to the extent of the inconsistency.

(1) Any person who is the subject of proposed investigation by the committee must be notified in advance of the specific nature of the allegations made against them, preferably formulated as a specific charge, or if this is not possible, of the general nature of the issues being investigated, in order to allow them to respond.

(2) The committee shall extend to that person all reasonable opportunity and time to respond to such allegations and charges by:
   (a) making written submission to the committee;
   (b) giving evidence before the committee;
   (c) having other evidence placed before the committee; and
   (d) having witnesses examined before the committee.

(3) Where oral evidence is given containing any allegation against, or reflecting adversely on, a person, the committee shall ensure that that person is present during the hearing of that evidence, subject to a discretion to exclude the person when proceedings are held in private, and shall afford all reasonable opportunity for that person, by counsel or personally, to examine witnesses in relation to that evidence.

(4) A person appearing before the committee may be accompanied by counsel, and shall be given all reasonable opportunity to consult counsel during that appearance.

(5) A witness shall not be required to answer in public session any question where the committee has reason to believe that the answer may incriminate the witness.

(6) Witnesses shall be heard by the Committee on oath or affirmation.

(7) Hearing of evidence by the committee shall be conducted in public session, except where the committee determines, on its own initiative or at the request of a witness that the interests of the witness or the public interest warrant the hearing of evidence in private session.

(8) The committee may appoint counsel to assist.

(9) The committee may authorise, subject to rules determined by the committee, the examination by counsel of witnesses before the committee.

(10) As soon as practicable after the committee has determined findings to be included in the committee’s report to the House, and prior to the presentation of the report, a person affected by those findings shall be acquainted with the findings and afforded all reasonable opportunity to make submissions to the committee, in writing and orally, on those findings. The committee shall take such submissions into account before making its report to the House.

(11) If the committee determines to make a recommendation to the House on a penalty to be imposed on a person, the person affected shall be afforded all reasonable opportunity to make submissions to the committee, in writing and orally, in relation to the proposed penalty. The committee shall take such submissions into account before making its report to the House.

(12) The committee may consider the reimbursement of costs of representation of witnesses before the committee. Where the committee is satisfied that a person would suffer substantial hardship due to liability to pay the costs of representation of the person before the committee, or in the interests of justice, the committee may make reimbursement of all or part of such costs as the committee considers reasonable.

(13) A member who has instigated an allegation of contempt or who is directly implicated in an allegation, shall not serve as a member of the committee for any inquiry by the committee into that matter.
Before appearing before the committee a witness shall be given a copy of this resolution.

Mr Albanese to move:
That:

(1) The House, in considering any matter which may give rise to a contempt of the House, shall observe the procedures set out in this resolution:
   (a) for any motion that makes a finding of contempt or that imposes any sanction for contempt, seven sitting days notice must be given;
   (b) if, in considering any matter that may give rise to a contempt, the House wishes to consider further evidence not previously provided to the Committee of Privileges and Members’ Interests, the person or persons accused of contempt shall be given the opportunity to respond to that evidence;
   (c) where the House proposes to impose a punitive penalty on a person or persons for contempt, the person or persons shall have the opportunity to address the House, either orally or in writing;
   (d) where the Committee of Privileges and Members’ Interests has made a recommendation for the imposition of a penalty on a person or persons for contempt, the House shall not impose a penalty which exceeds that recommended by the Committee;
   (e) where the Committee of Privileges and Members’ Interests concludes in a report to the House that there is no finding of contempt against a person or persons, the House cannot make any finding of contempt against the person or persons; and
   (f) any members who initiated an allegation of contempt should not vote in any divisions on motions relating to any findings, or impositions of penalties, for those contempts; and

(2) This resolution has effect and continues in force unless or until amended or rescinded by the House in this or a subsequent Parliament.

Ms Gillard to present a Bill for an Act to amend the law relating to social security, veterans’ affairs and higher education, and for related purposes.

Mr Champion to move:
That the House:

(1) acknowledges the importance of supporting the Australian vehicle manufacturing industry;
(2) notes that this industry is under increased pressure due to the Global Financial Crisis;
(3) notes that particular strain is being placed on Australian car manufacturers in the face of a significant drop in sales on the domestic car market;
(4) applauds the South Australian and Victorian governments’ efforts to buy Australian made cars and encourages other State governments to follow this lead.
(5) supports the moves by local car manufacturers to provide innovative, efficient and cost effective cars suitable for government use; and
(6) calls on all State governments to purchase Australian made vehicles for their government fleets.

Mr Champion to move:
That the House:

(1) notes the fiftieth anniversary of the establishment of the Balaklava Community Children’s Centre;
(2) acknowledges the:
   (a) importance of such well-established educational providers for children, families and local communities; and
   (b) commitment and dedication of Director Chris Fisher and the Chairperson Jo Michalanney; and
(3) congratulates all the past and present staff, families and community members involved in the kindergarten for their hard work and devotion which contributed to the longevity
Mr Champion to move:
That the House:
(1) acknowledges the:
(a) hard work and dedication of the organisers of the Kapunda show; and
(b) value of such events for the local community;
(2) congratulates all those involved in the planning, preparation and management of the event both during the show and in the months beforehand; and
(3) applauds the show committee including President Mrs Roxanne Rosenzweig, Vice-President Ms Lorin Fiebig, the Treasurer Mr Ron Lee, and the Secretary Mrs Jacqui Bridge, for the success of the Kapunda Show of 2009.

Mr Champion to move:
That the House:
(1) notes that in light of the May 2009 end of the longstanding civil war in Sri Lanka:
(a) the Tamil population in the north of the country continues to suffer human rights abuses and are being denied basic rights and freedoms;
(b) that over 100,000 people remain in internment camps despite efforts to resettle affected populations;
(c) there are serious humanitarian concerns surrounding the conditions in internment camps; and
(d) that the International Committee of the Red Cross (ICRC) has been prevented from accessing several internment camps in the region since July 2009;
(2) calls for:
(a) restrictions on access to camps and detainees to be immediately lifted by the Sri Lankan Government; and
(b) the imposition of the rule of law in northern Sri Lankan and for legal rights to be afforded to the Tamil citizens; and
(c) timely resettlement of the remaining camp populations to their own villages;
(3) recognises that lasting peace in Sri Lanka will require:
(a) reconciliation between the Sinhalese majority and the Tamil and other ethnic minorities;
(b) the inclusion of all ethnic groups in a truly representative national Government; and
(c) a concerted effort by the national government, civil society and the international community to end a culture of human rights abuse and afford human rights and freedoms to all Sri Lankans; and
(4) commends the Australian Government’s commitment to assisting the humanitarian situation in Sri Lanka through:
(a) its $24.5 million in assistance in 2008-09 which was delivered through humanitarian organisations on the ground; and
(b) a further commitment of $35 million in 2009-10.
The DEPUTY SPEAKER (Mr S Georganas) took the chair at 4.00 pm.

CONSTITUENCY STATEMENTS

Swan Electorate: Crime Prevention Programs

Mr IRONS (Swan) (4.00 pm)—Last Friday I was pleased to attend the launch of the City of Belmont’s CCTV Alarm Assist project in my electorate of Swan. I have followed the progress of this project closely over the last couple of years and was pleased to be at the launch. The basis of Alarm Assist was actually a coalition promise before the last election. Of course, Labor did a ‘me too’ on the issue. However, I am pleased they did it because it is a worthwhile initiative. Crime is a problem in the Belmont area and I receive a particularly high number of calls from Rivervale residents who are concerned about this issue.

I have always encouraged innovative solutions to the crime issue, and I believe the Alarm Assist program falls into this category. The scheme will embrace CCTV technology across the city of Belmont. The hope is that a better CCTV network will make it easier for police to catch criminals, serve as a visible deterrent and make the people of Belmont feel safer. According to a police website:

Still images and video footage are considered to be one of the best ways to prove who did what and when. Images of this nature can cut down investigation time and may also guide us to very swift outcomes. Some images and video may be presented as evidence in a court.

There are two specific components to the City of Belmont Alarm Assist program. The first is the installation, monitoring and response to business and residential alarms in the city. The second is the installation of CCTV systems in the city of Belmont that interconnect to a private alarm system and other triggers. As part of the program, the council are rolling out 400 low-cost RAC intruder alarm systems for residents and businesses to install. The systems that will be fully installed by the RAC include a fire smoke detector, a duress button and movement door sensors. I understand that in the event of an alarm activation the City of Belmont’s Neighbourhood Watch security will attend the premises.

I am also pleased to say that the program will be coordinated with the Blue Iris program, an initiative of the WA Police. Under the Blue Iris scheme, businesses and residents are encouraged to register their CCTV systems with the police. When the police are investigating a crime in a particular area, they will use this database of CCTV cameras to track and, hopefully, catch the offenders. Congratulations to the City of Belmont and, in particular, crime prevention officer Shaun Nancarrow, who has driven this from the start.

Whilst I am enthusiastic about the prospects of this project, we must keep up the fight against crime on all fronts. There are a number of local schemes in WA that I am keen to promote in the community. The first is the seniors security rebate being run by the Liberal-National government in WA. Under the scheme, WA seniors card holders can claim up to $200 for buying or installing home intruder alarms, security screen doors, security window screens, security sensor lights and door deadlocks. Local governments also have some good crime prevention programs. I would like to make particular mention of the City of Belmont and the town of Victoria Park. Programs like Alarm Assist complement these policies. I will be following the progress of this scheme with interest. Finally, I would like to acknowledge
the mayor, Glenys Godfrey, and the Minister for Home Affairs, who were also at the launch.  
(Time expired)

**Newcastle Electorate: Mr Kurt Fearnley**

Ms GRIERSON (Newcastle) (4.03 pm)—I rise today to commend a wonderful man, a constituent in my electorate of Newcastle, Mr Kurt Fearnley. Last week he completed an absolutely astounding feat: he quite literally crawled the Kokoda Trail. Kurt is profoundly disabled and usually confined to a wheelchair. However, his achievement was astounding. He set his goal and he made the distance after a very rigorous training regime.

Many people know the challenge of that track. Many people have failed. Kurt did not, and that is something that we always expect from Kurt. He is a legend and Newcastle’s very own Superman. I do not have enough time to tell you all the things I would like to tell you about Kurt. He is the youngest of five children. At school athletics carnivals he could push his wheelchair as fast as any other kids could run. He is now considered one of the best wheelchair racers in the world. His achievements as a Paralympian representing Australia are also at the highest level—gold and bronze medals. He has won the New York City Marathon for four years in a row.

But he does not rest on his laurels. He is an inspiration; he takes on astounding tasks. When he took on the Kokoda Track, not only did he train physically for it but he also undertook the challenge to raise awareness for men’s health. All the money he raised was donated to this cause. Being the intelligent and sensitive young individual he is, he also researched the history of the track and paid particular homage to the Aussie diggers who served there, to the many people who supported him on the track and to the Papua New Guinean locals who assisted his success. Anyone who heard his interviews would understand what a profound experience it was for him and what a generous man he is. He is an inspirational young Novocastrian. He does exemplify the toughness and resilience of our town. He embodies all the things that are good about the human spirit.

We have heard in news today of his experience at the hands of Jetstar, having to crawl through Brisbane airport. We have also heard Jetstar’s apology. But what happened to Kurt should not happen to anyone. It is undignified. It is an insult, and it certainly must never occur again.

I welcome the Prime Minister and the Parliamentary Secretary for Disability and Children’s Services’ understanding of these issues and for their taking a special interest in them. I also welcome the Prime Minister’s announcement last night that the government will engage the Productivity Commission to examine the feasibility of a national long-term care and support scheme, a scheme that would address the issue of improving support to those who incur a disability in any circumstance. I know that the Prime Minister made special mention of Kurt last night and saluted him when making this announcement. Kurt Fearnley is an amazing individual. I take great pleasure in reporting his efforts to the House. I congratulate him and thank him for the work he does mentoring and inspiring young people in our city of Newcastle.

**Gilmore Electorate: Institute of Design**

Mrs GASH (Gilmore) (4.06 pm)—Hear, hear! I endorse your comments entirely. It is with great pleasure that I inform the House about an exciting new venture in my electorate, which I
had the privilege of officially opening last Saturday, 21 November. The Ulladulla Institute of Design is a brand new and unique facility that reflects innovation and incredible vision. Director Karl von Busse is a man of passion and flair who must be applauded for his initiative and also his confidence in the region. The building that will become home to around 50 design students next year is nothing short of stunning, featuring state-of-the-art technology and world-class design tools. The fashion industry is a very dynamic and exciting place and I can see many of our young people going on to unbelievable career paths made possible by this facility.

I first met Karl von Busse some time ago, when he told me of his plans and I did not really believe it would all happen. I should never have doubted him. I remember being extremely impressed by his determination and positive views for both the area and his concept. He asked for assistance with government red tape and procedures, which we were able to do, to help get this fantastic visionary concept off the ground.

Ulladulla is a place with endless potential, but few realise the opportunities. I am very conscious of the vibrant artistic community in the Milton-Ulladulla area, and the women present on Saturday night certainly reflected this, as did Peter, the flamboyant member of staff whom I intend to bring to Parliament House to liven the place up. The institute offers an exciting opportunity to a number of young people who want to pursue a career in fashion design and graphics, and I am sure that there will be plenty.

Ulladulla is one of the areas of Gilmore that unfortunately is plagued by high youth unemployment and social problems. It has been suggested that a lack of vocational opportunities for young people is one of the reasons for this. It often results in young people leaving the area in search of tertiary or employment options. The thought that this facility could offer new life and hope for the young people of the region and attract others with passion and ambition is a fantastic prospect. I trust it will also draw other industries to the area.

Karl previously owned and operated the highly successful KvB Institute of Technology in Sydney for 30 years and some of the people who worked with him at that time are now joining him in his new venture on our South Coast. You must have done something right, Karl. Karl is bringing all of his extensive expertise here and I am sure the entire community will join me in thanking him.

Karl is already claimed as a local. In fact he was at one stage—he lived in Mollymook for about six years—and I know that the 180 people who attended Saturday’s opening will now appreciate why he was so keen to come back instead of retiring. He witnessed his spectacular dream come to life. I understand that Karl wants to develop this facility further, offering students more than the initial advanced diploma. The Ulladulla Times suggested that the potential for overseas trips for students to pursue their studies is not beyond the realms of possibility. This is an incredible source of motivation and I would love to see people with the same confidence and motivation that Karl has initiate other ventures in this, an inspiring part of Australia. It is said that like attracts like, and, Karl, I hope you turn out to be a magnet. I want to take this opportunity to do two things. First of all, I would like to throw my wholehearted support behind his bid to see the school gain VET FEE-HELP to provide further assistance to its students, and publicly acknowledge Karl for acting on the courage of convictions and choosing Ulladulla in the electorate of Gilmore.

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MAIN COMMITTEE
Climate Change

Mr MURPHY (Lowe) (4.09 pm)—Today I speak about a petition I have received from the Edmund Rice Centre for justice and community education. The Edmund Rice Centre is a non-government organisation located in Homebush, in my electorate of Lowe. Under the directorship of Mr Phil Glendenning, the centre has championed a number of noble and worthy causes including the pursuit of reconciliation with our Indigenous brothers and sisters, the promotion of business ethics and more compassionate policies towards asylum seekers.

Today I wish to draw to the attention of the House the work currently being undertaken by the Edmund Rice Centre in relation to climate change. In a recent meeting with representatives of the centre I was presented with a petition calling for very strong and effective climate change action. The centre collected over 800 signatures in just four weeks. Organiser Leonie Cornell notes that the high number of signatures collected in such a short period of time from local families, businesses and churchgoers reflects the views of many of my constituents and those from neighbouring electorates. It is clear that the men and women who have signed this petition want the government to show leadership and take action to address the potentially catastrophic impacts of climate change. Further, the hardworking staff and volunteers of the Edmund Rice Centre firmly reject the defeatist and negligent attitude espoused by many members of the opposition that Australia needs to wait and see what the rest of the world does.

The centre calls on the Australian government to take a leadership role at the negotiations on climate change in Copenhagen. The centre has reported that without strong, effective global action our planet is in dire straits. It notes that a rise in global temperatures will be catastrophic for the lifestyles and welfare of many millions of people. This in turn, it notes, will be catastrophic for the world economy. As a member of the House of Representatives Standing Committee on Climate Change, Environment, Water and the Arts, which released the report Managing our coastal zone in a changing climate in October, I clearly understand the damaging impacts that rising sea levels and storm surges could have on low-lying coastal zones in the future.

The Edmund Rice Centre is a member of the Pacific Calling Partnership. The Pacific Calling Partnership was formed in 2006 as a response to calls from communities in low-lying Pacific islands such as Kiribati. The partnership draws together a number of NGOs, community organisations, school groups and individuals and aims to raise awareness about the impacts of high greenhouse gas emissions on their island nations. Members of the Pacific Calling Partnership will form a delegation attending the Copenhagen summit next month. Mr Glendenning will be part of this delegation. I am very pleased to note that the director of a non-government organisation located within my electorate will play a role alongside world leaders at the Copenhagen conference. Some international leaders would do very well to listen to the views and concerns of Mr Glendenning.

The Australian community want action on climate change. Our island neighbours want action on climate change. Let us show some national leadership and take action. I seek leave to table this petition on behalf of the Edmund Rice Centre.

Leave granted.
Cook Electorate: St Patrick’s Parish

Mr MORRISON (Cook) (4.12 pm)—I rise today to acknowledge St Patrick’s Catholic parish, Sutherland, for recently reaching its 75-year milestone. Last weekend I attended a special celebratory mass that was held to mark this occasion, along with the member for Hughes. This was also attended by Cardinal George Pell and many members of the Sydney Catholic Archdiocese.

The history of St Patrick’s Church is intrinsically linked to the growth and development of the Sutherland shire. The early pioneers of the church community provided the same level of leadership, foresight and perseverance as the district’s earliest civic leaders.

In 1934, Sutherland became a parish in its own right, having previously been part of the Cronulla-Sutherland parish between 1924 and 1934, with a parish priest visiting the area each month or so from Kogarah. The first parish priest for the new Sutherland parish was Father Thomas Vincent Dunlea. Father Dunlea arrived in Sutherland during the Great Depression and upon his arrival exchanged his white Buick for an old horse, upon which he would travel the parish doing his rounds. He put the leftover funds from selling his car towards supporting families.

Between 1947 and 1958, Father Patrick McManus served as the parish priest in Sutherland. The area had changed much since Father Dunlea had arrived over a decade earlier. The Depression had ended and the local community was experiencing a boom after the end of the Second World War. The population was growing and there were many new homes being built in the Sutherland shire area to house all of the families that desired to live in this wonderful place. There was much demand placed upon church resources during this period. Local Catholic schools were in heavy demand, and there were many building projects developed in Como, Oyster Bay, Miranda, Sylvania and Sutherland. Local volunteers made up a large proportion of the workforce for these projects.

The 1950s saw the development of two schools associated with St Patrick’s, one of which is today led by Michael Blowes as principal of the college. The Presentation Sisters arrived in January 1950 and soon began teaching on the St Patrick’s Church site. In the first year they had 330 pupils enrolled. In 1956, the Christian Brothers also arrived and opened a boys college, initially for 177 students. The year of 1958 saw Father McManus succeeded by Father Funcheon, who came from the parish of Gosford. The year of 1959 witnessed the establishment of the Mary Immaculate College for girls.

In 1972 a new parish priest arrived, Father Laurence Cruickshank, who was an achiever and a man of vision. He is fondly remembered for his extraordinary vision in planning and building the new St Patrick’s Church, which celebrated its 25th anniversary in 2007. In February 2008 Father Bill Wright joined the St Patrick’s congregation as parish priest. On 6 July 2008 the parish was visited by the World Youth Day Cross and Icon on their journey to the World Youth Day celebrations in Sydney.

Last weekend’s mass was a tremendous occasion. It was a mass of thanksgiving and also served as an official occasion to acknowledge the appointment of Father John Knight as the new parish priest for St Patrick’s. I wish Father Knight—Father John—all the best and look forward to working with him in the years ahead.
Churches are not buildings; they are communities. I would like to acknowledge the dedicated effort of all of those in the parish of St Patrick’s who have built such a wonderful and fine church which has provided such great service to our community in the shire.

**Kingston Electorate: Defence Force Cadets**

Ms RISHWORTH (Kingston) (4.15 pm)—I rise today to talk about the importance of Defence Force cadets in our local community but especially 40 Army Cadet Unit based at Noarlunga. On 31 October this year I had the privilege to attend their special dinner, which I was invited to by the president of the mess committee, Ryan Lindenberger. He was a lovely young man who was a great host indeed. That night was about showing some of the young people involved in the Army cadets exactly what it is like to attend a formal dinner in the Defence Force. They were all dressed up and looked very smart indeed.

It also gave me the opportunity to speak to a number of the young people who were part of it and hear about the wider activities that they do as part of the Army cadets. These young people I spoke to before and after dinner were incredibly impressive young people. I would like to congratulate Paul Langtry, who is the captain and who puts in a lot of effort, along with his team, including Lieutenant Renee Groffen, Mr Robert Byrne, Mr Andrew Ware, Mr Desman Dalton, Mrs Leanne Ware, Mr Michael Jarrett, Madeline Jarrett-Graham, Jason Byrne, Marian van Antwerpen and, as I mentioned, Ryan Lindenberger, who all did a lot of work for this dinner.

Broadly, the Army Cadet Corps is about developing an interest in the Army and its traditions. I did hear from some of these young people an interest in joining the Army. The statistics say that a large proportion of people that are involved in Army cadets, Navy cadets and Air Force cadets, because their passion is ignited while being involved as young people, do go on to serve in the Defence Force. This is really important. The corps encourage cadets to continue to do military service; develop a foundation of knowledge and discipline; develop qualities of leadership, self-discipline, self-reliance and initiative; and provide training that may contribute to the Army common induction training.

What I saw there was an impressive group of young people who were developing exactly those things: leadership skills, self-discipline, self-reliance and initiative. Even if they do not go on to serve in the Australian Defence Force, those skills, the skills they are developing there as part of being an Army cadet, will serve them very well into the future. I commend the work done by all the Army and Defence Force cadets, the volunteers, the captain and the students. *(Time expired)*

**Disability Services**

Mr CHESTER (Gippsland) (4.18 pm)—I rise to express my support for the government’s announcement of the Productivity Commission inquiry into disability services and particularly the consideration of the merits of the publicly funded social insurance system to help cover the cost of the care and support of people with a disability.

The level of support for carers and people with a disability was one of the key issues I raised in my first speech. Like many others, I have continued to highlight my concerns in the community in recent months. In addition to improving the level of financial support, we do need to provide better access to health services, particularly in regional areas and particularly for children with disabilities. For example, we know that early intervention will allow chil-
children with autism and other special needs to achieve better outcomes, but the lack of availability of allied health services is frustrating the efforts of parents to support their children at this most vulnerable time in their lives.

As children with disabilities get older, many adult carers are faced with uncertainty and a terrible angst about the future of their loved ones. We need to develop a better national system which overcomes the current confusion across state borders and provides certainty for families that their children with disabilities will be cared for throughout their lives. At the moment we leave the older carers in an insidious position where they are not only concerned about their own health but at the same time desperately worried about who will look after their children when they are gone.

The Parliamentary Secretary for Disabilities and Children’s Services, Mr Shorten, is someone I have had conversations with and written to on behalf of my community, and I am confident he is working to overcome these issues. He made a speech earlier this year in Western Australia where he highlighted the fact that one in 12 children have a disability—that is 317,900 children with an impairment that could lead to a developmental delay. Another number that the parliamentary secretary referred to is half a million Australians who are primary carers of a person with a disability. These people are saving our nation a king’s ransom but they are paid as absolute paupers in terms of the financial support that we are able to offer them. The current system for looking after people with disabilities is disjointed and is not working. We must consider all the options for improving long-term care and support. There is no question that it will cost more money, and how we fund the system in the future is a key issue for governments at the state and federal level. The concept of a national disability insurance scheme has been raised in the past, and I support it in principle. It would allow the government to fund a better safety net for people whose lives are affected by disabilities either at birth or acquired through injury or illness at a later stage.

I refer again to some of the comments from the parliamentary secretary in the media today. In the Age he is quoted as saying:

At the moment, if you have a terrible car accident or a workplace injury, there is reasonable coverage under state compensation schemes, but if you are born with a disability or fall off a roof, you are in a very residual system.

We need a sustainable system which isn’t crisis-driven and which can be funded according to the needs of the disabled, not according to the cause of their disability.

In the time that is left I would like to refer to the fact that we simply do not have a consistent definition across state borders of what constitutes a disability, which is adding to the confusion and to the angst of carers in our community.

Lindsay Electorate: St Marys North Public School
Councillor Jackie Greenow

Mr BRADBURY (Lindsay) (4.21 pm)—I rise to congratulate St Marys North Public School on recently celebrating its 50th anniversary. I wish to place on record my gratitude at being invited to join in the celebrations last weekend. St Marys North is an outstanding local school in my community and an example of the final results that can be achieved when a school works closely with its local community to foster a spirit of trust and cooperation between staff, local families and local stakeholders. In fact, St Marys North’s school vision, ‘A
community with expectations of achievement and success’, reflects its commitment to working with families to deliver quality education for its students.

St Marys North was at one time the largest public school in New South Wales. These days, with its 370 students, St Marys North is by no means the largest school in my electorate, but it is a school blessed with committed and passionate teachers and staff, some outstanding young students, who are very active, and an enthusiastic Parents And Citizens Association. Earlier this year I was proud to visit St Marys North, where the Deputy Prime Minister announced a partnership with the New South Wales state government to provide more pay and resources for teachers in low-SES schools. I know that the Deputy Prime Minister was extremely impressed by the school, its students and its sense of community and I am certain that this extra funding will complement the new school hall that is being constructed and is due to be completed early next year under the Rudd government’s Building the Education Revolution.

I would like to acknowledge the current principal, Karen McSpeerin. She is a great educational leader, and her leadership has made a great difference to the lives of many. I also wish to acknowledge the presence at the weekend celebrations of former principals Kevin Hepworth and Athol Wilson. Congratulations to the entire St Marys North Public School. You are a great example of the difference that a school can make in the lives of children and their families.

I would also like to recognise the work of Jackie Greenow, who, as community liaison officer at St Marys North since 1996, acts as a link between families and students to provide them with the support they need. Jackie, who is a Penrith city councillor and former Penrith mayor, was also last night one of the finalists in the local government category of the National Disability Awards. It was an honour to join her and her son, Brett, last night in the Great Hall to recognise her work over the past decade in fighting for better access and opportunities for people with disabilities. In Jackie people with disabilities have a strong advocate, and I know that her work on Penrith City Council has made a real difference to the lives of many. Jackie is an outstanding individual who has been a long-term champion for those in need in our community. I have known her for the past 10 years and I can attest to her commitment to her school community and to the city of Penrith. Congratulations, Jackie, for your work and your nomination. Our community is all the richer for having you as one of its representatives.

Cowan Electorate: Wanneroo Agricultural Show

Mr SIMPKINS (Cowan) (4.25 pm)—On Friday, 27 November the 100th anniversary Wanneroo Agricultural Show will take place at the Wanneroo showgrounds. The first Wanneroo show took place on 21 April 1909 and was opened by the first Western Australian Premier, John Forrest. That first show had some 500 visitors. In many ways it was a showcase for the produce and the livestock of the district. Wanneroo, of course, was a different place in 1909 than it is now. Although it is very much an urban setting in 2009, the links to the past remain strong. This is not more apparent than in the vibrant Wanneroo show.

As we approach this historic moment I think it important that I make the first speech in the Australian parliament about the Wanneroo show and its importance. Before reflecting in some detail on the show, I acknowledge some of those who have served to continue the great traditions of the show. I acknowledge the Wanneroo Agricultural Society’s officials for 2009. The patron is a freeman of the City of Wanneroo, Margaret Cockman OAM. Margaret Cockman and the Cockman family have a great history in the Wanneroo district. Her long-term in-
volvement is literally part of the history of Wanneroo. This is not the first time she has been spoken of. I thank the former member for Moore, Paul Filing, for doing so.

I also acknowledge the vice-patrons, Bill Marwick and Michael Bock. Again they have had a long involvement in the district, and I acknowledge their work. The current president is Michael Aspinall. I know how much work he, the committee and all the officials have put into the 2009 show. I also acknowledge the key position holders: Graham Gibbs, Bill Fulcher, Kathy Criddle, Vince Berlinger, Bonnie Larmont, Roma Okely and Sue Morrissey. Although there are a lot of people who have in the past and who continue to make a significant contribution to the Wanneroo Agricultural Society and to the organisation and running of the show, time does not permit that they will all be named. I would, however, like to specifically thank David Lockett for the commemorative DVD he produced.

I also acknowledge Bernice Marwick, who accepted the Luke Simpkins team’s late entry for the big tractor pull event on Friday night. Apart from such drawcards as my team pulling a tractor, there will be a full range of show activities. In excess of 20,000 visitors will be able to enjoy the fireworks on both nights at 9.15; the Wanneroo Gift running events on Saturday; arena events, such as horse riding and showjumping; the animal pavilion; local produce events; sideshow alley; show rides; live performances; a multitude of stalls; and many other events. Standing second only to the Perth Royal Show in terms of stature and attendance, I wish the officials all the best for the two big days.

The 100th anniversary Wanneroo show will be held on Friday the 27th and Saturday the 28th of November. It will be another wonderful success for the Wanneroo Agricultural Society and the Wanneroo district. I am surprised that this iconic local event—the Wanneroo show—has not been spoken of before in this parliament. I am delighted to do so on this occasion and demonstrate my strong support. Well done, the Wanneroo Agricultural Society.

Shortland Electorate: Belmont Medicare Office

Ms HALL (Shortland) (4.27 pm)—Today I wish to speak about some really good news for the people of the Shortland electorate. In 1997 the Howard government closed the Belmont Medicare office, despite the fact that the Belmont Medicare office was one of the most used Medicare offices outside the major centres. The people of Belmont and the surrounding areas have had to suffer until now because of this bloody-minded action of the Howard government. A number of elderly people live in Belmont and the surrounding areas. Those people have been forced to travel quite some distance to access a Medicare office. Many of them do not have a full drivers licence and they are forced to utilise public transport or rely on friends and family to take them to either Charlestown or Lake Haven.

The good news for the people of Belmont and the surrounding areas is that in this year’s budget the Rudd government committed to reopening the Belmont Medicare office. That was very well received in the local area. That office was scheduled to open in January 2010. The premises have been secured. The Medicare office will be at the Belmont Central shopping centre. Believe it or not, whereas the Howard government closed the Belmont Medicare office, the Rudd government is reopening it—and reopening it ahead of schedule. It will not be opening in January 2010; in actual fact the Belmont Medicare office will open its doors on Monday, 14 December. That will be very well received by people in the local area.
As I mentioned, there are a number of pensioners in the Belmont, Swansea, Marks Point, Redhead and surrounding areas and they will really benefit from this early opening. For the thousands of pensioners and families who, currently, have to travel up to an hour each way to get to the Medicare office, this opening before Christmas will be well and truly welcome. On behalf of the 27,000 residents who will benefit from the re-opening of the Medicare office, I thank the minister. I can only say that the Rudd government knows how to do things: it opens Medicare offices early, whilst the Howard government closes Medicare offices.

The DEPUTY SPEAKER (Mr S Georganas)—Order! In accordance with standing order 193 the time for members’ constituency statements has concluded.

COMMITTEES

Corporations and Financial Services Committee

Report

Debate resumed from 23 November, on motion by Mr Ripoll:

That the House take note of the report.

Mr ROBERT (Fadden) (4.30 pm)—I rise to provide some comments into the inquiry of the Joint Parliamentary Committee on Corporations and Financial Services into financial products and services in Australia. Whilst I do, let me thank the secretariat for their good work; the member for Oxley, Bernie Ripoll, who led the committee; Senator Brett Mason, who was deputy chair; and the Hon. Chris Pearce, the member for Aston, and shadow minister for financial services, superannuation and corporate law.

Hard-earned funds, totalling $70 billion, of Australians have been lost. In the last 18 months corporate collapses such as Storm, Opes Prime, Great Southern and Timbercorp, as well as other companies, have gone under. No banks have failed. Indeed, of only eight AA-rated, or above, banks in the world, four of them are Australian. Our banking system has proven to be the most robust in the world. Despite the catastrophic loss of equity in savings, with most people’s superannuation savings being halved, with many people realising losses through selling down shares, our financial services regime, based principally on chapter 6 and 7 of the Corporations Act and on the financial areas of the ASIC Act, continues to be the strongest and most robust in the world. Over 150 banks have failed and we lost none. Compare that to the crisis of the late eighties and early nineties when more than five banks in Australia failed.

However, there is much that we as a nation and indeed as a parliament—a body of legislators—can learn from the last 18 months. We have already seen some of those lessons being learnt through margin-lending legislation, whereby there is now a requirement upon margin lenders to inform both the client and their adviser of a margin call. Evidence before the committee showed that, in September 2008, there were 2,000 margin calls per day being issued against Australians. It appeared that the vast majority of clients were informed of those margin calls and had the opportunity to make restoration and bring the margins back into loan-to-value ratios. There is one glaring example and that of course is Storm Financial where, for upwards of eight, nine, 10 and, in some cases, 12 weeks clients of Storm were, in many cases, unaware of a margin call requirement—the end case of course being the Commonwealth selling down and closing the Storm index funds and losing over $5 billion of hard-earned funds of Australians.
The financial devastation that the collapse of the likes of Storm and Opes Prime, Timber-corp and Great Southern has caused cannot be underestimated. Collectively, over $10 billion of life savings of ordinary Australians was lost. These included pensioners, who were, some say, duped into actually mortgaging their home for an excessive margin loan into a Storm Financial or other product, only to find out they had lost everything. The toll of human wreckage goes into the thousands. Within such an environment—praising God that, indeed, our nation did not fall into recession, in most part due to the way we started, the strength of our financial services regime, the lack of debt and the robustness of that financial services regime—as we now move into growth it is important to look back and learn the lessons of the past and to look at how we as legislators can actually improve the financial services regime. No matter how good it may be, it can improve; hence the inquiry into financial products and services in Australia had that charter and, indeed, has produced 11 recommendations to achieve that end state: to improve the financial services regime.

Whilst the 11 recommendations cover a range of areas, from disclosure to education to working with industry as it seeks to address the issue of commissions, there is no more important, no more wide-ranging recommendation than the first one—that is, that the Corporations Act be amended to explicitly include a fiduciary duty requiring financial advisers operating under an AFSL to place their clients’ interests ahead of their own. The committee has recommended that we amend chapter 7 of the Corporations Act to require a fiduciary duty of care from advisers, a legal duty of care, a legal responsibility that advisers put the interests of their clients, without fear or favour, before any of their own interests. This will put the legal requirements of financial advisers on a par with lawyers and accountants. It will lift the financial services industry into a proper, robust and professional space with full legal requirements. It will require that advisers duly consider the statement of advice they give, knowing full well that that statement of advice may well be admissible in court because of their fiduciary duty of care. It will require advisers to think very carefully about their remuneration structures, especially any commissions or payments they are getting from a product provider at the back-end, because those remuneration structures, those commissions may well be admissible in a court of law as per their fiduciary duty of good faith.

Financial advisers will now need to rethink exactly how they engage with clients, the statement of advice that they provide and what has caused them to come to that statement of advice, and, if need be, they will need to defend that statement of advice. That is a sweeping, all-encompassing change to how the financial services industry is operating. In fairness to the industry, many parts of it are already operating along those lines, with a sense of good faith behind them. For many firms, recommendation 1, no matter how sweeping, will be somewhat passe because that is the way they already operate their businesses. For others, it may well be a requirement to look very closely into the mirror and determine exactly how they provide their advice.

The industry has stated through the FPA, IFSA and AFA that they are looking at the issue of commissions. They are looking at how financial advisers are remunerated. Recommendation 4 is that the government consult with and support industry in those sorts of moves. The committee believes it would be inappropriate to regulate and say that commissions are banned. People need to have choice. Advisers need to have choice. We need to ensure that financial advice is readily available for all people, not just for those on high incomes. Rec-
ommendation 4 allows the industry time to work with its members, with its clients and, if need be, with legislative support work through how they look at commissions.

The committee has done an excellent job and I thank the members of the committee from both sides of the House who produced a truly bipartisan report and who worked through the dreadful issues of the financial losses of so many families and their wrecked and shattered lives, many of whom will never recover. The committee looked at how we can improve the system. Noting that the financial services regime is already robust, how do we improve it to ensure that it is better placed for the storms that will come again?

Do the recommendations mean that no financial services firm will collapse in the future? No, they do not. Storm Financial did not have any commissions back to product providers. Many of its advisers had masters degrees; however, what Storm Financial, and perhaps others, did not do was to ensure that their fiduciary duty of care was enacted when dealing with their clients. What Storm and others did was to leverage upon leverage their clients' interests into the market. They treated all clients in the same way through super leveraging themselves into a bull and growing market and then leveraging unrealised gains back into that market. When the market eventually fell, as all markets do, Storm was unable to recover the assets of their clients.

I certainly commend the report to the government. It makes a range of very solid and very sound recommendations. I look forward to working with the industry going forward as it seeks to continue to enhance its professionalism and provide services to the Australian community.

Ms OWENS (Parramatta) (4.39 pm)—I am pleased to speak on the Parliamentary Joint Committee on Corporations and Financial Services report on its inquiry into financial products and services in Australia. In many ways this was a difficult inquiry not just because of its content but because of the nature of some of the witnesses. Many of the witnesses had lost significant amounts of money, sometimes all of their savings and more, particularly through Storm Financial and Opes Prime and a small number of other companies in recent years. It was a difficult inquiry for us. From listening to them it was perhaps an even more difficult inquiry for them, telling their stories in such a public way.

There is no doubt that the recent controversies, such as the collapse of Storm Financial and Opes Prime and the subsequent dire circumstances of many small investors, have dented confidence in the financial advice industry. The consequences for many people have been dire. The committee heard evidence from people who lost everything and much more in investment schemes that were, by any stretch of imagination, out of line with their life circumstances. We heard from pensioners with no possibility of earned income who had invested everything they owned and geared further in investment schemes which carried considerable risk. Many of those people lost everything.

Our job was not to assign blame, although it was very tempting to do so. Our job was to consider the issues associated with those collapses. We heard from time to time that the problems were caused by the global financial crisis. I want to comment on that. Of course, it is true that there was a financial collapse in 2008 and that there were going to be losers. But the collapses exposed problems within the sector, which led to people making investment decisions that were profoundly inappropriate for their circumstances. It is also clear that many of those people were unaware of the risks associated with their decisions. While the submissions
exposed some questionable behaviour on the part of the companies that collapsed, our role was not to forensically identify illegal behaviour. That role is for others to take—and they are doing so. But we did identify industry-wide practices that have grown over time and that seemed not to lead to advice and decisions in the best interests of the client.

While I do not want to provide any excuses for the sector, I do want to reflect on the way that the world in which advisers operate has changed over the last 10 to 15 years. Australia is in many ways in a unique position. We have one of the largest per capita investment rates in the world largely due to superannuation funds and recent demutualisations, which quite often see people who are in the later years of their lives and who have no investment experience at all receive significant amounts of money. An incredibly large number of people are coming to investment late in life having received large superannuation payouts or literally receiving cheques or shares in the mail because of demutualisations. That makes us unique. You can see in the pattern of margin lending, for example, the change in the way Australians have engaged in investment. Ten years ago, in 1999, less than $5 billion had been borrowed through margin loans. By December 2007, some 8½ years later, that figure had skyrocketed to over $37 billion—a 700 per cent increase in 10 years. It grew not just in numbers but also, significantly, in the range of investors that took out margin loans. The growth also happened through the years of boom. It is not strictly true that it was impossible to lose money but it is probably true to say that people made money and also, arguably, that the people who were exposed to inappropriate risk or who did not fully comprehend the nature of their investments were insulated from the consequences by upward trends for a number of years. That of course all came to a halt in the middle of 2008. At the same time as the number and range of investors grew, there was a massive growth in financial industries and the number of advisers. Collapse or not, it would have been timely now to review the way that financial advice industries operate.

The government has already moved to regulate margin lending, and that is a very good thing. That will already make a difference to the way that financial advice is offered to retail investors in particular. The minister has also flagged further intentions in his initial acknowledgement of the report last night. He outlined at a recent FPA national conference that any regulatory changes by the government will be guided by the following two key principles: firstly, that the financial advice that people get must be in their best interests—distortions to remuneration, which misalign the best interests of the client and the adviser, should be minimised; and, secondly, in minimising these distortions, we need to ensure that we do not put financial advice out of the reach of those who would benefit from it. They are both very strong statements. They coincide significantly with the views of the committee as expressed in the report, even though this statement was made prior to its release.

The committee has made a number of recommendations and, in broad terms, they are in the areas of raising standards of advice; making disclosure more effective; removing conflicted remuneration practices; ensuring better transparency, competency and accountability through the licensing system; reforming lending practices; limiting access to complex and/or risky investment products; and introducing a last-resort statutory compensation scheme for investors.

Standards of advice vary considerably, and so do the conditions under which clients receive it. A number of witnesses outlined concerns about the effect of conflict of interest on the quality of advice provided by financial advisers. There were proposals put in three main areas:
imposing a higher legislative standard through a fiduciary duty for financial advisers to place clients’ interests first; providing consumers a distinction between sales-based advice and independent advice; and improving enforcement of current advice standards through annual reports to ASIC and/or risk-based auditing.

There can be no doubt, in listening to the evidence provided by a number of investors and organisations representing the industry, that there is a view that compensation packages through commissions are largely not understood by the client base, and similarly that quite often a financial adviser is acting more as a salesperson for one product or another than as an independent adviser. So there is considerable confusion in the industry from the client perspective about what they are actually getting when they go and see a financial adviser.

The committee made a very strong recommendation concerning fiduciary duty, and it is probably the most powerful recommendation in the report. It states that:

The committee recommends that the Corporations Act be amended to explicitly include a fiduciary duty for financial advisers operating under an AFSL, requiring them to place their clients’ interests ahead of their own.

I would assume that many people who have sought financial advice prior to this report being delivered would have assumed that the adviser actually already was providing advice in the client’s best interests, but that is not required under current regulations and there was clear evidence given by a number of people that it is not always the case.

There is also evidence—and ASIC is probably one of the strongest exponents of the view—that the imposition of a legislative fiduciary duty would likely change remunerative practices without even placing a ban on commissions. They state:

…once you are in a fiduciary relationship, if you are going to take commissions or some other benefit, that benefit belongs to your client. …So the change we would see to industry practice would be that a lot of the front-end, trail and ongoing commissions would probably not sit well with a clarification of that duty.

Ultimately, the definition of ‘fiduciary duty’ will be determined by the courts, but there were very strong indications of industry views that remuneration practices through commissions will be problematic under that regulation change.

The second recommendation—also an important one—is that:

…the government ensure ASIC is appropriately resourced to perform effective risk-based surveillance of the advice provided by licensees and their authorised representatives. ASIC should also conduct financial advice shadow shopping exercises annually.

This is an incredibly important recommendation that ensures that ASIC is keeping an eye on the behaviour of the industry, particularly over the time that these changes would take place—assuming that they are adopted by the government, of course.

The third recommendation—also an incredibly important one given the lack of understanding by many clients of advisers of the way in which their relationship actually plays out—is that the Corporations Act be amended to require advisers to disclose prominently in marketing material restrictions on the advice they are able to provide consumers and any potential conflicts of interest. Again, this recommendation came about because of the clear evidence that many advisers are taking commissions or other fees and many are in fact only representing a small number of products, which means again a person can go to a financial adviser believing
that they are receiving open and independent advice and are really talking to a person who is only able to provide advice concerning a small range of products. It is an incredibly important recommendation that will make a substantial difference to investors.

The inquiry attracted considerable debate about whether banning commission-based remuneration is required to overcome the conflict of interest that it creates. Some argued that disclosure and conduct requirements have failed to adequately manage those conflicts and that a ban is now warranted, while others claimed that removing these payment methods would increase the cost and decrease the accessibility of advice for consumers. There was also discussion about whether enabling payments to be made as a percentage of funds under management represented an effective compromise between removing conflicts and maintaining affordability. This is an incredibly difficult issue. In the end, the committee resolved to recommend that the industry and the government work together to find the most appropriate mechanism by which to cease payments from financial product manufacturers to financial advisers. This is a very difficult issue. The industry is currently essentially supported by the flow of commissions, trail commissions and you name it, from product providers. This would be a substantial change within the industry and would require considerable consultation to ensure that it did happen in a way that did not put the price of advice out of the range of consumers. The asset-based fees were also criticised, most effectively by Choice magazine, who were very strong in their criticism of that particular kind of fee structure.

The committee also recommended that the government consider the implications of making the cost of financial advice tax deductible for consumers as part of its response to the Treasury review into the tax system, also an important consideration if we are to keep advice affordable.

There are a number of other recommendations that I will not cover because I am going to run out of time but I would like to cover recommendation 11, which concerns financial literacy. It is an issue everywhere but it is particularly important in Australia, where we have so many inexperienced investors, that we work hard to improve the level of financial literacy. I suspect that most members of parliament through the financial crisis have met with constituents who have lost everything who had all of their assets in investments which were so inappropriate it is almost unimaginable that any reputable adviser could have advised them to do so. There were people who took all of their workers compensation payouts, for example, and put them in one company—Rio Tinto in the case of one constituent. People find themselves in appalling circumstances because of a complete lack of understanding of risk. One man who lost all his money in the share market did not actually understand that his money was not in the bank. He wanted to know where his money was and I was not able to get through to him that there is a difference between a bank deposit and buying shares. This is a man who had invested his entire superannuation payout and lost it all, with no understanding at all of what he was actually doing in making that decision. There is no doubt that we have to make strong efforts here to improve the financial literacy of our population, particularly targeted to groups in the community who are likely to be seeking financial advice for the first time.

This is a very good report. It makes a number of recommendations that will make real differences should they be accepted by the government, and I commend the report to the House.

Ms GRIERSON (Newcastle) (4.54 pm)—I am very pleased to speak on the report of the Inquiry into Financial Products and Services in Australia by the Joint Committee on Corpora-
tions and Financial Services. The report has received a great deal of attention and arises from events that also received a great deal of attention, particularly the recent collapses of, for example, Storm Financial and Opes Prime. The strength of the committee’s recommendations rests on over 400 submissions that were received, more than half of which came from people affected by the collapse of Storm Financial. I think everyone knows the reality of the tragedy experienced by people and how devastating the effect was when people made decisions on advice that led to considerable loss. I praise the committee for their patience and sensitivity in dealing with so many individuals who were prepared to come forward and share their personal stories. It was not a case of their always being misled or of their not being aware of the risks—sometimes they were, sometimes they were not—but we have found that honest pricing, analysis or disclosure of risk has been a real issue in terms of the false confidence that preceded the global financial crisis. It certainly distorted behaviours both in the financial sector and by investors, and it certainly had a devastating impact when things went drastically wrong.

My colleagues who have spoken on this have said that we were not a judge or jury, and we were not. We were not there as a court and we were not there to be the final arbiter on these matters, but we certainly were there to expose the issues, to draw attention to the factors that caused these losses and to try to recommend better ways forward, ways that would not just strengthen the financial services industry but also protect the interests of Australian investors and Australians who avail themselves of financial services.

In our final deliberations we said that, for some individuals, there was clearly inappropriate advice and we noted that there was a preference by financial advisors and an acceptance by lenders of a one-size-fits-all approach. That is never the best case for the interests of the individual and, in drawing attention to those sorts of practices, I hope we have perhaps made people scrutinise their responsibility when looking at vulnerable individuals or the customers and clients who come to them, and their understanding that each of them has individual circumstances and should be assessed individually.

There was a lot of evidence around the shifting of responsibility, perhaps too casually and too carelessly, or around the failure by some to accept that they had a responsibility, whether it was the banks, the financial advisors, the lenders or even the investors. As a result, all those I have mentioned now know that they could have done better. We cannot wind back the clock, nor can we change what did occur for people, and we can never develop or guarantee an absolutely failsafe system. But we can expose the issues and the problems and we can get people to account for their behaviour, which is very hard to do. So I congratulate the Chair, who is sitting beside me, because to have all our banks present in public hearings was quite an achievement. I know that behind the scenes he, and our secretariat, worked very hard to make sure that those who had played a role were there to account for themselves.

The committee’s overall recommendations are there to improve the system. They are designed to improve professionalism, behaviour and, hopefully, outcomes. They deal with setting up a better regulatory framework around financial advice and overcoming conflicts of interest. I have been very pleased to listen to the chairman, Bernie Ripoll, speaking in the media today and last night around the area of fiduciary duty. It is not acceptable that conflict of interest exists between investors and financial advisers. There will always be the greatest protection when there is an acceptance that the interests of the investor must go before the inter-
ests of the adviser. There cannot be a conflict of interest. If financial advisers and planners are to be taken seriously then they must take seriously their responsibility to their clients’ interests and put them first. So our major recommendation is a very appropriate one.

There has been discussion about whether we can make people do things and make the industry do things. There is some problem with standards, and we have encouraged the industry itself to be involved in improving those standards so that there is public confidence in services provided. There has been a lot of discussion about how financial advisers set their fees and the relationship they have with their client around that. I spoke at the Newcastle chapter of the Financial Planning Association, and they shared with me their concerns. Often financial advisers are very small operators. They explained to me some of the complexity around deciding how fees are set. I do praise the committee’s report for allowing some flexibility in regard to the choice of fees and some self-regulation in that way. An excellent measure that we also recommended was that there can be no kickbacks—commissions—from a product developer who obviously gives incentives to financial planners and advisers to sell their products to an ordinary investor. That is a very, very strong recommendation, I agree, and I am very pleased that that is there. If you take the conflict of interest measure and the requirement to take no kickbacks or fees, and you commit to that, I think that is a very good way forward.

We have also recommended that the government consider the implications of making the cost of financial advice tax deductible. I have been on previous committees that looked at this issue, and I can only say that one committee I was on recommended that young people, particularly in their first job or on first joining a superannuation fund, should be given at least one session of tax-free financial advice. But in our report we are looking at it in a more holistic way, and I would very much welcome the study of that by the government.

We have also recommended that ASIC step up. It is really important for ASIC to have a strong role to play, to be resourced, to be the enforcer, to be able to look at competencies and standards for the industry and to be able to effect change and improvement. So we have proposed some more effective regulatory enforcement measures, and I must praise the government for its reforms under the Corporations Act.

We have also recommended around financial literacy. I have strong views that some of the methods we use do not reach the most vulnerable groups, and we know that vulnerable groups are people who perhaps have cash in their hands—be it a lump sum, retirement money, a superannuation payout or a redundancy. They have got money to invest, and I do think that ASIC should do more around that area. But we have also recognised that ASIC understands the problem. We have made recommendations to lower the threshold for ASIC to remove individuals and licensees from the industry.

To protect investors when collapses do occur, we did recommend that some statutory last-resort compensation funds for investors be considered. We have seen that the professional indemnity insurance scheme has a great number of deficiencies when it comes to protecting the interests of investors.

Our work around margin loans and margin calls was noted by the government. Their reform measures in the Corporations Act preceded our report but I think was certainly shaped by our report. That has been the wonderful thing about this inquiry. I think the government was listening, ASIC was listening, consultations were constant and the government were responding. I congratulate all the members. I know that the Queensland members, in particular,
were seriously concerned for many of their constituents who suffered losses. I know that the chairman, in his relationships with the sector, and the people who submitted strengthened our reputation and our status and the quality of this report. I hope that that will be recognised by the government when they respond to our recommendations.

Mr RIPOLL (Oxley) (5.04 pm)—by leave—Thank you very much, Mr Deputy Speaker Georganas, and to the opposition, for allowing me the time to speak. History is a hard lesson to learn again. That is something that I always have in the back of my mind. In 1927 the internationally renowned economist John Maynard Keynes categorically said, ‘We will not have any more crashes in our time.’ This profound observation just before the greatest market crash of all time teaches us that making sweeping statements or being overly excited about one’s self-importance are both recipes for disaster. Today many will expect legislators to find the silver bullet that prevents the likes of the Storm Financials of the world and others from ever happening again in the future. But history should teach us that a complete cure is elusive while meaningful reform and progressive improvement are the best medicine, although I have got to say that they are not quite as colourful at the time.

Reform in the financial services sector has been evolving continuously over the past 30 years. But rarely does an event on the scale of the global financial crisis give us the opportunity to accelerate reform in a sector crying out for a fresh direction. Some would argue that because Australia fared better than most in the global financial crisis then reform is only necessary at the margins or that investors should be better informed. Unfortunately, this is the case of the selective analysis, where some are all too willing to forget the catastrophic lessons learned by many unfortunate souls.

Of course short memory is not new and the status quo always suits some more than it does others. But I am certain that that would not be the view of the tens of thousands of investors that have lost in agribusiness management investment schemes, lost their life savings and more with Storm Financial, and all those caught up in the Opes Prime Stockbroking swindle along with dozens of other similar enterprises. Court cases, legal action and compensation schemes aside, people are seeking acknowledgement of their circumstances and someone with authority to recognise the devastating impact of what has happened to them. People want simple answers and they want practical solutions. While the basic principles of life and money have never changed—the only things that are guaranteed are death and tax; if it is too good to be true then it usually is; don’t put all your eggs in one basket; and don’t believe everything you read or hear—we also need to recognise that life is not always that clear or that transparent.

Everyone at some point in time needs protection from those that would take advantage of all of us—the vulnerable, the elderly or those without sufficient understanding. Hence there is the need to regulate markets, behaviour and corporations in this sector, which I think is essential. No-one should argue that without the rules or in a free-for-all environment not much would work in any effective manner. Survival of the fittest sometimes also equals survival of very few. Of course too much of this good thing—regulation—can also be a bad thing. Striking a balance between the cost of regulation and a free market is always the challenge of governments and industry. This is not a question of how much regulation but how well it works and how efficient it is for the sector that makes any real sense in the end.
Under reforms from past governments and regulators the financial services sector has made good progress, albeit with the expected cries of concern at the time for the end of the sector as we know it with tens of thousands of jobs at risk—similar to the cries you will hear at other times of reform. Of course this is to be expected and does not reflect in any way the reality either in the industry or in the growth in products and innovation or jobs that are created through progressive reform.

That is exactly what the recommendations of the Parliamentary Joint Committee on Corporations and Financial Services aimed at delivering, and I believe did deliver. The report on the financial services sector lays down clear markers and a plan for the future about direction, about the quality of advice and about the appropriateness of remuneration models. With current research indicating that only two to three people get advice at all, it is clear that something in the sector does not work today. It indicates the problems faced by the sector are wide ranging and require a rethink. My view has always been that rather than squabble over the small industry pie we must consider serious reform for growth to capture the other 75 per cent and to understand why they cannot afford financial advice or do not see the possible value in it in the first place.

Reform at its core must be principles based, with a focus on consumer protection and value for money. An industry standard of financial services that are a fair exchange of a fee for a service based on actual work performed must be the basis of the relationship between client and adviser, not between manufacturer and adviser. This, in concert with an explicit obligation to have a fiduciary responsibility—that is, a responsibility for those in a special position of trust—will drive the lifting of standards, drive the lifting of the quality of advice and remove the conflicts of interest that currently exist. As with most things in life, you get what you pay for. Unfortunately for many in recent years, they got more than they bargained for and are still left wearing the cost.

I had a short opportunity in the House recently to introduce the report, and I know that most people are focused on just a few of the recommendations, but I want to turn in the few minutes I have left to the other recommendations of the report, which I think are as significant as the major recommendations which underpin what needs to take place. Certainly I think that the heart of this report is about the fiduciary responsibility. It is about making clear to people in the advice industry that they have a responsibility to their clients and that that responsibility extends to the fact that it should be their clients’ interests first, ahead of their own interests. I think that is an important principle. Coupled with that principle is that of a complementary remuneration model, one that is fair. It is based on a fee—something that is tangible and understood, something that can be turned on or off and something that is a deal or a bargain between the client and the adviser, not something that is hidden, embedded or complicated into some product and that cannot be disentangled. I think that those two principles, along with quality of advice, form the basis of what this report is about.

But I want to turn also to ASIC. We certainly believe that ASIC ought to have much more focused attention on its role in this very complex area. ASIC covers a vastly greater proportion of people than APRA. It really regulates the consumer market and, as such, faces a much more difficult task. But we believe that ASIC has the appropriate people, the skills, the knowledge and the history to be able to do more in these areas. There is an expectation that ASIC as the regulator do more, and that is our expectation as well. That is not so much a cri-
tique of ASIC but just our expectation of what it ought to do in the future. We have made a number of recommendations around the regulator specifically.

That is coupled with extending the powers of ASIC to ban individuals from the sector, because all too often what we heard during this inquiry was that you had ‘bad people’—it is always the few rotten apples that make it bad for the whole sector. Unfortunately, they finish work on a Friday in a particular organisation—whether forced to leave or otherwise—and end up on a Monday morning working for somebody else down the road and continuing their poor practice. The industry say to me that that has to stop, and we agree with them. We think that has to stop. If there are bad people in the sector, they ought to go, because in the end it ought to be the client’s interests that are ahead of the adviser’s interests.

We believe that, in particular in relation to agribusiness MI schemes, those schemes ought to demonstrate a sufficient working capital to meet their current obligations. We saw the disaster of Great Southern and Timbercorp, which left more than 60,000 investors out of pocket. That is not good enough, and I think that there ought to be rules that reflect a better regulatory environment to make sure that people have confidence in the people that manage these schemes on their behalf.

We also agreed with ASIC, the regulator, that they could deny an application for a licence on the basis that a licensee may not comply with regulation or the law. That is a fairly big step forward but I think an important one in a preventative measure. All too often we have heard from the regulator that they can only act after the fact, after the incident or after a complaint. We believe that some more powers in this area are appropriate and can be well managed by the regulator. We also believe that having a strong, independent, industry based professional standards body that works in complement with the regulator would be a huge step forward in making regulation and compliance in the sector—which we acknowledge is very complex—an easier task.

We went further to say that we believe that there does exist a circumstance where an absolute last resort statutory compensation scheme could benefit some investors. We understand the moral hazard but we also believe that where particular organisations or individuals do the wrong thing, they are no longer covered by their insurance and investors should still have some minimal compensation in those circumstances. We took note of the great work done by the Financial Ombudsman Service and in the United Kingdom in this particular area.

All of these recommendations, if taken as a totality or as a whole, do work together. They work as complements to each other; they work in concert and can deliver a much more effective industry that is focused on consumer protection first. It is focused on standards and it is focused on lifting the educational levels within the sector. We have also made recommendations in terms of ASIC working more closely with the sector to develop those educational activities to be targeted at the right people. In particular the advisers themselves need to have a higher standard of education as the current standard is just far too low, as is acknowledged by the sector. All of these things coupled together can produce some real significant change, a real difference. It can restore credibility to financial services in this country and can provide the confidence that consumers need.

If we get all of those things right we can grow the market. I think that 25 per cent of people in Australia seeking financial advice is way too low. I know the industry agrees with me; it is too low. But currently there is nothing being done at a wholesale level which will actually
take that 25 per cent of people to 50 per cent. I believe that people should have more ability to be independent in their retirement beyond what is provided as a safety net through a pension system provided by the government. There needs to be a little bit more and people do that through superannuation, through their own savings and through their home. They need to be more involved and more independent. They can do that through getting good, solid, sound financial advice about how to manage their savings and how to have a more independent retirement. That is an important thing.

But to do all of that you have to get the principles right in the sector first. I acknowledge how much work is being done currently in the sector by representatives—I will not mention any because I know if I leave some out the others will be cranky with me. There is some really good work being done to make sure that we lift those standards and make those improvements. If we get all of that right, not only will we grow the market, not only will we protect consumers but we will make a more effective and more efficient financial services sector in Australia. It can really be seen as a financial services hub in the Asia-Pacific region, which is where I believe there is huge growth potential for jobs in this country.

Lastly—and I have left it to last because I think it is significant that I mention it last in terms of the tax deductibility issue—unless we get all of those things right first we cannot get to the tax deduction. For me, I see it as the big carrot or the big opportunity for the financial services sector and for each individual person who works in it whether they are a licensee themselves or an authorised representative. If they want that big carrot in order to be able to deliver for individuals and grow that market then they need to get the rest of it right first. The regulatory system needs to be more effective and efficient. We have understood, in the work that we have done, that there is a cost to regulation. This is not about more regulation; it is about effective regulation. It is about setting the goals and the markers. I want to see a thriving financial services sector in the next five to 10 years. I want to see the base grow from 25 per cent to 50 per cent but I want to see it done in the right way. I believe that with the principles we have put down in this report we will achieve that.

Mr Laming interjecting—

The DEPUTY SPEAKER (Mr S Georganas)—Are you seeking an intervention, Member for Bowman?

Mr Laming—Mr Deputy Speaker, would the member for Oxley accept a question?

The DEPUTY SPEAKER—Will the member for Oxley accept an intervention?

Mr RIPOLL—Yes.

Mr Laming—Would the member provide his advice on whether he supports the shift from commission-based to fee-based remuneration for financial advice?

Mr RIPOLL—Absolutely, and I thank the member for his question. Recommendation 4 in the committee report is very clear. I will read it. It says:
The committee recommends that the government consult with and support industry…

I think that is really important.

… in developing the most appropriate mechanism by which to cease payments from product manufacturers to financial advisers.
What that clearly says is to stop payments, all payments, whatever form they take. People can decide for themselves. We did not limit ourselves to one type of payment but the committee decided unanimously that it was all the payments. That can be volume bonuses, shelf fees, soft dollar incentives and commissions right across the board. We felt there was inherent conflict of interest that existed with a person being paid to sell you something. Often it is not clear that you are actually being sold a product rather than being provided advice. That is the clear point.

You can separate the two. People can genuinely pay to receive advice, and that advice does not need to be attached to a product. You can receive advice and have a product as well, and as long as that is transparent and clear you can live in both worlds. But currently there is a problem. There is a big grey area where often people who advise actually do not know whether it is advice or whether it is a product, and all too often we have seen people get caught up in that problem.

I am very happy with the recommendations in this report. I want to thank the Liberal Party, National Party and Labor Party members of the committee for their great work. (Time expired)

Debate (on motion by Ms King) adjourned.

Infrastructure, Transport, Regional Development and Local Government Committee Report

Debate resumed from 23 November, on motion by Ms King:

Mr SULLIVAN (Longman) (5.21 pm)—I rise with pleasure to speak on the report entitled The global financial crisis and regional Australia, which I am proud to have been part of the development of. In doing so can I firstly apologise for the lack of speakers in relation to this report. Most of our committee members are tied up with other excitements occurring in this place today, so it is understandable that they are not here with us.

Can I pay my compliments to the committee chair, the member for Ballarat, Catherine King, and those committee members who have worked hard on this report. But also I would like to put on record the names of the people in the committee secretariat, who, far too often do not receive the credit that they deserve for helping members complete reports. We have had a change of committee secretary during this inquiry. Peter Keel was our original secretary and he has been replaced by Julia Morris. Fortunately, we have had one inquiry secretary, Michael Crawford, who has been constantly with us for a number of inquiries. I want to thank him for his always excellent work. In the committee secretariat we have had Sophia Nicolle and Adrienne Batts as research officers and Kane Moir and Alison Wardrop as administrative officers. As I started out by saying, their value is often underestimated and certainly under-commented on, but they are never underappreciated by those in the committees that they serve. In fact, we are very pleased that this report has already drawn some favourable comment from the tourism sector.

I had the pleasure of attending nine of the 13 public hearings that were undertaken in the course of this report. I was not able to travel to Western Australia with the committee, much to my chagrin. As it turned out, for reasons of local importance I was not able to attend the public hearing at Beenleigh, which was the most accessible for me of all of them. I learned two
things from regional communities. One is about the quality and the nature of the people who live in regional Australia: they are not complainers. In fact, it was very difficult for us as a committee to get them to complain about the circumstances they were in. They are a generation and a style of people who just suck it up and get on with what they have to do. They certainly had plenty of advice for us on what government could do, not in respect of what they were experiencing at the time but in respect of how the government should be able to assist them—not do it for them—to bolster the regions and regional economies into the future.

I particularly mention the hearings we held at Burnie. I should mention here that the very hardworking member for Braddon was able to drop in to those hearings briefly. He has serious responsibilities there and it was great that he could come and spend some time with us. It was good to see that that community—led by that council, which I had never encountered before—understood from the previous downturn that the key for survival for them was to diversify their economy as much as they could. That is going to be the key for the survival of local economies throughout the country. I want to commend the council in that area for taking that step.

We also found, particularly in relation to the tourism industry, that there are variations within the industry. For example, the tourism industry in Northern Tasmania was going gangbusters—but it had found a different market. Instead of the family market coming for a week on one of the ferries and driving around, it was people from Melbourne or Adelaide hopping across Bass Strait for a two- or three-day stay, going back to their jobs in Melbourne or Adelaide and then doing the same thing again six weeks later. They saw the place in little chunks. So that area was doing quite nicely out of tourism. Of course, there were some other things going quite well for them. There was a differentiation, if you like, between the effects the global financial crisis was having on domestic tourism and the effects it was having on international inbound tourism. The people who relied on international visitors were doing it a whole lot tougher—particularly North Queensland and the Northern Territory. As I said, Northern Tasmania and the Grampians in Victoria had a market for domestic tourism and did very well, with some of the longer holidays turning into shorter holidays.

As I said earlier, the recommendations that we made in relation to tourism—which were not rocket science—were to extend the quantum of money available to the tourism industry under the TQUAL Grants program. These grants help the industry develop innovative products, services and systems, to contribute directly to the long-term development of local communities and regions and to develop the support of high-quality visitor services. In 2009 that grants program opened early, and over 400 applications were received. The $8½ million on offer was countered by the fact that the bids were for many hundreds of millions of dollars.

There is a great deal of work that the tourist industry wants to do in regional Australia to assist those economies to be more resilient to economic downturns. I think that, as the industry is a major employer in the regions and particularly in the traditional tourist regions, we could be doing a little more to assist it. As I said, that recommendation has been well received. When we went to the most western part of Victoria that we travelled to, Ararat, it was really noticeable that the character of the people there was, ‘She’ll be right if she rains.’ They were not focusing on what was happening around the world; they understood that, if they could get some rain, their agricultural businesses could once again prosper.
I complimented the member for Braddon earlier, and I now want to compliment the member for Wannon, the Hon. David Hawker, who spent a considerable amount of time with us on that day. Having mentioned those two examples—and having come to this place from a state government situation—I say that what really is noticeable is the number of local members who do not turn up when a parliamentary committee is in town. I do not think that when I was a member of a committee in the Queensland parliament there was a local member who would allow a committee to come into town without spying on them so that they knew what was happening in their towns.

A very important aspect of what we heard from people was that they were concerned about their access to credit. In one particular case—I will not mention the name of the firm—it looked like the loss of about 186 jobs in Geelong was because their long-term banker had declined to assist them through the global financial crisis. There are probably a couple of explanations for that. But let me say that when we talked to the banks in Sydney they put their hands on their hearts and said that they had not changed their lending policies whatsoever, and when we were out in the bush talking to people who were trying to get money to survive they told a different story. Some of it, as we have mentioned in the report, could well be due to the fact that a number of regional businesses, whether they be farm businesses or town businesses, rely not on banks as we understand them but on non-bank financial institutions, who were much harder hit by the global financial crisis than the banks. Nevertheless, credit is vital to the establishment and maintenance of a business and we need to be sure that, in the event of another downturn, regional businesses of whatever nature are able to get access to credit.

The issue of job losses takes on particular importance in a region. I can recall that at Broken Hill we were talking to them about mine closures and what happened to those workers. Substantially, those workers left town. We have all seen stories of what happens to towns that lose workers: the next thing they do is lose a teacher at the school because there are not enough kids to keep the school going. Then, at the end of it all, the mine reopens and they haven’t got any people to do the jobs. So we need to come up with systems—and the report has quoted a couple of ways—to ensure that people who lose jobs in the regions are able to go forward by staying in their communities, retaining skills in the communities and keeping services available. I have just noticed that I am rapidly running out of time. Can I get an extension?

Mr Laming interjecting—

Mr SULLIVAN—Would you offer me one of your side’s 15 minutes? Life has never been easy for the people who choose to live, raise their families and run their businesses in regional Australia. There have been times, when wool was a pound a pound, when the regions were reasonably wealthy. It has never been easy, but I notice that people out there do not want us to make it easy, they want us to make it a little bit easier. I think they are very proud of the fact that they are seriously self-sufficient, or as self-sufficient as they can be. We need to be aware that all of the actions the government took as a consequence of the global financial crisis were beneficial, but in regional Australia some of those actions have been particularly important. The cash payments portion of the stimulus of course assisted the retail sectors in regional Australia. In small towns, shops that really needed to be open were able to stay open because people had money to spend in them. One of the interesting figures that came out of the December payments was that the usual January spike in missed mortgage payments did not oc-
cur, so people were able to have their Christmas and keep the house. The regional community infrastructure program has been well received out there, as has the Jobs Fund, which is a very important scheme. I know that in all sorts of regions of Australia, including on the Gold Coast, the Jobs Fund is hopefully helping a large number of people, including through the Broadbeach Surf Life Saving Club, whose deputy president is in the chamber today.

Those reactions of the government are typical—to pick up a thread from a previous speaker and a previous report—Keynesian responses. If the bush is vital, if the regions are vital to this country, we need to ensure that we keep people there and, in the absence of investment by private industry, private investors, we also need to ensure that the government is doing its bit to assist those areas to continue to operate in a way that we would like. It would be wonderful, although very difficult, if government jobs, be they in sections of departmental offices, could be moved into the regions. That would be an excellent thing. Canberra is virtually recession proof because of the number of public servants who live here, yet we do not have that in the regions.

There is not an area that I went to that is not looking forward to better broadband infrastructure. What we as a government are doing in relation to providing national broadband will certainly create enormous benefits for those living in the regions. I am pleased to be able to speak today in support of this program, and I thank the House for the opportunity.

Debate (on motion by Mr Laming) adjourned.

Ordered that the resumption of the debate be made an order of the day for the next sitting.

Health and Ageing Committee

Report

Debate resumed from 23 November, on motion by Mr Georganas:

That the House take note of the report.

Mr IRONS (Swan) (5.37 pm)—I am pleased to speak on the House of Representatives Standing Committee’s roundtable forum held on impotence medications in Australia. I thank the member for Hindmarsh, the chair of this committee, for his interest in the subject and of course the secretariat for their fantastic contribution on the organisation of the day and on the day. I was hoping to see the member for Kingston here but, as we chaired and held the roundtable together, I will wait until the member arrives and congratulate her on her contribution on the day.

I have touched on the need for men with erectile dysfunction to contact their GPs to ensure they seek assistance from their GPs, instead of from the commercial sector via telephone. The main reason for this is that erectile dysfunction can be an indicator for other health problems that a phone conversation might not pick up.

The second issue I want to discuss relates to a practice known as compounding, which is undertaken by the company AMI. I do not know of other companies in the industry, but AMI were the only company which were prepared to come forward and contribute to the forum and I do thank them for that. Under the Therapeutic Goods Act 1989 it is an offence to import, export, manufacture or supply a therapeutic good, unless it is included in the Australian Register of Therapeutic Goods. Medicines on the Australian Register of Therapeutic Goods are subject to clinical tests and controls. There are a number of exceptions relating to this law,
including the production and sale of compounded medicines which are prescribed by AMI to treat erectile dysfunction.

The report describes compounded medicines as one-off products made for an individual patient from raw ingredients. Section 2.44 notes:

The committee questioned the Pharmaceutical Society of Australia (PSA) about the need for and practice of compounding within pharmacies. The PSA indicated that the original purpose of compounding was to allow doctors to prescribe and pharmacists to provide treatment to a patient when no suitable alternative existed.

AMI’s use of compounding prescriptions attracted some criticism during the roundtable. A number of witnesses questioned how effective AMI products are at treating erectile dysfunction. A review of compounding by the Therapeutic Goods Association in 2005 led to proposals to better regulate the use of compounding. The committee noted:

The committee supports the need for an exemption for compounding from the TG Act for truly unique preparations when no other suitable products are on the market. However, it appears to the committee that the volume of compounded drugs prescribed by AMI goes beyond the justification for exemption. The committee believes that the NCCTG proposed recommendations are a sensible approach to strengthening the regulations around compounding, and therefore supports their development and speedy implementation.

I agree with these sentiments and impress upon the House the need to keep a watchful eye on how this situation progresses.

This was an important roundtable which raised some very important questions about erectile dysfunction in Australia. Members should encourage their constituents to visit their GP before going to the commercial sector and we must all take some responsibility for better oversight of the industry.

We took some evidence after the roundtable—it was in camera—from a very brave man who spoke to us about his experience with the commercial sector, how he had moved on from that experience and how he had managed with the help and assistance of his family and friends to see a traditional GP. He was referred to an organisation that specialises in these problems and managed to get a proper physical. It was great that the outcome for this man, after his long and traumatic experience in the commercial sector, was a positive one. I would continue to encourage people—as the committee does in the report—who are experiencing these problems to see their traditional GP because erectile dysfunction is a definite indicator of other problems that could occur. It is well known that it can be a precursor to heart problems two years ahead. It is important that we encourage GPs as well to make sure that when men come to see them that there is something like a notice on the wall saying, ‘If you are experiencing ED problems, don’t be afraid to speak to me about it.’ We also talked about the possibility that a GP’s secretary—so as not to embarrass them in the clinic—could hand them a little note saying that if they are experiencing problems they should be forthcoming about those problems with their GP and get the full benefit of a proper consultation with their GP.

It is great to see the member for Kingston here. I would particularly like to applaud her for her part in the work that we did together as a team on the day of the roundtable. It was an enlightening experience working with her, and her, I could say, medical background was particularly helpful on the day. I look forward to working with the member for Kingston in the
future on other health and ageing committee roundtables. I particularly look forward to the tabling of this report.

In conclusion, I would again remind all members to encourage their constituents to visit their GP before going to the commercial sector, and we must all take some responsibility for better oversight of the industry. I commend the report to the House and look forward to the contributions from the members for Kingston and Shortland.

Ms RISHWORTH (Kingston) (5.43 pm)—At the outset, I would like to commend the member for Swan. During the roundtable we had a number of witnesses. He was in the chair at the time and did a sterling job of keeping the meeting on track while still allowing everyone to have their say. It was a lengthy experience—I think the roundtable lasted around four to five hours—but it was critical to ensure that we got everyone’s views on a range of areas.

From the outset I would like to acknowledge that male impotence, erectile dysfunction and premature ejaculation are sensitive and inherently private issues. However, as sensitive as they may be, my experience as a psychologist before coming to this place and as part of the subcommittee that prepared the Treating impotence: roundtable forum on impotence medications in Australia report, informed my opinion that the secrecy and embarrassment associated with this mainstream health issue are in fact part of a wider problem that needs to be addressed.

The comments and findings of the Treating impotence report are connected with the issue of men’s interaction with the health system and the larger issue of men coming to terms with the health needs and vulnerabilities which are specific to them. On this note, it is encouraging to see that Australian men are in the process of facing up to these issues. This trend can be seen most visibly through the popularity of Movember. We have certainly seen a number of moes around this place—some of them are going better than others. This has increased the visibility of organisations such as beyondblue and really brought to the forefront some of the issues that men face. However, despite the important work done in raising awareness and decreasing the stigma associated with men’s health, as a society we clearly have a long way to go.

The Treating impotence report and the roundtable forum upon which it is based came about after several members of the Standing Committee on Health and Aging were approached by men in their electorates with complaints about the erectile dysfunction treatment they were receiving. The main grievance these men had related to the contracts they had entered into with commercial dysfunction clinics, which they allege could only be cancelled under specific conditions. Being aware of the interrelation between these grievances and the impact that commercial ED clinics are having on men’s health more generally, the committee decided to hold a public hearing in the form of a single round-table forum, gathering interested individuals and organisations to discuss issues and potential solutions.

The roundtable was held on 21 August 2009 and benefited significantly from the participation of representatives of Andrology Australia, the Freemasons Foundation Centre for Men’s Health, Impotence Australia, Medicines Australia, the Pharmaceutical Society of Australia, the Chapter of Sexual Health Medicine of the Royal Australasian College of Physicians, the Royal Australian College of General Practitioners, SHine SA, the Therapeutic Goods Administration and the Urological Society of Australia and New Zealand, as well as Patricia Weerakoon, coordinator of the graduate program in sexual health at the University of Sydney. In
addition, the roundtable was enhanced by the participation of the Advanced Medical Institute, more commonly known as AMI, the largest and probably most prominent commercial provider of ED clinics in Australia. In particular I would like to thank them for their input into the committee. The committee received evidence from an additional 15 submissions and heard in-camera evidence from one patient of a commercial ED clinic.

Leaving the issues surrounding the contractual and advertising practices of commercial ED clinics to one side, the report is structured in four main themes and I would like to address each of them. First is the extent of men’s interaction with the health system. Second is the appropriateness of using telemedicine as a first option for prescribing. Third is the adequacy of regulations governing the sale of ED medications. Fourth is the interaction of commercial ED clinics with the proposed e-health records system.

As I have already indicated, the effective treatment of ED in Australia is closely linked with the interaction of Australian men with the health system. On a positive note, the committee did hear evidence that in 2003 the Men in Australia telephone survey run by Andrology Australia suggested that 90 per cent of men aged over 40 visited a GP once a year. This same survey also found that 80 per cent of men were concerned about developing ED. So the evidence does suggest that men are seeing doctors; however, they may not necessarily be talking about the common issue of ED. The committee also received evidence that, despite this increasing engagement with the health system and evidence that ED is an issue of concern, men do remain selective about what they discuss with their GP. It was suggested that reasons for this guarded attitude include both patient embarrassment as well as discomfort on the part of the doctors who remained uncomfortable with discussing sexual health issues with their patients.

Whatever the exact cause, the demand for commercial ED clinics suggests that when it comes to issues of erectile dysfunction, men are not turning to their GPs as the first point of contact and as a consequence are not receiving the holistic advice and treatment that they need. Instead, they are taking advantage of the anonymous waiting rooms and telemedicine solutions offered by commercial ED clinics. In bypassing GPs these men are bypassing the gatekeepers of our health system. This bypassing of GPs is a major concern not only for individual patients but also for the health system more generally.

The report correctly notes that GPs are ideally placed to assess the totality of their patients’ needs and have the ability to refer patients to specialists where necessary. An important function of a general practitioner is also to encourage their patients to adopt preventive health strategies. The concern of the committee is that men accessing commercial ED clinics may not be getting the holistic health care advice that they need. Importantly, the committee heard recent evidence which indicates that ED is an early marker for underlying conditions such as cardiovascular disease and diabetes. The danger is that in bypassing the conventional gatekeepers and treating ED in isolation and secrecy, these men might be missing out on important health advice and treatment.

The report expresses the view that a targeted public health campaign is needed to better inform men about the underlying conditions for which ED may be an early marker. In light of my earlier comments about the current momentum towards men embracing their health vulnerabilities, a successful public campaign could be very important to meet this issue. As the government has recently set up the Australian National Preventive Health Agency, this could be one issue to be looked at.
I also wanted to talk about the appropriateness of using telemedicine as a first option for prescribing. This was the second theme around which the report is structured. Telemedicine refers to the practice of using technology such as telephones and videoconferencing, reflecting the demand for patients to remain anonymous to both doctors and pharmacists. The committee heard that 50 per cent of AMI’s current patient load is treated using telemedicine.

Several major concerns relating to the practice of telemedicine are raised in the report. Most obvious is the reality that many patients receiving ED treatment using telemedicine will not have a face-to-face consultation with their medical practitioner. Without such consultations it is difficult for doctors to detect and manage lifestyle factors associated with ED. Other concerns include the fact that many patients are not aware of who their doctor actually is on the other end of the telephone, and the lack of continuity of care for a patient when follow-ups are not undertaken by the original doctor. The roundtable heard evidence that when a patient decides that this treatment has not worked and decides to visit a conventional medical practice, their doctor will be unable to gain access to the patient’s treatment or medical history directly by contacting the commercial ED clinics. In fact, the evidence presented, which was of great concern to me, is that if a doctor did want to find out the medication that their patient was actually being treated with they would need to write to the CEO in order to access this information. This is a concern because the ED clinics are not necessarily prescribing globally recognised first-line treatments for ED, so the GPs and some of the witnesses said it was very important for them to get that information considering that patients may not be receiving globally recognised first-line treatments.

There was also concern raised that the narrow approach taken by commercial ED clinics may not take into account mental health implications for patients. We did receive evidence that when these narrow ED clinic treatments had failed patients thought that they had been left with ED for the rest of their lives. This is a confronting and completely unnecessary state of affairs in a country with a highly advanced health system. This was also an issue of concern to the committee.

The third theme that was addressed in the report is the adequacy of regulations to govern the sale of ED medications. The Therapeutic Goods Act 1989 regulates therapeutic goods in Australia. This act makes it an offence to import, export, manufacture or supply therapeutic devices or medication unless it is included in the Australian Register of Therapeutic Goods. There remains an exception, however, whereby medical practitioners can prescribe compounded medications for their own patients. These compounded medications are designed to be one-off products made by a pharmacy for an individual, using ingredients that may or may not have already been assessed by the Therapeutic Goods Administration. The exemption is designed to allow doctors to prescribe medication to patients where no suitable alternative exists.

The committee heard evidence that ED clinics are using this compounding exemption to prescribe a significant number of patients with individual compounded treatments. They heard evidence that the Australian Custom Pharmaceuticals has created 15 million individually compounded medications for AMI alone. This is occurring despite the fact that clinically proven and registered drugs as the globally recognised first-time treatment already exist and are readily available. In light of this frequent use of the compounding exemption under the Therapeutic Goods Act, the committee supported the recommendation of the National Coor-
The coordinating Committee on Therapeutic Goods that the compounding of both high volume and high risk medications should be brought under the regulation of the Therapeutic Goods Act. This amendment would mean that individual doctors could still benefit from the exemption and prescribe individually tailored medication to their patients in the spirit of the original exemption. However, it would regulate more when this exemption is used by operators or pharmaceutical companies that do supply large amounts or medicines that are of high risk. I think this is an important amendment and it should be made.

The fourth area is the integration of commercial ED clinics with the proposed e-record system. The government has commissioned an important piece of research, done by Dr Christine Bennett, in the National Health and Hospital Reform Commission, which is considering the use of an electronic records system. This would be a patient-controlled system that would have integrated records going to their doctor, specialist, psychologist or physio. Everyone could use this patient-controlled mechanism. Noting that the records and treatment of patients who attend ED clinics are isolated from the wider healthcare system, the report encourages the government to consult with commercial ED clinics when it develops and implements the proposed e-record system. As I mentioned before, this will be important to providing the holistic health care to those men who may be suffering ED.

In conclusion, this is an issue that needs addressing. I hope that the *Treating impotence* report will start an important national conversation to break the taboo around erectile dysfunction and ultimately improve the regulation of this sector.

Ms HALL (Shortland) (5.59 pm)—I would like to congratulate the previous speaker for her contribution to the debate and for the role she played in the roundtable that was conducted. The member was very involved in the whole process and made an enormous contribution to the report that we have before us today in the parliament.

The committee became very concerned about some of the treatments that were being proposed and some of the advertisements that were being circulated. I think it was the member for Lyne who, one day in the committee, raised concerns about signs on the side of the road. We became very concerned about the fact that there were all these treatments and advertisements, but we were not too sure how effective they were. That was coupled with the fact that many members in this House had received complaints about some of the clinics that were providing these services. The New South Wales Health Care Complaints Commission have previously conducted an inquiry into some of the practices of these clinics. As such, it was felt that it was worthy of the committee’s time to take a look at them and see exactly how effective these clinics were in delivering what they promised.

The purpose of the clinics that we were looking at was to look at erectile dysfunction, and the committee was looking at the treatment and the management of erectile dysfunction in Australia. In recent times, as I have already mentioned, a number of erectile dysfunction clinics have been established. These clinics have caused concern to some of the people that have visited. The first concern I would like to place on the table is that when people contact one of these ED clinics they do not receive a holistic approach. If a man is suffering from erectile dysfunction, the first thing he should do is visit his doctor, because it can be a symptom of a much more serious illness. It can be an early marker for chronic lifestyle and other diseases, such as cardiovascular, diabetes, depression, excessive use of alcohol, smoking, prostate problems, neurological disorders, hormone imbalance and the side effects of other medications.
and stress. That is just a few of the diseases that it could be an indicator of. I feel that when you are looking at treatment options for erectile dysfunction the first thing a man should do is visit his local GP and talk to them about his problems.

There are many treatments available. There is the non-invasive treatment such as oral medication—Viagra is the most commonly known one; there are injectable treatments like Carverject, which has also been a long-term marketed product; and there are surgical treatments such as penile prostheses and vascular surgery, which goes back to the linkage between chronic disease and ED. Most of these commercial ED clinics prescribe treatments that are different to those above: nose sprays, gels, applications, lozenges or penile injections.

There have been mixed reports about the success of these treatments, and that is what concerned the committee. There does not seem to be the amount of transparency that there should be around these treatments. Whilst the committee felt that we did not have the expertise to make a judgement about the competing treatments, we all felt very strongly that the first port of call should be a qualified medical practitioner and that a full health check was needed prior to actually making a decision about whether or not the appropriate treatment was the spray or the gel, or trying one of the more traditional treatments—or whether it was a mark of some more serious health problem.

One of the issues that were discussed during this roundtable that we had was the fact that men are not proactive about maintaining their good health. They tend to neglect their health. They feel that there is some stigma attached to visiting their doctor. They think that they are invincible. One of the best messages that can come out of this is the message that I started with: the need for men to have good ongoing health checks. We were given considerable anecdotal advice about men not being likely to visit GPs. But those over 40 years of age, in actual fact, do listen to their GPs and are happy to consult. I feel that it has to be put that this is not something that they need to be embarrassed about. This is just another health problem.

There has been a telephone survey of men in Australia called ‘Mates.’ It found that men did visit their GPs. The survey asked questions mainly focusing on reproductive health but there were also a broad range of questions about lifestyle, sexual behaviour and general health. The answers suggested that almost 90 per cent of men aged over 40 visited a GP once a year. But it found that men were also very concerned about developing reproductive health problems. Around 80 per cent were concerned about developing erectile dysfunction. The survey identified that men are selective—and this is the point that I was trying to make—about which topics they choose to raise with their GP. Embarrassment alone should not deter men from discussing all of their health problems with their GPs. The most important message out of this is that you need to get treatment for erectile dysfunction from your GP. Mention it to your GP. Talk about it with your GP. Do not be selective in the topics that you raise with your GP.

One of the things that were discussed at our roundtable was whether or not telemedicine was appropriate. Given what I said about men being selective about the issues that they will raise with their GP, telemedicine gives men some sort of anonymity. They can do things in a way such that they do not have to disclose their identity to the same extent. I would like to emphasise that this is a problem, because men are not getting this holistic treatment that I referred to previously.

The committee believed that the health system needs to better identify erectile dysfunction as an early warning sign of more serious conditions; it is, as I have already stated, an underly-
The committee felt that we needed to implement a targeted health program to better inform men about underlying conditions associated with ED. There have been a lot more health promotions directed at men. The prostate cancer group—in particular the one that exists in my area—ran a program called ‘A little prick’, which encouraged men to have a PSA test. Men are becoming more aware of and more familiar with discussions and issues to do with men’s reproductive health.

The downside of telemedicine that is operated through these ED clinics is that they tend to treat erectile dysfunction in isolation and they do not target it as primary health linked in a holistic health way. I feel—as does the committee—that the Minister for Health and Ageing should ask the state and territory medical boards to review the adequacy of the national policy in relation to technology based consultations. I am a very strong supporter of telemedicine but I think it has to be done in conjunction with a holistic approach to medicine, particularly in this area.

The inquiry conducted by the committee—and the committee’s report—raised a number of questions. I am not convinced that the ED clinics that operate in Australia are properly regulated. The commercial ED clinics treat men in isolation. We looked at the e-records system, and I think that there are some concerns about that. There are also some concerns about the compounds and the fact that they can be exempt from the TGA.

Whilst we did not make any recommendations, this report raises a lot of questions. I think that it is worth the minister and the parliament having a considered evaluation of the ED treatments and ED clinics that are provided around Australia. We need to be mindful that any medical treatment that is provided should be holistic and that all aspects of a person’s health should be considered when looking at prescribing a treatment for a person who is suffering from erectile dysfunction.

Debate (on motion by Mr Melham) adjourned.

**Employment and Workplace Relations Committee**

**Report**

Debate resumed from 23 November, on motion by Ms Jackson:

That the House take note of the report.

Mrs MOYLAN (Pearce) (6.13 pm)—I am not a member of this committee but I am very pleased that the committee has seen fit to have an inquiry into this matter. I commend all of those who participated in the inquiry and the many organisations, firms, government agencies and individuals who took the time to make a contribution to the work of this committee. But I have to say that it is with a deep sense of disappointment that I stand in this House again to speak on the matter of pay equity for women, because it was in 1975—if my memory serves me right—that the Commonwealth Conciliation and Arbitration Commission made a ruling on the basis that there should be equal pay for work of equal value. And here we are, 37 years later, still debating an issue of pay equity for women. I find this extraordinary. I feel ashamed that in this Australian parliament we are still debating this issue of pay equity for women.

We are talking about a group of people, more than half this population, who have not only made an enormous contribution in the paid workforce to the great economy—a benefit that flows to all men, women and children in this country—and in the distribution of taxes but also
played the leading role in the unpaid workforce. A disproportionate number of women work in the unpaid workforce. They care for the elderly, the sick, people with disability and children. Not so long ago I spoke in this parliament about Welfare to Work. I remembered, as I prepared for this speech, that 83 per cent of sole parents in this country are women, and they do a very tough job indeed—often unsupported, unloved and uncared-for.

I know, because I was one of them. I was left with three little babies, not by choice, and it was tough going. I have worked every day of my life to give my children a future. I feel very strongly about this issue and I think all of us in this place should be absolutely ashamed that we are still debating the issue of pay equity for women. When I was left with my three children, I had to go and work in a commission job. It was the only way I could get pay equity. The only way I could get pay equity was to work in a job where I was paid according to my success, a commission job. It was the only way that I could expect to raise my children and to provide the kind of future I aspired to for them. So I feel very deeply about this; I have very personal experience.

I feel ashamed that we are still debating this issue in this place. I feel ashamed because women have had to fight every inch of the way in this country: firstly, to earn the right to go out and earn a living; and, secondly, to earn the right to continue to hold their job after marriage and having children. It is impossible for women in this place today to imagine what it was like to be told that you had no right to go back to work and earn pay after you got married. It is inconceivable. Women have had to work and fight to modify the workplace culture to be family friendly so that they can take care of the children, the disabled, the aged and the sick. Women have had to struggle to promote the notion of pay of equal value for work of equal value. And still we are debating this matter in this place.

I am pleased that the report acknowledges that the work of women continues today to be under-recognised and undervalued, and yet, without this work, the economy would falter. If we were to pay every woman—and there have been studies done on this—something, just a small wage, for the unpaid work they do, what an incredible amount of money that would amount to.

One of the reasons I remain concerned about this is that it has a flow-on effect. When women are not paid for this work and when they are underpaid for work of equal value in the community, they also have unequal savings, they also have unequal superannuation and they are also consigned to rental and social welfare accommodation, mostly for the rest of their lives. So we are denying women any security in old age—the ageing women in this country, who have taken on the lion’s share of the caring role, who have not got a promotion because they have been home looking after their children, their disabled child or their ageing parents. They are forgoing not only wages but also the opportunity for security in their old age. We are consigning a whole lot of women to poverty in old age, and that is truly a disgrace. I just cannot imagine it. I have at different times begged leaders in this place to address this issue, and it has fallen on deaf ears. It is totally unacceptable.

It is not confined to women holding the usual kinds of jobs—in child care, in nursing and in teaching. There has long been an undervaluing of those professions and those jobs in our communities, some of the most important jobs that can be done. How obscene it is when you see businesspeople being paid millions and millions of dollars when they have run companies into the ground at shareowners’ expense, and you see women—the majority of people in some
of these professions—being paid a pittance for some of the most important work that is carried out in this country! It is inequitable and it is unacceptable.

But it is not just in those professions, where most women gravitate, that we have come to expect that they are badly treated, underpaid and undervalued. A recent Women in management report showed that there is a 17 per cent gap in full-time earnings between men and women. But in WA, my home state, the report reveals that the gap between male and female co-workers is closer to 30 per cent. The member for Hasluck is nodding, because she is one of my Western Australian colleagues and she knows. This comes on the back of an enormous financial bonanza for this country, and still the inequities are there. Okay, we have had a few hiccups, but we have had this enormous financial growth and bonanza and people have got rich. But the women in Australia, largely, have not been able to share in that wealth, because we have not allowed it; we have done nothing to allow equity in pay for women.

At one stage it was often reported that women just did not have the skills—they had not gone to university or they did not have the training. It might have been the case in the past as a way of explaining away, in part, the gap, but women today make up 55 per cent of all university students. That has been occurring for at least a decade. So the lack of progress on equal pay, I have to say, is very puzzling indeed. Education and training, or the lack of it, can no longer be used as an excuse.

There is a report in this morning’s West Australian which also suggests that things may actually be getting worse. An article on page 6 of today’s West Australian points to the example of Wanneroo education assistant Jo Parnell, who believes that sectors largely populated by women, such as education, are missing out on substantial pay increases. I have been aware of that for some time, but nevertheless it highlights it again. She is quoted by Shane Wright, the economics editor, as saying:

… it seemed the gap between male and female workers across the State was getting bigger, with sectors populated largely by women missing out on any substantial pay increases.

We have to ask why.

The tragedy is that government, which has the ability to take the lead on redressing this inequity, really remains silent. I am talking about the Commonwealth and I am talking about the state governments. People responsible for paying people in the public sector have done very little in terms of government. We cannot expect the private sector to take the lead on this. I have made this argument in relation to jobs in the disability sector: we ask the private sector to do it, but we are not prepared to do it. If you look at the number of people being employed by the Commonwealth who have a disability, the numbers are going south—and yet we are out there saying that industry should pick up the tab, that they should fix this. We are not prepared to take the lead; it is unacceptable. If we want to fix the equity in pay issues for women then government simply must take the lead on this, do something concrete about it and stop putting it off.

Women have always had the ability and they have certainly had the will, but now they have the skill and the training to match. Apart from a few speed bumps in the last 12 months, Australia’s economy has had a golden run for 15 years and we should have made greater progress in overcoming what clearly are prejudices against women in the workplace. The American writer E B White said:
Prejudice is a great time saver. You can form opinions without having to get the facts. The facts are before us and they have been before us for a very long time. This report once again highlights those facts. The facts are stark and we should no longer ignore them. The facts are out. They have been evident for decades and there can be no further excuse for this cruel inequity. It is cruel for the reasons I have outlined, because it consigns many women to poverty in old age. The government must show leadership and make sure that the signal goes out that we value the contribution of women in this country to both the paid and the unpaid workforce. They must deliver true pay equity. It is time—in fact, it is beyond time—this country stopped exploiting women. When you get right down to it—don’t let us mince words—not having pay equity in our community is exploitation of women. It is as pure and simple as that.

I feel very deeply about this matter. I think it is an inequity that has failed to be addressed for a very long time. It is fantastic that we have this report, but please can we work together—all of us—to act, to make sure that we redress this very long-outstanding inequity in this country, to pay women what they are worth and to pay them fairly for the value of the work they contribute to this community. We must do something to make sure that women are not the people who remain in poverty in old age and we must value the unpaid work that women in this country do to the benefit of all of us.

Ms JACKSON (Hasluck) (6.27 pm)—by leave—I rise to speak on the Making it fair report, in addition to the five minutes that I spoke as the chair of the Standing Committee for Employment and Workplace Relations. The five minutes that the chair gets to speak is never sufficient, particularly after a report of this nature. I am pleased to follow the remarks of the member for Pearce and I thank her for speaking about this issue with such passion.

As I said last night, it was to my horror that I discovered that as a 15-year-old girl starting in the workforce you could be paid differently because of your gender. This was a shock to me and sparked both my political interest and my commitment to social justice. With growing anger over the last 17 months of this inquiry, I realised how little we have achieved in the last 32 years, so I am very pleased to be associated with this report. It was a mammoth undertaking. From the beginning, the committee wanted to ensure that it was a detailed look at the issue, not just another commentary about the situation existing in a particular state or industry, and to make some real and positive recommendations about changes for the future. At the time of the initiation of the inquiry we were also facing a substantial skill shortage in Australia, a skill shortage that is looming again, particularly in my home state of Western Australia. It seems at times like this most employers, industry and business understand the need to encourage the greater participation of women in the workforce.

The committee received more than 150 submissions. We held 29 public hearings and, as I said, the report is the result of an inquiry that took some 17 months. There are 63 recommendations in total. While some of them are not unanimous recommendations, a substantial number of them are. They are extremely wide-ranging recommendations and I urge people to read and digest the report and understand the nature of the recommendations we are making. I have to say that for committee members involved in the inquiry who regularly participated—notably, by gender, only two women and eight men—it was a long and worthwhile journey. Some of us may even have started with fixed views that equal pay, at least between men and women involved in the same occupation, had already been fixed and that we were somehow
looking at some other difficulty. I think those views were substantially changed as a result of
the overwhelming evidence presented before the committee. I have to say that I was shocked
myself at the prevalence of the lack of gender pay equity across industry and across Australia.
I think many readers of the report will find that the statistics it contains that set out the scene
that exists in Australia are quite shocking.

I want to make a couple of comments about the nature of the report and the minority report.
I note the presence of the member for Grey here in the Main Committee and I should indicate,
before I make those comments, my very grateful support and respect for both the deputy chair
of the committee, the member for Kalgoorlie, and the member for Grey, who joined the com-
mittee after it had been initiated and had an awfully large catch-up to do on the bulk of evi-
dence that had been presented. It has been a pleasure to work with the two of you through the
course of the hearing, along with my Labor colleagues.

I know that, although not all the recommendations were agreed to unanimously, there is
nevertheless a will to see the issue of pay inequity addressed by both sides of the House. I
also hope that we can make some substantive changes together, particularly in the next 12
months of this parliament. Where we differ a little bit is on the issue of waiting. Maybe it is a
naturally conservative view that when you have a relatively new piece of legislation, as we do
in the Fair Work Act 2009, the desire is to wait and see how it operates for a little while. But,
as I said in my foreword to the report and in my comments last night, I think Australian
women have been waiting long enough for this issue to be addressed.

A lot of people do not want to be too interfering in individual workplaces by issuing greater
regulation or obligations on them about this issue. But, frankly, if we do not take some posi-
tive steps for change, I think we will be back here in 10, 20 or 30 years time bemoaning the
fact that we have not seriously addressed the pay equity gap. And I have to say to you with
great goodwill that the direction of governments in recent years—and when I say ‘recent
years’ I am referring to the last two decades—has been this idea that we will promote com-
munity awareness about the issue, we will raise community and business understanding of the
concerns, we will promote, by way of reward and prizes, best practice in individual work-
places and, when people see the wisdom and greater productivity that comes from ensuring
pay equity, somehow, miraculously, this will flow across the country. Well, the evidence is in,
and the sad reality of this report’s findings is that the evidence is unequivocal: over the last
two decades the pay gap between men’s and women’s earnings has gone backwards. So the
current system does not work. If we are to change this and address this decline then we need
to act and to act now.

I particularly endorse the comments by the member for Pearce regarding the impact that
low pay is having on women, particularly as they age, with many living in poverty in their
retirement. Already it is women who are more likely to be on pensions because of their lack of
access to superannuation.

I did not want to be critical but I find myself today needing to be so. I think most members
of the committee endorsed the Australian government’s decision to participate in a pay equity
test case in the community services sector—and that will soon be underway through Fair
Work Australia. I indeed applauded that decision and thought it was long overdue. However,
tragically, the decision by at least the shadow minister for workplace relations to not support
the legislation which would see the proper implementation of a national system of industrial
relations has thrown some of the important questions associated with that pay equity test case into great confusion. I say that because many the employers involved in that test case are not-for-profit organisations and charitable organisations who to this day are unclear about whether they are captured by the terms of the Fair Work Act 2009, in the same way they were uncertain about whether they were captured under the terms of the legislation that this act replaced, which we know as Work Choices.

I would urge members of the opposition to reconsider their position, not only because the legislation is sensible and businesses and others have been calling for a national system of industrial relations but also because the lack of such a system will throw this test case into complete confusion. We need to address this issue and address it as a matter of some urgency. Frankly, the test case is one of the issues referred to in the minority report as a reason to hold off on the recommendations, in that members of the opposition hope that through this test case under Fair Work Australia there would be clear progress on the implementation of pay equity. But I would urge them to consider their position on this matter to ensure that we do not waste the time or the money of these organisations in trying to determine whether or not they are trading corporations, whether or not they are caught by the terms of the act, and just put in place a national system under which people can clearly operate.

There is another industry that I want to touch on, and the nature of this industry reflects my view and, I think, echoes the comments by the member for Pearce that what is at the heart of this issue is the lack of proper value attributed to women’s traditional work, whether that is paid or unpaid. I am talking about things like cleaning, catering and caring occupations. There was an overwhelming amount of evidence presented by organisations, employers and employees, as well as peak bodies and unions, involved in the aged-care sector throughout Australia, a sector that we know is largely dependent on the Commonwealth for its funding. And its concerns were echoed by sectors like disability services, which are largely dependent on state funding for much of their wages.

While I am convinced that if the government acts to implement the recommendations of this report we will have ensured that there is a mechanism in place which will assist and provide an avenue that is less adversarial, a means by which we can properly do research, and collect and analyse the data and put forward practical solutions to these issues of gender pay inequity, it is my great concern that the aged-care sector be one of the industries where this issue is addressed as a matter of urgency. Certainly, in my foreword to the report, I have called on the relevant ministers, including the minister for finance—the person with the chequebook—to be involved in those discussions. I do hope it is something to which we can have a joint approach and not a party political one.

The other issue is the importance of the breadth of the recommendations. I do not think that you can just act on one section and one section alone and hope that that will cause the kind of change that I envisage happening across Australia; we need to implement the vast bulk of those recommendations. We need a combination of amendments to the Fair Work Act 2009 and to the Sex Discrimination Act 1984 in order to increase the powers of the Sex Discrimination Commissioner. We need to establish as a matter of urgency a specialised pay equity unit with a very broad mandate for change under the guidance of a deputy president. We also need an advisory committee of industry and employers to be behind that industry pursuit and examination of practical solutions and proactive approaches to addressing pay inequity.
There is much work to be done, and I hope that we will have a government response early in the new year which sees much of this report, if not all of it, implemented as a matter of urgency. If these recommendations are implemented, we will begin to actually address the issue of pay inequity. Perhaps some of that anger that I still hold and the spark that burns still bright might finally get some relief in the long term.

Along with the member for Kalgoorlie, I placed on record last night my thanks to the committee secretariat. I have found this inquiry process and working with the committee secretariat one of the most satisfying things that I have been involved in since I became a member of parliament. I have nothing but respect and admiration for the professionalism of the secretariat and the staff and the work they do, and I know that is a view shared by all members of the committee.

In closing, I thank the state and territory governments around Australia as well as all those people who participated in the inquiry. Their invaluable contributions and their willingness to provide additional information and put up with the foibles of a committee of people of divergent views and backgrounds made it a pleasure to be involved. I thank them for their support and I thank also the people involved in the parliament who provided our web casting and who visited and travelled with us. I thank the Hansard staff and all involved in what I think has been, as I said earlier, a long and worthwhile journey. I hope the government implements these recommendations, I hope we begin to address the issues of pay inequity and I commend the report to the House.

Mr RAMSEY (Grey) (6.42 pm)—At the outset I would like to thank the member for Hasluck, my chairwoman on the Standing Committee for Employment and Workplace Relations, for her generous comments. It is my melancholy duty to tell you, Madam Deputy Chair, that the member for Hasluck is somewhat unreconstructed in this area. She had an unnerving habit of referring throughout the discussions to the Commissioner for Equal Opportunity as ‘her’. I pointed out to her that I thought that, if we were to have a commissioner for equal opportunity, the position should certainly be open to males as well. So I counsel her to try to reform her ways in this field in order that the debate may be moved forward.

With that small aside out of the way, I too would like to thank the secretariat for its sterling effort. The report is a substantial piece of work. There is much consideration in there and the secretariat has done a wonderful job of compiling it all. In fact, I wondered through the inquiry how on earth we would ever come to any recommendations at all.

As the member for Hasluck pointed out, I only joined the committee halfway through, so it did require a bit of catch-up on my behalf. I do not think that many people realise the depth of gender inequity in the workplace. We took a lot of evidence that undoubtedly shows that women’s lifetime earnings are significantly lower than men’s. We worked very hard to explore why this might be, and it comes down to many issues including length of employment, periods of absence from the workforce, superannuation issues and promotion issues.

Overwhelmingly, what was pointed out to us through the duration of the inquiry was that the jobs where women are employed in high numbers, in certain streams of the workforce, were typically the caring and low-paid roles in our workforce. It is an issue for society generally to make that decision about how highly they really value these roles. Does our society really value those who care for our children, our aged and those who are disabled? At this stage, I think all you can say is: we do not. And that is a real challenge for all of us—to make
Ms Jackson—Sixty-three.

Mr RAMSEY—Thank you—63 recommendations. There is a section, which my chair referred to, which I have some issues with, and that is chapter 5 and the recommendations, as she clearly identified, Nos 1 to 18, which refer to amendments to the Fair Work Act. In so much as the Fair Work Act is still to be fully implemented, and will not be until January, and there is still unfinished business in many areas and the test case she referred to has been launched—I also concede that is an area of some political discussion at the moment—the members of the opposition felt that it was too early to be amending an act when we have not really seen the full effects of it through the workplace, given that some of its stated aims are to effect equality. If indeed the Fair Work Act does not deliver on those stated objectives, then it will be time to revisit those recommendations.

One of the things the inquiry did identify was the lack of comprehensive data. We had discussions with the ABS and industry, and it was difficult to tease out enough data to put your finger on exactly why women were not receiving a fair deal in the workforce, so some of the recommendations we have made were around that area of delivering more information. Given that I only joined the inquiry half way through and had to do revision on the rest of the work, I, for one, was concerned at the lack of private industry that chose to give evidence to the committee. I did ask around in some private circles about why this might be, and there was, I think, a general fear that if any company or organisation was to out itself as taking any kind of position that might be perceived as being against equal opportunity for women, they might be branded as sceptics—a word that is being used in another debate in this place! But it was disappointing to me that we did not have more private employers come to us and talk about what they were doing within their workforce to achieve equity and also about what the financial implications might be of any recommendations we might make.

One of the things that I constantly raised and constantly came across through the inquiry was the situation we found of women being predominantly employed in those caring positions I have referred to that are lowly rewarded. Much of that industry is indirectly or directly financed by governments. I feel quite strongly that it is governments’ position to lead on this. Given that they are one of the chief culprits in undervaluing this work in society, and given that they can always pass on any costs through the taxation system, I think governments have a role to lead on this. Whether or not they will be rewarded for it at the ballot box is where we come back to that decision by communities about how highly they will value these jobs. If they punish governments for rewarding women correctly for the work they do, then I do not know how we address some of these issues, quite honestly. But I think it is the role of governments to lead in this area, so I encourage them to do so.

When we look at the aged-care industry, we see that a registered nurse in the aged-care industry is receiving a wage a bit less than 80 per cent of a nurse working in the healthcare sector, and goodness knows that the healthcare sector nurses are not overpaid by any means; in fact, one could put up a very good argument that they are underpaid as well on a professional scale. Given that aged care nurses are paid less than healthcare nurses, therein lies one of the great travesties and one of the great truths of the system we are operating at the moment.
One of the other things we found which surprised me, I must say, was the lack of parity in some of the professional strains of employment. We had the Pharmacists Guild give evidence and they have a very flat pay structure. They could not really locate any form of inequity towards females in their workforce. But it was a different matter when the lawyers came in. We all love to love lawyers, particularly people like me who are farmers by nature. But it did come as quite a shock to find that law firms systematically pay women lawyers less than men. The worst offenders, it seemed, were governments. It was pointed out to us that women are receiving the more lowly briefs on the government contracts. Once again government has the opportunity to lead. It did come as a surprise. My own daughter is not a lawyer. She is in fact a chemical engineer. I spoke to her about pay equity and she said, ‘I don’t think I have got quite as good a deal as the blokes.’ That is starting straight out of university and at a time when children are in the dim, distant future.

Mr Perrett—Get her in the union, Rowan. They’ll look after her.

Mr RAMSEY—I suggested she go and negotiate with her employer and tell them how good she was, actually.

I started off by saying that I do not think many of the Australian public understand or realise that we do have a pay equity issue. They think that if you are getting $15 an hour for work, males and females will get paid the same, and by and large across most workforces that is the case—apart from lawyers, of course. So prima facie they do not see the problem out there. But we dug deeper, and I do not think there is any doubt that we do have issues. I hope the recommendations address most of those. Certainly we laboured over them long enough. I am probably lucky I sat on the committee for nine months and not 18. It has created a lot of interest amongst women’s groups back in my electorate. I spoke to Zonta about this particular issue and they are very keen for some recommendations and some changes out of it.

I commend the report broadly to the House notwithstanding the fact that the opposition has a few different emphases on the recommendations.

Mr PERRETT (Moreton) (6.54 pm)—I am also pleased to speak on the Employment and Workplace Relations Committee report, Making it fair, and I commend the member for Grey for his contribution to the debate and to the report. This report shows us in no uncertain terms what most of us already know—that is, more needs to be done to address pay inequality in Australia. The report also links the issue of pay inequality with the symptom of the under-representation of women in the workforce. As at July 2008, only 58.4 per cent of women of working age were in the workforce. While this participation has increased significantly since the 70s, there is still much to be done to achieve parity. In their submission to the inquiry the Queensland government—my former employer—said:

…it is clear that increases in women’s wages, the cost of living, the availability of suitable jobs, education attainment, labour market experience and duration of residents are all recognised to significantly increase women’s labour force participation and the number of hours they work.

Access to child care and family-friendly workplaces are also big considerations for women returning to the workforce. I know from the experience of my partner when we had our first child and there were almost no childcare places available so that was a consideration. By the time the second one came along—she works in a workplace that is not family friendly although the hours are reasonably family friendly but you cannot take children to work—thankfully I was able to take children to work occasionally. However, addressing the gender
pay gap is the first step we need to take towards increasing women’s participation in the workforce.

What a journey it has been. Some topics have been touched on by other speakers but they are worth revisiting. If we go back to the suffrage movement of the 18th century through to the 20th century, we might think of that as the first wave of feminism and Australia played its role in that. Then you look at the second feminist wave that began in the 1960s and dealt with gender inequality in laws and culture. Some of the heroes from then were Simone de Beauvoir and Germaine Greer whose book *The Female Eunuch* came out in 1970. I am not sure about the other people in this room, but I am one of the few people who has read that book as part of a book club. I would suggest it is certainly an interesting polemic if not a great book to read.

In the 37 years since the Australian Conciliation and Arbitration Commission granted men and women the same minimum wage very little else has changed. This report is in the context of the third wave of feminism in that we are trying to deal with the failures of the second wave, the things that were started but did not actually change. You can look back at 1972, when the Australian Conciliation and Arbitration Commission handed down that decision, and see what has changed. In fact the average industry gender pay gap is still around 17 per cent and in some industries, like finance and insurance, the gap is as high as 32 per cent. It is interesting that the member for Grey referred to lawyers. I want to quote a particular section of the report, being one of the current members of parliament who has been a lawyer:

…the legal profession the number of female law graduates exceeds the number of male graduates that men are earning $7,000-$8,000 more than the women in the first few years. Women are exiting the industry earlier than men, and there is a clustering of women in the lower paid end of the profession. Further, women barristers remained significantly underrepresented in court appearances, particularly at senior levels and in more complex matters.

The Law Council of Australia added:

In 2007, 56% of Australian law graduates were women who tended to also to feature disproportionately among top graduates.

One would think that a lawyer would have an understanding of their rights and the potential avenues of redress et cetera, but still we have horrible situations in too many law firms. Obviously things need to be done. Only two per cent of our CEOs are women and that is a shameful statistic in 2009. Also, two per cent of the chairs of the big boards of our Top 200 ASX companies are women. The inequalities are not just limited to the high end of town or the private sector. Even in the Australian Public Service, women account for 57 per cent of all employees and yet only 20 per cent of the senior executive service positions. It is shameful that in 2009 we are still trotting out these figures. The Australian Public Service Commission told the inquiry that on average women were paid less than men across nearly all employment levels.

These inequities remain despite countless education campaigns over the last 30 or 40 years. We tried advertising, we tried informing, we tried carrots, we tried cajoling, we tried everything, but unfortunately it has not worked. I think of it as like one of my other jobs which was working in the mining industry. You go to a mine and the miners are incredibly safety conscious. They do everything by the book and they have high standards of safety at the mine—as I am sure other members in the room know—and they then go home, put on their thongs
and mow the lawn wearing a singlet. Because the laws are not there to change them they do the wrong thing.

Likewise, this committee came to the conclusion that the government needs to do more than just tell employers that they need to treat men and women equally. That is why this report contains a series of practical recommendations to close the gender pay gap, so that in 40 years time we are not having the same report with the same recommendations. These 63 recommendations are practical, and I am proud to say that I support every single one of them. These amendments include: amending the Fair Work Act 2009 and sex discrimination legislation to make equal remuneration for men and women employees for work of equal or comparable value the explicit object of legislation; the federal government elevating pay equity as a clear objective of modern awards; the Australian Industrial Relations Commission reporting to the committee prior to the finalisation of the awards on how pay equity principles have been achieved; amending the Sex Discrimination Act 1984 to make it mandatory for employers who are repeat offenders discriminating on the basis of pregnancy or carer’s responsibility to be required to attend counselling or an approved training course; government leadership strategies, including annual pay equity audit reporting for all government agencies; establishing a pay equity unit with education, research and enforcement roles—and enforcement roles are very important—to focus approaches to address the gender pay gap; and removal of the exemption from the payment of the nine per cent superannuation charge for employees who earn less than $450 per month. They are just a couple of the 63 recommendations that I have touched on, but they are certainly all commendable.

In my experience, before I became a lawyer I was a teacher and then worked in industrial law in the education sector. I was amazed when looking at the incredible work done by school officers, that probably 95 or 96 per cent were female. If you looked at the spread of their wages and then looked at a gender breakdown, often the top roles went to males, even in that sector. We called it the school officers sector, the non-teaching sector of the education area. Also, as a union organiser I would go to talk to a principal about something as simple as a job-share arrangement for, perhaps, a woman who had children or a woman who was towards the end of her years and wanted to retire. So often, if it were women, the principal, normally male, would say, ‘No, it’s too much of a hassle, too much of a complication,’ when normally you would end up getting two fantastic teachers for the price of one.

In closing, I want to particularly thank the committee chair, the member for Hasluck, for her untiring efforts in driving this inquiry. The flame does still burn brightly. Her passion and her advocacy to see inequalities in the workplace overcome was an inspirational force that has helped to deliver such a comprehensive and practical report. I also commend the deputy chair, Barry Haase, the member for Kalgoorlie. I certainly think it was an eye-opening experience for him and the member for Grey, as he touched on. Whilst they were not able to agree with every one of the recommendations, I commend them for their participation and input. I commend the report to the House.

Ms GEORGE (Throsby) (7.03 pm)—I want to begin by commending the report from the Standing Committee on Employment and Workplace Relations entitled Making it fair—which was only tabled yesterday evening, so in my contribution tonight I am not going to do full justice to the very comprehensive overview of this very critical issue. But I do want to say
that I think this report will stand the test of time and that it will be another milestone in that eternal quest for pay justice for women. I did read the foreword, in which the chair writes:

Pay equity or the lack of it was one of the issues that sparked my interest in politics and social justice. As a young woman I was outraged that someone could or would be paid less for their work because of their gender.

It angers me that over 30 years later, despite some progress, this is still the case.

I think in those words the chair of the committee, the member for Hasluck, has summed up the feelings of many women who have campaigned for a long time about this critical issue. I must say that in our previous lives before we were elected as members of this parliament both the member for Hasluck and I had lots of ongoing campaigns about this very important issue.

I think the fact that we now have this report kind of opens a new era in terms of looking at some proactive strategies for the future, because we have realised some of the limitations in the approach that up until now had placed a lot of the emphasis on trying to secure justice through the IR system. So I want to commend her and members of her committee in producing a report of great substance. There is a wealth of information in there that will make for fascinating reading. I think it is very important that the issue of pay equity is now on the mainstream national political agenda.

The report has 63 recommendations. I have only had the opportunity to skim through them but I have found them to be very comprehensive, strategic and yet very practical. It is clear that, 40 years on, we need a wide-ranging proactive strategy to end this historical injustice that remains so entrenched despite our best efforts to deal with the issue over four decades and more. As the member for Moreton said, it is probably now the third wave of feminists who are looking at this issue with fresh eyes. I think the committee has done a fine job in raising the profile of this issue onto our national agenda.

We all know that 40 years ago the first federal equal pay case was prosecuted by the ACTU and it established the principle of equal pay for equal work. We all thought that was going to be nirvana. Despite our hopes that it would put an end to the enshrined inequities that have plagued our wage-fixing system, we saw over a period of time that the narrow definition of ‘equal pay for equal work’—how do you define ‘equal work’?—was not going to be the big breakthrough that we all hoped for.

It is interesting though that, during the war, the contribution of women was recognised and their wages were raised from 54 per cent to 75 per cent of the male basic wage. It was suddenly realised that women were an integral part of our economy, but when the war was over the injustices resurfaced. I was lucky in that when I began teaching in 1969 I was the beneficiary of an earlier ruling by the New South Wales commission in 1958 that provided equal pay for teachers. I had always been in a profession where if you were doing equal work you were remunerated equally, but it did not compensate for the fact that all the women were congregated on the lower levels of the pay scales and all the top hierarchy were men—a very common situation in many professions.

When it became clear that the principle of equal pay for equal work was unable to advance the interests of women across the board, because they were congregated in female dominated occupations, it became clear that the narrow definition of ‘equal work’ became a barrier in our quest for wage justice, so that principle was expanded in 1972 to the concept of equal pay for work of equal value. Yet again we found in practice that the IR system had difficulty in defin-
ing objective measures by which to assess work of equal value, for it was a fact that historically women’s skills and experience had been undervalued and not given the same accreditation as those of men.

I remember thinking at the time: how did one explain why a skilled female machinist earned substantially less than a male who fixed the machine when it needed repairing? Why was one set of skills credentialled, given recognition and well remunerated at the end of an apprenticeship and the other set of skills—those of the female machinist—not valued because they were never formally recognised through our vocational system? Even today I find it hard to find an explanation for why an apprentice hairdresser is earning $80 a week less than an apprentice builder.

Pay inequity was an entrenched fact of life embedded in our awards and in wage relativities prior to the 1970s. However, ironically, when we looked at how we were faring against comparable OECD countries, the fact that we had a fairly regulated centralised IR system underpinned by awards meant that we as a nation were able to claim that our outcomes were pretty good in comparison to those of other countries. So we did well in closing the gap at the minimum rates of pay.

Then we had award restructuring and the minimum rates adjustment, which for the first time allowed us to compare women’s wages in certain occupations to others. The metal industry award was then set as the standard. But, regrettably, there were too few cases pushed under those principles. I do recall at the time that librarians and childcare workers used the opportunity to win good increases for their members.

Unlike in other countries, pay equity issues in Australia to date have largely been addressed by wage-fixing tribunals within the IR system rather than by direct legislative measures. However well we did within the scope of the regulated industrial relations system, it was once you stepped outside that area of regulation that the gap really became very problematic.

So where do we stand 40 years later? The last lot of data I looked at by the ABS for average earnings for women showed that it was $729.80 a week compared to men’s earnings of $1,110. That is $380 more for men or almost $20,000 over the course of the year. It adds up, as the report says, to a 17 per cent wage gap between men and women. In traditionally male dominated sectors like mining, manufacturing and construction you would expect that men would do better but what really shocked me was that even in female dominated sectors like health and community services and education the progress has been appallingly slow. In education—the field that I came from; a female dominated sector—women’s average weekly earnings in May 2009 were $841 compared to men’s $1,055.

So even in those sectors things are really bad and, as the report points out, the gap between men and women’s wages at ordinary-time earnings are now at the highest level they have been in 21 years. That is a consequence of the deregulated system that we had under the Howard government and the focus on individual contracts. So it is clear to me that there are factors outside of the control of the IR purview of wage rates. There are factors that need to be addressed beyond the IR system alone. It needs more than test cases—as important as they can be—to address wage inequity. And that is why the recommendations in this report are so important.
I do not want to underestimate the importance of historical test cases and I do want to commend our government for its support of an impending major test case on pay equity for people who work in the community sector. This sector employs more than 200,000 employees—87 per cent of whom are women. I cannot think of a more deserving group of workers entitled to substantial wage justice. These are the workers who keep our communities together but, to our common shame, they have been poorly paid for what has now become for many a labour of love.

These are the workers who provide accommodation and support for people with disabilities and who run crisis accommodation, counselling services, and home and family day care. It is scandalous that these workers at the coalface, working for our communities, currently can earn up to 30 per cent less than those people in the public sector and the public service doing comparable work. So to that extent I think this impending test case will be another important historic step along the path. But the report rightly points to a whole range of factors that need to be addressed in a comprehensive strategy. We all know that women’s skills—particularly in the caring occupations, because somehow that is seen to be women’s work—are not properly valued.

We know that women receive a lower share of discretionary payments, like overtime and bonuses, that have been outside the scope of industrial regulation and despite our best efforts we do not seem to have made any substantial inroads there. We know that occupational industrial segregation has an impact. We know the impact of family responsibilities. We know that because women work in part-time and casual employment that that has a bearing. I think the report also shows that the issue of the invisibility of the pay gap at the workplace level is an important factor, and that is addressed in one of the recommendations, which suggests that government ought to lead the way by doing regular workplace audits.

So there are a whole host of factors that need to be considered. In the chair’s foreword she says:

From the outset of the Committee’s Inquiry we agreed that we needed to go beyond past reports because we wanted substance to our recommendations, to recommend legislative reform if that was required, to use best practise examples that worked and to build on successful initiatives in states, territories and individual workplaces and internationally.

To the chair and the members of the committee I want to repeat, as someone who has spent a lot of years of her life actively involved in the eternal quest for justice for women, the chair’s own words:

Some will say that we should wait – for what I am not sure, divine intervention?

It got to the stage where it seemed that nothing we had tried, while we were making progress at a snail’s pace, comprehended the totality of factors that contribute to this historical legacy of inequity. I want to say to the member for Hasluck that this is a seminal report. It will open a new chapter in the quest for equal pay. I am sure that many groups, particularly women’s groups, are really looking forward to reading this comprehensive report, full of incredible data, historical context and practical, strategic and proactive recommendations. As I said, I have only had time to glance at it in a very cursory manner, but it is going on my pile of Christmas reading. I am looking forward to reading and digesting the contents of this substantial report. I thank all our colleagues for placing this critical issue on the national political agenda.
Mrs Vale (Hughes) (7.16 pm)—I thank the representative whip from the Labor Party for their indulgence in letting me speak on this. I was not listed to speak. I have not read the report, but, from listening to the discussions and the erudite and intelligent response by the members for Hasluck, Pearce and Throsby, I was stirred to make a contribution on this. The historic low pay of women goes back to the early days of Australia. We could probably look at all of the industrialised world and see that women in the very early days were used as factory fodder.

It is interesting to note that eight of the 11 people in this room—and I know that we are to be joined by two male colleagues—are women. So we have the workforce participation victory. We are here participating in the workforce. But equal pay seems to be a huge stumbling block. I look forward to reading this report and particularly the recommendations. I note the goodwill and cooperation with which members of both sides of the House have worked towards this report and the enthusiasm with which it has been received by both sides.

I would like to reflect on the lament by the member for Pearce that, even after all this time, women do not receive pay equal to that of men. There is a disparity in pay of 17 per cent to 32 per cent—that is absolutely huge. To think we are here in 2009—it is really disgraceful. No matter how much we talk about equality, there is no equality unless we have economic equality. Everything else is all pie in the sky; it is all pretend. It seems to me that the work that women have done is seriously undervalued because a lot of people do not realise the exact contribution women make. We have spoken about the disparity within the legal profession, and I cannot understand that. Female lawyers are paid 32 per cent less than male lawyers. But how do we explain the non-paid contribution to our society and our community for which women never get any recognition—the care of the disabled, the care of the aged and the job of being a housewife and contributing to your own family unit, which we all accept is the foundation of nationhood?

Let’s go back a little bit further. I want to talk about the enculturation of society, because women do that. With respect to our male colleagues here today, men do not contribute to enculturation; women do. I want to give you an example. Once upon a time, just as many men from a certain country came to Australia as men from northern Europe. As we all know, from the time when the British decided that Botany Bay would make a nice penal colony, men from northern Europe settled in Australia. At the time of the gold rush, men from another culture came here. But there is no evidence of their culture because those men did not bring their women with them.

I am sure you know who those men were. Those men were the Chinese. We see evidence of their occupation here in Australia in the great gold rush towns of Beechworth, Ballarat, Bendigo, Bathurst and Hill End. But they did not actually leave any evidence of their culture from that time, because they did not bring their women with them. Many Chinese went back with their gold, many died here, and many who remained here married Irish girls who came out in the famine ships. Their children might have looked a little bit Chinese but they did not speak Chinese and they did not eat with chopsticks, because they took on the culture of their mother; they spoke either Gaelic or English and they ate potatoes and Irish stew. Sometimes we forget the contribution that women make to nationhood. It is not measured, because we all take it for granted.
We can look even further back in our history to when the Normans invaded England. The Normans were a very interesting race. The fathers, the males, were called Normans but they were actually Vikings—they were Norsemen, and that is where the name ‘Norman’ came from. They settled in that part of northern France. But they married French women, and their children spoke French. When the Norman conquerors, under William the Conqueror, invaded England, for the next several hundred years, especially up to the Plantagenet reign, the main elite language, the language of court, was French. We even get the word ‘parliament’, where we are here today, from ‘parlay’. It is a French word. So I think we underestimate the importance of mothers and the mother tongue.

But there is another period in our history for which women have never been recognised, which concerns me greatly. Not only do women enculture their societies but they provide the foundation of nationhood. And that is exactly what happened here in Australia, especially after the First World War. Do you know, we lost 65,000 men. We really did lose the flower of a generation in that war. We all understand the legend of ANZAC, the way that particular cohort forged the values of our nation. But back home, without those 65,000 men, without the fathers, the brothers and the new husbands, it was the women who were left with the children, without any government support—actually, with no support at all. They buckled down and rolled their sleeves up, just like women have after all wars, and created the foundation of this nation. There is a book to be written, Member for Hasluck, because it was the women after the First World War, after so many of our young men had died, who forged this nation into the great nation that it is.

Then, of course, they were involved in the world’s worst depression. However in the world did those women cope? When I say that, I remember my grandmother, Nellie Beazley, from 106 Rodgers Street, Carrington. She was a war widow and my mother was a war orphan after the First World War. I often wonder: how did nanna cope? There was no government support in those days. There was maybe two-and-six that came through from the government because she was a war widow. But how did the women of that generation cope? And then, after the Depression, these were the women who sent their sons off to another war. My goodness, what stout-hearted women they must have been.

I look at this history and think of the value, the contribution, that these women have made to the nation that we are today—the finest democracy in the whole world. The very least we can do is pay them equal pay. And the very least we can do is recognise that fine, gold-clad contribution they have made. If we do not, if our generation of women do not look back and do that and we do not honour them by paying women today what they are worth, where will this country be in the future? Democracy is about equality. It is about equity. It is about fairness. This report is beautifully named—Making it fair. That is what we should be doing. I look forward to reading the report. Thank you, Member for Hasluck. Thank you for chairing the committee. I really do look forward to those recommendations.

I was a little bit concerned to hear that governments are not leading by example either. The federal government is, however, leading by example. I think we women here, who have the same job as our male colleagues, are all being paid on the same basis as the men. But if there are governments or local councils that are not paying the right amount of money, I say a pox on all of them, because they have a duty to lead by example. We cannot tell private enterprise what it is supposed to do unless the government leads the way. So I do look forward to the
recommendations, Member for Hasluck, and I do thank you and your committee for your hard work.

Ms HALL (Shortland) (7.25 pm)—Firstly, I congratulate the member for Hasluck, the chair of this committee. I know that we are looking at the report we have before us today because of her total commitment to this issue. I was a member of the committee very early in the piece—in fact, up until June of this year. I was overwhelmed by the number and quality of the submissions that came before the committee, just as I was overwhelmed by the dedication of the people who have worked in the field and fought this battle for pay equity for women for decades.

I find it really disturbing that it was not until 1972 that women were granted equal pay. In the first job I had I did not receive equal pay. I completed my high school certificate and worked in a job where there were males who had completed the exam when I did and had not performed in it as well as I did but who received 30 per cent more pay than I received. I thought it was very unfair. They were also given better jobs than I was given because women like to do very routine, methodical, rather rote jobs rather than jobs where they need to think and have ideas and express themselves! I think this was what was put to me at that time. I think I lasted only 12 months in that job—and I am sure that, if I had not left, they would have asked me to leave—because the whole philosophy and mentality of that organisation did nothing to inspire a woman to achieve anything or to aspire to any sort of career.

Over the years, things have changed. In the past, women had to resign when they got married or when they had children. I remember applying for a job not long after that which was rather like that job. I had to assure the employers that under no circumstances would I get pregnant. But, woops, I actually did get pregnant, and I left and did not tell anybody that I was pregnant at the time, because, in a way, I suppose, I felt guilty. I think things have changed, but that there are still a lot of barriers that women have to get around, and to say that women are equal in the workplace and have equal opportunities is not quite true.

We had to face a number of stereotypes whilst I was a member of the committee. There were statements such as: ‘Women don’t like to work in technical jobs.’ It was said that women do not like to do this kind of work or that kind of work. It was said that women would rather be with their families, that women would rather stay at home with the children and that women really are quite happy if they do not have to accept a job with high pay because it means that they do not have to put their private life on hold. There were numerous stereotypes like those put forward.

As for barriers, there are enormous barriers still in place that prevent women from obtaining equal pay to men. Some of those barriers are unintentional and they are unconsciously placed, but they are still there.

I should also acknowledge the fine contributions by the member for Pearce, the member for Hasluck and the member for Throsby. It is really inspiring to hear such depth of knowledge about and commitment to the fact that women really should receive equal pay for equal work. And that is all that everyone has been arguing for for a very long period of time.

Discrimination still exists at all levels. Even in the most basic or entry-level job, discrimination still comes into it and impacts on the level of pay that women actually receive. As was very ably put to the House tonight by previous speakers, the role that women play as carers...
means there is an expectation that they put their careers and their lives on hold to provide this caring role, yet they are given no prior learning recognition for that kind of work in the workforce. They are given no credit whatsoever for the work they do as carers, where they do develop transferable skills. In addition, as I said, their careers, their working lives, are put on hold.

Like many members of this House, I have women who come to see me who married 20, 30, 40 or 50 years ago but their husband has died and they are short of the pension age, so they are in a situation where they are being asked to re-enter the workforce but they have no skills, no recent work experience. This means that they are not in a position to obtain employment without undergoing retraining, which would probably take them up to retirement age in many cases. For those women, that means that they are doomed to a certain lifestyle, a level of poverty and wage inequity because they do not have superannuation, which is a very big issue when it comes to women. The fact is that once they do reach retirement age, because they have usually spent time out of the workforce having children, they have less disposable income upon retirement.

Pay inequity impacts at every job level. Even in jobs where men and women work alongside, it is still the men who tend to fill the jobs in the upper echelons. We had some very interesting presentations from the Public Service and from the CPSU, the Commonwealth Public Sector Union, which showed—I do not have the figures in mind at the moment—that, once you got up to the ASO5 level and above, the number of women in those jobs dropped dramatically. But, when you went to the base level, there were more women than there were men. So the jobs that pay the highest are more likely to be held by men and the jobs that pay the least are more likely to involve women.

It was also pointed out to us by the Community and Public Sector Union that, whilst women in the Public Service are very lucky because they can access maternity leave, simply the fact of accessing maternity leave and returning to work on a part-time basis is detrimental to their career. I know a number of young women that that has happened to. They have gone back to work and because they have decided that they will work for two, three or four days a week they have to resign themselves to staying on a certain level within the Public Service because they cannot aspire to higher levels until such time as their child-rearing days are over. This is a form of discrimination against women and this leads to pay inequity. The public sector is one area where we as members of parliament can direct some effort towards addressing that pay inequity.

I must say that the recommendations in this report are fantastic. I am a bit disappointed that not everybody could get behind them, but there was not a dissenting report, which is great. I think that the report sets everything out. I do not think that there is one area that the committee has left neglected in looking at this issue. Look at CEOs. Less than two per cent of CEOs are women. Look at the number of women who go to university. They certainly are not two per cent of the university population. Look at the number of women who achieve in the top 10 per cent at school, in their HSC, and at university. It certainly is not two per cent. I see the fact that there are so few women represented in the upper echelons of every occupation as a missed opportunity for Australia, because Australia is losing a valuable resource. We are losing the expertise and the ability of these women who could offer so much to Australia.
The other issue that I think is really important that was touched on in the report is how enterprise bargaining, individual agreements, work against women. Women do not tend to negotiate a pay increase or conditions quite as well for themselves as men do. I think that all wage agreements should take into account all the aspects of a job. I think there is a very strong argument in favour of the fact that individual agreements do not work well for women.

Finally, I would like to say that I strongly support this report. I am looking forward to reading it in more detail over the break. As well as being impressed with the recommendations and the whole of the report, I think the foreword written by the chair is outstanding; I really do. I think that it touches on so many different aspects. I have to say that it is one of the best that I have read in any report. Member for Hasluck, I can see that you have a passion and that this is an area that you have invested a lot in over your working life. That comes through in the report. I think that this is a blueprint for what government and our society should adopt and accept in relation to pay equity for women.

I think it has been far, far too long that we have sat back and accepted that this is okay, that this can continue. It is not okay. It cannot continue. It is really a blight on our society that we have a situation where 50 per cent of the population are receiving a 30 per cent lower income and where two per cent of our CEOs are women. If we look at these recommendations and if this report is adopted, Australia can then be proud of its achievements in this area. Thank you, Member for Hasluck, for this wonderful report.

Debate (on motion by Ms Vamvakinou) adjourned.

Industry, Science and Innovation Committee
Report

Debate resumed from 23 November, on motion by Ms Vamvakinou:

That the House take note of the report.

Dr JENSEN (Tangney) (7.40 pm)—I would like to speak on our inquiry into seasonal forecasting in Australia. I think that this was a very good inquiry. It highlighted some needs, such as increased funding for things such as supercomputing. I think it is fair to say that many of the committee members were quite surprised at the state of climate science and the uncertainty that was involved.

Given that the inquiry was into seasonal forecasting, and therefore climate effects, it is necessary that we have a look at the state of climate science, because this is something that is greatly concerning. If the science on this is perverted then obviously the outputs from the Bureau of Meteorology and anyone else who provides seasonal forecasts will be significantly degraded. We have seen some emails and some leaks from a hack of the East Anglia Climate Research Unit and I find that the response to that is quite staggering. For instance, last night on Lateline, Professor Andy Pitman, from the University of New South Wales, referred to the correspondence that occurred between these leading climate scientists—many of whom are lead authors or coordinating lead authors for the IPCC—as ‘the normal repartee of discussion between climate scientists’.

Tim Flannery was of a similar view: this is normal; nothing extraordinary about it. Professor David Karoly, in email discussion with me, said, when I referred to concerns about people like Phil Jones, Michael Mann and others from the Climate Research Unit and the IPCC:
Your statements above are inaccurate. If you think that there has been deliberate falsification of data or misconduct by these scientists, I suggest that you make a complaint through official channels. Such previous complaints have been found to be unjustified. You appear to be basing your comments on some biased evaluations.

When I referred to the fact that he had made a statement that there were no papers in the peer-reviewed literature that significantly contradicted the IPCC’s position, he said:

I am aware of the peer-reviewed journal paper that you mention below—

because I sent him a copy of one paper—
together with a small number of other peer-reviewed journal papers that seek to challenge some of the conclusions of the IPCC. I am also aware of a number of flaws in such papers and therefore do not consider that they seriously contradict the conclusions of the IPCC.

Now, let’s have a look at some of the emails that have come out from the East Anglia Climate Research Unit. Phil Jones is the professor who is the head of that unit. He is also in charge of the Hadley Centre, which is one of the four major repositories—and probably the major repository accepted by the IPCC—gathering global climate data, and particularly global temperatures. In one of his emails Phil Jones says:

I’ve just completed Mike’s Nature trick of adding in the real temps to each series for the last 20 years (ie from 1981 onwards) and from 1961 for Keith’s to hide the decline.

This was supposedly normal discourse between climate scientists. I have to say that as an ex-scientist I am embarrassed.

Michael Mann, who came up with the hockey stick in the third assessment report, said:
The Soon and Baliunas paper couldn’t have cleared a “legitimate” peer review process anywhere. That leaves only one possibility—that the peer-review process at Climate Research—

which is a peer-reviewed journal—

has been hijacked by a few skeptics on the editorial board.

Keith Briffa, who is the person who has been responsible for a lot of the proxy reconstructions over the last thousand years, said:

I tried hard to balance the needs of the science and the IPCC, which were not always the same.

Kevin Trenberth, the coordinating lead author with the IPCC on both the third and fourth assessment reports, said:
The fact is that we can’t account for the lack of warming at the moment and it is a travesty that we can’t. The CERES data published in the August BAMS 09 supplement on 2008 shows there should have been more warming—
even more warming—

but the data are surely wrong. Our observing system is inadequate.

In other words, the data are wrong; our models are right. George Monbiot, who is a journalist in the UK who is generally of the alarmist persuasion—and he has called sceptics nut cases—

has said:

It’s no use pretending that this isn’t a major blow. The emails extracted by a hacker from the climatic research unit at the University of East Anglia could scarcely be more damaging. I am now convinced that they are genuine, and I’m dismayed and deeply shaken by them.

He adds:
There appears to be evidence here of attempts to prevent scientific data from being released, and even to destroy material that was subject to a freedom of information request.

He goes on to say:

I believe that the head of the unit, Phil Jones, should now resign.

I would go further. I think he should actually be tried for destruction of data from an FOI request. Tom Wigley, another scientist from the CRU wrote:

We probably need to say more about this. Land warming since 1980 has been twice the ocean warming—and skeptics might claim that this proves that urban warming is real and important.

Phil Jones, once again, head of the climate change research unit wrote:

Can you delete any emails you may have had with Keith re AR4?

That is, the fourth assessment report. The email continues:

Keith will do likewise. He’s not in at the moment—minor family crisis.

Can you also email Gene and get him to do the same? I don’t have his new email address.

We will be getting Caspar to do likewise.

I see that CA—that is, climate audit—claim they discovered the 1945 problem in the Nature paper!!

Tom Wigley:

Here are some speculations on correcting—

sea surface temperatures—

to partly explain the 1940s warming blip.

If you look at the attached plot you will see that the land also shows the 1940s blip (as I’m sure you know).

So, if we could reduce the ocean blip by, say, 0.15 degC, then this could be a significant for the global mean—but we’d still have to explain the land blip.

... ... ...

It would be good to remove at least part of the 1940s blip, but we are still left with “why the blip”.

Phil Jones again:

The other paper by MM—

McIntyre and McKitrick—

is just garbage—as you knew. De Freitas again. Pielke is also losing all credibility as well by replying to the mad Finn as well—frequently as I see it.

I can’t see either of these papers being in the next IPCC report.

Now get this:

Kevin—

Kevin Trenberth—

and I will keep them out somehow—even if we have to redefine what the peer-review literature is!

I thought the climate science was supposed to be settled. Phil Jones again:

The two MMs—

MAIN COMMITTEE
McIntyre and McKitrick —
have been after the CRU station data for years. If they ever hear there is a Freedom of Information Act
now in the UK, I think I’ll delete the file rather than send to anyone. … We also have a data protection
act, which I will hide behind.

Phil Jones again:
I did get an email from the FOI person here early yesterday to tell me I shouldn’t be deleting emails …

According to the FOI Commissioner’s Office, IPCC is an international organization, so is above any
national FOI. Even if UEA holds anything about IPCC, we are not obliged to pass it on …

He also said, in another email:
PS I’m getting hassled by a couple of people to release the CRU station temperature data.
Don’t any of you three tell anybody that the UK has a Freedom of Information Act!

Very interesting, given that Jones was asked about data and had this to say, when he was re-
quested recently under an FOI request:

We are not in a position to supply data for a particular country not covered by the example agree-
ments referred to earlier, as we have never had sufficient resources to keep track of the exact source of
each individual monthly value. Since the 1980s, we have merged the data we have received into exist-
ing series or begun new ones, so it is impossible to say if all stations within a particular country or if all
of an individual record should be freely available. Data storage availability in the 1980s meant that we
were not able to keep the multiple sources for some sites, only the station series after adjustment for
homogeneity issues. We, therefore, do not hold the original raw data was only the value-added (i.e.
quality controlled and homogenised) data.

He also said in a communication to Warwick Hughes, an Australian, a few years ago:

Even if WMO—
the World Meteorological Organisation—
agrees, I will still not pass on the data. We have 25 or so years invested in the work. Why should I make
the data available to you, when your aim is to try to find something wrong with it.

Precisely what scientists are supposed to do. Adam Markham:

In particular, they would like to see the section on variability and extreme events beefed up if possible.
This was in response to a request by the WWF to beef up some climate change data for Aus-
tralia. Phil Jones again:

I hope you’re not right about the lack of warming lasting till about 2020. I’d rather hoped to see the
earlier Met Office press release with Doug’s paper that said something like—half the years to 2014
would exceed our warmest year currently on record, 1998!

Tom Wigley again:

Kevin, I didn’t mean to offend you. But what you said was “we can’t account for the lack of warm-
ing at the moment”. Now you say “we are nowhere close to knowing where energy is going”. In my
eyes these are two different things—the second relates to our level of understanding, and I agree that
this is still lacking.

Kevin Trenberth again. Remember he is the IPCC coordinating lead author:

The fact that we cannot account for what is happening in the climate system makes any consideration
of geoengineering quite hopeless as we will never be able to tell if it is successful or not! It is a travesty!
Phil Jones:

I will be emailing the journal to tell them I’m having nothing more to do with it until they rid themselves of this troublesome editor.

Mike’s idea to get editorial board members to resign will probably not work—must get rid of von Storch too, otherwise holes will eventually be filled up with people like Legates, Balling, Lindzen, Michaels, Singer, etc.

Mick Kelly:

Anyway, I’ll maybe cut the last few points off the filtered curve before I give the talk again as that’s trending down as a result of the end effect and the recent cold-ish years.

Michael Mann:

… that it would be nice to try to “contain” the putative MWP—
mediaeval warm period—
even if we don’t yet have a hemispheric mean reconstruction available that far back …

Tom Wigley:

And the issue of withholding data is still a hot potato, one that affects both you and Keith (and Mann). Yes, there are reasons—but many *good* scientists appear to be unsympathetic to these. The trouble here is that withholding data looks like hiding something, and hiding means (in some eyes) that it is bogus science that is being hidden.

Mick Kelly, with regard to funding:

We need to show some left to cover the costs of the trip Roger didn’t make and also the fees/equipment/computer money we haven’t spent otherwise NOAA—the national oceanographic organisation in the United States—will be suspicious.

Tom Wigley:

So, if we could reduce the ocean blip by, say, 0.15 degC, then this would be significant for the global mean—but we’d still have to explain the land blip.

Michael Mann:

Just a heads up. Apparently, the contrarians now have an “in” with the GRL—
The Geophysical Review Letters, a peer review journal.

This guy Saiers has a prior connection w/ the University of Virginia Dept. of Environmental Sciences that causes me some unease.

I think we know how the various Douglass et al papers w/ Michaels and Singer, the Soon et al paper, and now this one have gotten published in GRL.

Saiers soon lost his job after this. This is an appalling perversion of science. We hear all the time that we are having to spend billions and billions of dollars globally, in fact globally trillions of dollars, to address something and we are getting this perversion with the IPCC process.

As I have said, as a scientist I am deeply disturbed by this. I have, as people know, been sceptical of the science. My view with regard to the more alarmist position is that people have been seduced too much by computer models and that there has been a certain amount of institutionalised groupthink. I have also been of the view that the IPCC have various structural problems that have actually led to their results of human beings causing warming. Never in
my wildest nightmares, despite what other people have said about it, did I think that this sort of perversion of peer reviewed science was in place. We need to be very careful on this. It is critical that the science is cleaned up. (Time expired)

Mr RAMSEY (Grey) (7.55 pm)—I rise to speak on the Seasonal forecasting in Australia report of the House of Representatives Standing Committee on Industry, Science and Innovation. From the outset, let me thank the chair of the committee, the member for Calwell, and the secretariat for the work that has gone into this. I was one of those who were urging the committee to adopt the study into seasonal forecasting as I have a long-standing interest in this area. I was a farmer before I entered parliament, and have to say that, from a farming perspective, seasonal forecasting is the holy grail. Farming has become highly technical and mechanised. We have tractors that basically do not need to be steered anymore. Harvesters are the same. We are able to sow our grain each year to within about two centimetres of our target. We are able to specify what fertiliser should be used and how much fertiliser should be applied in any given part of the paddock depending on the soil type and previous productivity. We are able to spray chemicals across a paddock at variable rates depending on which chemical is needed where. But the last great variables are the rain and the season. We have absolutely no control over those and are never likely to have, but perhaps we may be able to predict what is in store. Our predictive capacity is still found wanting.

During this inquiry I was hoping that we would uncover the missing science and find the great answer to all these difficulties. In that sense, I am a little disappointed, but I think the recommendations we make, and the information we gleaned out of the inquiry, are very valuable nonetheless. I will focus on a few things. We took extensive evidence from the CSIRO and the Bureau of Meteorology, as of course we would given they are the leading bodies in this area in Australia. There was some concern amongst the committee, as raised in evidence, that their process is somewhat insular. We have some concerns that other bodies were not being welcomed with open arms to conduct their science through their institutions. In particular, some of the universities might have much to offer.

We have recommended to the CSIRO and the Bureau of Meteorology that they should have to justify the climate models they have chosen to use as the prime dynamic models behind their science. There are a number of other models around the world. In the end, you have to make some kind of decision. I do not think, though, that we heard enough evidence to suggest that all other options should be ruled out—neither were they saying that; but they have predominantly gone with one model. We would like them to at least re-examine that and to justify their position. Sometimes you do not know what your weaknesses are. It is like a SWOT analysis. If you sit down and go through a program, you may well revisit some of your decisions and identify some of the weaknesses in your argument. In particular, we believe that there are some areas that are under-researched in Australia at the moment. We took some strong evidence about the influence of particulates on our climate. It is claimed that the South-East Asian smoke plume has the ability to cool the oceans to the north-west and the north of Australia and to perhaps induce the long periods of drought that we have been experiencing in recent years. That particular haze coming out of South-East Asia is unlikely to diminish even though there are some hopes in other spheres of politics that we will be able to limit the forest burning which is causing the bulk of it.
But I do not think we can just dismiss the science. Certainly the CSIRO and the Bureau of Meteorology both recognised the fact that they needed to do more work in this area. It is always a question of resources, so there is a recommendation that this area should be properly resourced. It has the potential to unlock some of those great secrets. We were given the opportunity in Melbourne to inspect the bureau’s newest supercomputer. We were probably a little crestfallen to find that the supercomputer is almost superseded before it has been superstarted, as it were, and that our computing capacity in Australia, while much improved on where it was, is still lagging behind that of the Europeans and the North Americans. We are only a small nation, and the collaborations we make around the world are a very important part of the way we progress our science. But you can be sure that no-one is more interested in the weather in Australia than those of us who live in Australia and are affected by it.

As I said at the beginning, the potential for gain from accurate seasonal forecasting in Australia, in our very dry climate, is immense. It will give farmers the ability to work out whether or not they are even going to sow a crop, what kind of crop it might be and whether or not to fertilise heavily. So it has a great effect on inputs, but it also gives them the ability to adjust to the season. In fact, we could eliminate sowing crops in seasons when we should not do so. I have often said in the middle of a drought that if only I had been able to predict the season at the start it would have been far more profitable to go the beach for the year. An average farmer may well go out and risk half a million dollars on the strength of the seasonal rains.

One of the things that was also highlighted, particularly in some evidence we took in Adelaide from Sharon Starick, is that farmers have a fairly healthy scepticism about seasonal forecasts. While that may not be easily addressed until there is more accuracy to the forecasts there is a reasonable amount of respect in the farming community for the weekly and the daily weather forecasting services, which have improved in accuracy markedly, on a steady incline, over the last 20 years. When the bureau is predicting 10 millimetres of rain, for instance, people are making farming decisions—to go and place fertiliser on the paddocks and other things—based on that, but we still do not have that kind of confidence in the seasonal forecasts. If people take any notice of seasonal forecasts and make decisions based upon them, only to find that they are wrong, then I can tell you that once bitten, twice shy is the experience they take away from that, and their scepticism becomes deep and ingrained.

I think it has been a valuable inquiry. I think our recommendations are sound and good. It is a science that requires more attention from Australia. I know we can look at almost anything and say that if we invested more strongly we would have a better result. But when it comes to seasonal forecasting we have a great stake invested because, while Australia no longer rides on the sheep’s back, agriculture is still one of the biggest sectors that contributes to our export income and is very important. In a world that is presenting many challenges to our agriculturalists, it is vitally important that we adopt the most modern and up-to-date science to keep us competitive with the rest of the world and in front wherever possible. In the case of our seasonal forecasting ability, it is important that we have the best available information in the world in order to be able to compete.

Debate (on motion by Ms Vanvakinou) adjourned.

Main Committee adjourned at 8.05 pm
QUESTIONS IN WRITING

Australian Defence Force: Awards
(Question No. 975)

Mr Baldwin asked the Minister representing the Minister for Defence, in writing, on 7 September 2009.

(1) How many and what type of secret orders decorations, medals and commendations have been awarded to members of the Australian Defence Force (ADF) from 1 January 2001 to 7 September 2009.

(2) Will ADF members who have been awarded secret honours be gazetted once their protected identity status has ceased.

(3) On what date will the Medal for Gallantry awarded to the late Special Forces Sergeant Matthew Locke be gazetted.

(4) Will the Government consider publishing citations for secret honours recipients using pseudonyms to protect the identity of recipients, as was done for the Medal for Gallantry to Trooper “A” of the Special Operation Task Group (Commonwealth of Australia Gazette, S12, Monday 26 January 2009).

Mr Combet—The Minister for Defence has provided the following answer to the honourable member’s question:

(1) The Australian system of honours and awards does not include secret orders, decorations, medals or commendations. Special operations service attracts the same awards as normal Defence service. To maintain operational security and the safety and anonymity of personnel involved in these activities, award details are not published in the Government gazette. A list of non-gazetted awards issued from 1 January 2001 to 7 September 2009 is below.

<table>
<thead>
<tr>
<th>Non-gazetted awards issued to ADF members for period 1 January 2001 to 7 September 2009</th>
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<tbody>
<tr>
<td>Officer of the Order of Australia</td>
</tr>
<tr>
<td>Member of the Order of Australia</td>
</tr>
<tr>
<td>Medal of the Order of Australia</td>
</tr>
<tr>
<td>Star of Gallantry</td>
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<tr>
<td>Medal for Gallantry</td>
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<tr>
<td>Commendation for Gallantry</td>
</tr>
<tr>
<td>Distinguished Service Cross</td>
</tr>
<tr>
<td>Distinguished Service Medal</td>
</tr>
<tr>
<td>Commendation for Distinguished Service</td>
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<tr>
<td>Bar to the Commendation for Distinguished Service</td>
</tr>
<tr>
<td>Conspicuous Service Cross</td>
</tr>
<tr>
<td>Conspicuous Service Medal</td>
</tr>
<tr>
<td>Unit Citation for Gallantry</td>
</tr>
<tr>
<td>Meritorious Unit Citation</td>
</tr>
<tr>
<td>Total awards not published</td>
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</tbody>
</table>

(2) No.

(3) Defence will not gazette details of the Medal for Gallantry awarded to the late Sergeant Matthew Locke.

(4) This is determined on a case-by-case basis by the nominating authority.
Vocational Education and Training
(Question No. 1077)

Dr Southcott asked the Minister for Education, in writing, on 29 October 2009:

As at 29 October 2009 and by State and Territory, what number and percentage of students were studying a (a) vocational education and training subject, and (b) school based apprenticeship.

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

(a) The most recent available information on vocational education and training (VET) in general relate to 2008, and it is anticipated that 2009 calendar year statistics will be released in July next year. In 2008 there were 1,696,400 VET students, who had 12,950,900 subject enrolments. These 1.7 million VET students represented 11.7 per cent of the estimated resident population aged 15 to 64 years at 30 June 2008, according to ABS preliminary population estimates released on 11 August 2008.

(b) The most recent available information on school students’ participation in vocational education and training as part of their Senior School Certificate studies relates to 2007. Since the publication of the VET in Schools data was taken over by the National Centre for Vocational Education Research (NCVER), the delay in publishing these data has been considerably reduced. NCVER released the 2006 VET in Schools data on 16 June this year, followed by the 2007 release on 16 September. At this stage, NCVER anticipates release of the 2008 VET in Schools data in the first half of 2010. In 2007, there were 15,000 school-based apprentices and trainees, representing 3.3 per cent of school students enrolled in Years 11 and 12 at August 2007, according to the latest ABS schools statistics bulletin.

A breakdown of this information by state, is set out in the table below:

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<thead>
<tr>
<th></th>
<th>N.S.W.</th>
<th>Vic.</th>
<th>Qld</th>
<th>S.A.</th>
<th>W.A.</th>
<th>Tas.</th>
<th>N.T.</th>
<th>A.C.T.</th>
<th>Australia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational education and training students, publicly funded—2008 ('000)</td>
<td>547.6</td>
<td>547.6</td>
<td>547.6</td>
<td>547.6</td>
<td>547.6</td>
<td>547.6</td>
<td>547.6</td>
<td>547.6</td>
<td>547.6</td>
</tr>
<tr>
<td>Publicly funded VET students as percentages of Estimated Resident Population aged 15–64 years</td>
<td>11.7</td>
<td>13.6</td>
<td>10.0</td>
<td>11.7</td>
<td>10.0</td>
<td>14.2</td>
<td>14.2</td>
<td>10.0</td>
<td>11.7</td>
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<tr>
<td>School-based apprentices and trainees—2007 ('000)</td>
<td>1.7</td>
<td>6.2</td>
<td>5.0</td>
<td>0.6</td>
<td>0.9</td>
<td>0.2</td>
<td>0.1</td>
<td>0.4</td>
<td>15.0</td>
</tr>
<tr>
<td>School-based apprentices and trainees (percentage of all Year 11–12 students)</td>
<td>1.3</td>
<td>5.4</td>
<td>5.2</td>
<td>1.5</td>
<td>1.8</td>
<td>1.8</td>
<td>2.0</td>
<td>4.3</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Sources: NCVER Students and Courses 2008; ABS Population by Age and Sex, Regions of Australia, 2008 (Cat. No. 3235.0); NCVER VET in Schools 2007; ABS Schools, Australia, 2008 (Cat. No. 4221.0).