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SITTING DAYS—2010

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FORTY-SECOND PARLIAMENT
FIRST SESSION—SEVENTH 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. Archibald Ronald Bevis MP, Ms Sharon Leah Bird MP, Mr Steven Georganas MP, Mrs Margaret Ann May MP, Hon. Judith Eleanor Moylan MP, Mr Rowan Eric Ramsey MP, Ms Janelle Anne Safﬁn MP, Mr Albert John Schultz 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. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Opposition Whip—Hon. Alexander Michael Somlyay MP
Opposition Whips—Mr Patrick Damien Secker MP and Ms Nola Bethwyn Marino MP

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

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Members of the House of Representatives

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Members of the House of Representatives

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<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
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<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
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<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
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PARTY ABBREVIATIONS
ALP—Australian Labor Party; LP—Liberal Party of Australia;
Nats—The Nationals; Ind—Independent

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
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
Hon. Julia Gillard MP
Treasurer
Hon. Wayne Swan MP
Minister for Immigration and Citizenship and Leader of the Government in the Senate
Senator Hon. Chris Evans
Minister for Defence and Vice President of the Executive Council
Senator Hon. John Faulkner
Minister for Trade
Hon. Simon Crean MP
Minister for Foreign Affairs and Deputy Leader of the House
Hon. Stephen Smith MP
Minister for Health and Ageing
Hon. Nicola Roxon MP
Minister for Families, Housing, Community Services and Indigenous Affairs
Hon. Jenny Macklin MP
Minister for Finance and Deregulation
Hon. Lindsay Tanner MP
Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House
Hon. Anthony Albanese MP
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate
Senator Hon. Stephen Conroy
Minister for Innovation, Industry, Science and Research
Senator Hon. Kim Carr
Minister for Climate Change, Energy Efficiency and Water
Senator Hon. Penny Wong
Minister for Environment Protection, Heritage and the Arts
Hon. Peter Garrett AM, MP
Attorney-General
Hon. Robert McClelland MP
Cabinet Secretary, Special Minister of State and Manager of Government Business in the Senate
Senator Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry
Hon. Tony Burke MP
Minister for Resources and Energy and Minister for Tourism
Hon. Martin Ferguson AM, MP
Minister for Human Services and Minister for Financial Services, Superannuation and Corporate Law
Hon. Chris Bowen MP

[The above ministers constitute the cabinet]
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 and Energy Efficiency Hon. Greg Combet AM, MP
Minister for Employment Participation and Minister Assisting the Prime Minister for 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 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
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<tr>
<td>Leader of the Opposition</td>
<td>Hon. Tony Abbott MP</td>
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<tr>
<td>Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition</td>
<td>Hon. Julie Bishop MP</td>
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<td>Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals</td>
<td>Hon. Warren Truss MP</td>
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<tr>
<td>Shadow Minister for Resources and Energy and Leader of the Opposition in the Senate</td>
<td>Senator Hon. Nick Minchin</td>
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<tr>
<td>Shadow Minister for Employment and Workplace Relations and Deputy Leader of the Opposition in the Senate</td>
<td>Senator Hon. Eric Abetz</td>
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<tr>
<td>Shadow Treasurer</td>
<td>Hon. Joe Hockey MP</td>
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<tr>
<td>Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House</td>
<td>Hon. Christopher Pyne MP</td>
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<td>Shadow Minister for Infrastructure and Water</td>
<td>Hon. Ian Macfarlane MP</td>
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<td>Shadow Attorney-General</td>
<td>Senator Hon. George Brandis SC</td>
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<td>Shadow Minister for Defence</td>
<td>Senator Hon. David Johnston</td>
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<td>Shadow Minister for Health and Ageing</td>
<td>Hon. Peter Dutton MP</td>
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<td>Shadow Minister for Families, Housing and Human Services</td>
<td>Hon. Kevin Andrews MP</td>
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<td>Shadow Minister for Climate Action, Environment and Heritage</td>
<td>Hon. Greg Hunt MP</td>
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<td>Shadow Minister for Indigenous Affairs and Deputy Leader of The Nationals</td>
<td>Senator Hon. Nigel Scullion</td>
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<td>Shadow Minister for Finance and Debt Reduction and Leader of the Nationals in the Senate</td>
<td>Senator Barnaby Joyce</td>
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<td>Shadow Minister for Agriculture, Food Security, Fisheries and Forestry</td>
<td>Hon. John Cobb MP</td>
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<td>Shadow Minister for Small Business, Deregulation, Competition Policy and Sustainable Cities</td>
<td>Hon. Bruce Billson MP</td>
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<td>Shadow Minister for Broadband, Communications and the Digital Economy</td>
<td>Hon. Tony Smith MP</td>
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<td>Shadow Minister for Immigration and Citizenship</td>
<td>Mr Scott Morrison MP</td>
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<td>Shadow Minister for Innovation, Industry, Science and Research</td>
<td>Mrs Sophie Mirabella MP</td>
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<tr>
<td>Chairman of the Coalition Policy Development Committee</td>
<td>Hon. Andrew Robb AO MP</td>
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<td>Mr Steven Ciobo MP</td>
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<tr>
<td>Shadow Minister for Employment Participation, Apprenticeships and Training</td>
<td>Senator Mathias Cormann</td>
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<tr>
<td>Shadow Minister for Consumer Affairs, Financial Services, Superannuation and Corporate Law and Deputy Manager of Opposition Business in the House</td>
<td>Mr Luke Hartsuyker MP</td>
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<tr>
<td>Shadow Assistant Treasurer</td>
<td>Hon. Sussan Ley MP</td>
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<td>Shadow Minister for COAG and Modernising the Federation</td>
<td>Senator Marise Payne</td>
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<tr>
<td>Shadow Minister for Early Childhood Education and Childcare and Shadow Minister for the Status of Women</td>
<td>Hon. Dr Sharman Stone MP</td>
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<tr>
<td>Shadow Minister for Justice and Customs</td>
<td>Mr Michael Keenan MP</td>
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<tr>
<td>Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence</td>
<td>Hon. Bob Baldwin MP</td>
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<td>Shadow Minister for Veterans Affairs</td>
<td>Mrs Louise Markus MP</td>
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<td>Shadow Minister for Ageing</td>
<td>Senator Concetta Fierravanti-Wells</td>
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<td>Shadow Minister for Seniors</td>
<td>Hon. Bronwyn Bishop MP</td>
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<tr>
<td>Shadow Special Minister of State and Scrutiny of Government Waste</td>
<td>Senator Hon. Michael Ronaldson</td>
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<tr>
<td>Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Parliamentary Secretary for Infrastructure and Population Policy</td>
<td>Senator Cory Bernardi</td>
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<tr>
<td>Shadow Parliamentary Secretary for Northern and Remote Australia</td>
<td>Senator Hon. Ian Macdonald</td>
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<td>Shadow Parliamentary Secretary for Roads and Transport</td>
<td>Mr Don Randall MP</td>
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<td>Shadow Parliamentary Secretary for Regional Development and Emerging Trade Markets</td>
<td>Mr Mark Coulton MP</td>
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<td>Shadow Parliamentary Secretary for Tourism</td>
<td>Mrs Jo Gash MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Education and School Curriculum Standards</td>
<td>Senator Hon. Brett Mason</td>
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<tr>
<td>Shadow Parliamentary Secretary for the Murray Darling Basin and Shadow Parliamentary Secretary for Climate Action</td>
<td>Senator Simon Birmingham</td>
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<tr>
<td>Shadow Parliamentary Secretary for Public Security and Policing</td>
<td>Mr Jason Wood MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Defence</td>
<td>Mr Stuart Robert MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Regional Health Services, Health and Wellbeing</td>
<td>Dr Andrew Southcott MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector</td>
<td>Senator Mitch Fifield</td>
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<tr>
<td>Shadow Parliamentary Secretary for Families, Housing and Human Services and Shadow Parliamentary Secretary for Citizenship</td>
<td>Senator Gary Humphries</td>
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<tr>
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The SPEAKER (Mr Harry Jenkins) took the chair at 9 am and read prayers.

CRIMES AMENDMENT (WORKING WITH CHILDREN—CRIMINAL HISTORY) BILL 2009

Consideration of Senate Message

Bill returned from the Senate with an amendment.

Ordered that the amendment be considered at a later hour this day.

BUSINESS

Consideration of Private Members’ Business

Report

Mr PRICE (Chifley) (9.01 am)—I present the report of the recommendations of the whips relating to committee and delegation reports and private members’ business on Monday, 15 March 2010. Copies of the report have been placed on the table.

The report read as follows—
Pursuant to standing order 41A, the Whips recommend the following items of committee and delegation reports and private Members’ business for Monday, 15 March 2010. The order of precedence and allotments of time for items in the Main Committee and Chamber are as follows:

Items recommended for Main Committee (6.55 to 8.30 pm)

PRIVATE MEMBERS’ BUSINESS

Notices

1 MR LINDSAY: To move:

That the House:

(1) recognises that Queensland teachers are dedicated educators who do their very best with limited resources and facilities provided by Education Queensland;

(2) notes that the Queensland Minister for Education appears to be ignoring the concerns of teachers and parents in relation to staffing numbers and still uses 100-year-old buildings with facilities to match;

(3) worries about the impact on students of classroom overcrowding, third world facilities, the ever increasing workload on our teachers, schools having to employ prisoners as groundsmen and the staff model used to allocate teaching positions to schools;

(4) condemns the Queensland government over its continuing education budget cuts and apparent inaction over teacher concerns in relation to taking on the additional roles of parent, social worker, policeman, cleaner and information technology technician;

(5) questions if the Queensland government can be serious about education noting its continuing comparison of private/public schools which have different teacher-to-student, budget-to-student and computer-to-student ratios; and

(6) calls on the Queensland education minister to listen to teachers and accept their advice and counsel.

Time allotted—20 minutes.

Speech time limits—

Mr Lindsay—5 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 5 mins]

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

2 MS PARKE: To move:

That the House:

(1) recognises that International Women’s Day was celebrated on 8 March 2010;

(2) notes that:

(a) the Australian government is committed to the implementation of the Millennium Development Goals (MDGs), which are the agreed targets set by the world’s nations to reduce poverty by 2015;

(b) Australia’s closest neighbour, Papua New Guinea (PNG), is currently off track to meet any of the MDGs by 2015;
(c) the maternal mortality rate in PNG is extremely high, having doubled since 1996, with a woman in PNG being 242 times more likely to die from pregnancy or childbirth related complications than an Australian woman;

(d) there is a clear correlation between the high rate of maternal mortality and the high rate of child mortality in PNG;

(e) the high maternal and child mortality rates in PNG are a reflection of the failure of access to, and the delivery of, quality health services over the last 15 years;

(f) the challenges of reducing maternal and child mortality in PNG are many, including difficult terrain and weather conditions, fragile health systems, limited human resources, weak financial governance and management, and poor service delivery in many rural areas;

(3) recognises that, despite these challenges, progress is being made by organisations like UNICEF working closely with the PNG Government, AusAID and other key development partners;

(4) recognises that strengthening health systems and improving human resources for maternal and child health in PNG and the rest of the Asia Pacific are critical if the MDGs for maternal and child health are to be achieved;

(5) acknowledges the Australian government’s concern about maternal mortality rates in PNG and its increased commitments towards PNG achieving MDGs 4 and 5; and

(6) recommends that the Australian government support the PNG government to implement, as a matter of urgency, the recommendations outlined by the PNG National Department of Health’s Ministerial Taskforce on Maternal Health, including:

(a) securing investments to achieve the ambitious but necessary targets required to turn around the current status of maternal health in PNG;

(b) implementation of universal free primary education as a successful intervention to address maternal mortality in PNG;

(c) urgent and sustained efforts to address the well-defined system’s problems in the health sector in PNG;

(d) strengthening of access and coverage of quality voluntary family planning service provision for all Papua New Guineans as a primary intervention;

(e) access for every woman in PNG to supervised delivery by a trained health care provider by 2030; and

(f) access for all women in PNG to comprehensive obstetric care and quality emergency obstetric care if required.

Time allotted—40 minutes.

Speech time limits—

Ms Parke—10 minutes.

Next Member—10 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 4 x 5 mins]

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

3 MRS HULL: To move:

That the House:

(1) notes that:

(a) many ageing parents and carers of disabled children are in:

(i) crisis, or face crisis due to the lack of accommodation for their disabled children; and

(ii) need of aged care accommodation for themselves;

(b) ageing parents of a child with a lifelong disability are commonly required to provide care for the duration of the child’s life—in many cases over 50 years of care responsibility without a break;

(c) due to limited available accommodation options for disabled people, many aged carers of disabled people are significantly disadvantaged;
(d) there is an urgent need to assist ageing parents and carers of disabled children with accessing longer term accommodation options for their children;

(e) families unable to provide financially for the future care of their child with a disability not be disadvantaged by their lack of financial capacity; and

(f) in October 2005 the then Prime Minister the Hon. John Howard announced a $200 million package to assist parents establish private trusts for the future care of their disabled children;

(2) calls on the government to advise the House on the action taken to progress the establishment of these private trusts; and

(3) calls on the state, territory and federal governments to work together to urgently resolve these accommodation and care crises.

Time allotted—remaining private Members’ business time prior to 8.30 pm.

Speech time limits—
Mrs Hull—5 minutes.
Other Member—5 minutes.

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

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

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

COMMITTEE AND DELEGATION REPORTS

Presentation and statements

1 STANDING COMMITTEE ON PRIMARY INDUSTRIES AND RESOURCES

Impacts of climate change on Australian Farmers.

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

Speech time limits—
Mr Adams (Chair)—5 minutes.
Other Member—5 minutes.

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

2 JOINT STANDING COMMITTEE ON TREATIES

Report 110: Treaties tabled on 18, 25 (2) and 26 November 2009 and 2 (2) February 2010.

The Whips recommend that statements on the report may be made—all statements to conclude by 8.55 pm

Speech time limits—
Mr K. J. Thomson (Chair)—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]

PRIVATE MEMBERS’ BUSINESS

Notices

1 MR HARTSUYKER: To present a bill for an act to provide for the consideration of matters of public health and safety in the operation of the Environment Protection and Biodiversity Act 1999, and for related purposes. (Environment Protection and Biodiversity Conservation Amendment (Public Health and Safety) Bill 2010)

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 41.

2 MS JACKSON: To present a bill for an act to establish an Airport Development Ombudsman, and for related purposes. (Airport Development Ombudsman Bill 2010)

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 41.

3 MR OAKESHOTT: To present a bill for an act to protect consumers against the risk of bovine spongiform encephalopathy being present in imported meat. (Imported Food Control Amendment (Bovine Meat) Bill 2010)

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 41.

4 MR BRADBURY: To move:

That the House:

(1) takes note of the 50th anniversary of the Reserve Bank of Australia (RBA);
(2) recognises the important role of the RBA in Australia’s economic policy direction; and
(3) reaffirms its support for the independence of the RBA.

The Whips recommend all speeches to conclude by 9.30 pm

Speech time limits—
Mr Bradbury—5 minutes.
Other Members—5 minutes each.

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

Report adopted.

VETERANS’ ENTITLEMENTS AMENDMENT (INCOME SUPPORT MEASURES) BILL 2010

First Reading

Bill and explanatory memorandum presented by Mr Griffin.
Bill read a first time.

Second Reading

Mr Griffin (Bruce—Minister for Veterans’ Affairs) (9.02 am)—I move:
That this bill be now read a second time.

I am pleased to present legislation addressing minor but necessary measures that will remove anomalies between veterans’ entitlements law and social security law.

These amendments are a demonstration of the government’s commitment to continually review, update and improve the services and support we provide to our current and former military personnel.

They remove anomalies between related laws that might otherwise frustrate veterans and their families through inconsistent treatment of income and assets in certain circumstances.

The bill includes amendments that will exempt, from the veterans’ entitlements income test, payments associated with part-time work experience under a labour market program.

This measure aligns the veterans’ entitlements law with the social security law and ensures the consistent treatment of these types of payments across both acts.

The bill will also amend the Veterans’ Entitlements Act so that the partner of a service pension or income support supplement claimant or recipient, will be required to claim a comparable foreign pension if the partner is entitled to such a pension.

This provides consistency between the veterans’ entitlements law and the social security law and can result in a pensioner couple receiving more income overall.

For those persons currently receiving a service pension or income support supplement, their partners, where entitled to a comparable foreign pension, will be given six months to claim the pension.

The bill will also change the income test treatment of arrears payments of comparable foreign pensions so that the treatment of such arrears payments parallels that under the social security law.

This treatment generally provides a better result for the pensioner and will close a potential loophole in the legislation.

Instead of treating the arrears payment as income in the 12-month period from the date of grant of the comparable foreign pension, these amendments will mean that the arrears payment is treated as periodical payments for the period of the arrears.

The majority of cases will benefit from this change and the amendments will remove the opportunity for pensioners to change to a social security pension to potentially avoid the income test in relation to the arrears payment.

The bill will repeal from the Veterans’ Entitlements Act, all references to benevolent homes.
The provisions have become redundant as benevolent homes no longer exist and there are no longer any Veterans' Affairs beneficiaries who are affected by these provisions.

Finally, the bill will clarify that the value of certain superannuation investments specified in a determination by the minister to be disregarded for the purposes of the assets test, are not disregarded for the purposes of the deemed income rules and the asset deprivation rules.

The exceptions will ensure that the veterans’ entitlements means test will continue to operate so that those most in need will receive the most benefit from our repatriation pension system.

These corrections to the legislation will protect the integrity of the means test and the pension system by ensuring that specified superannuation investments are treated as originally intended and are counted as financial assets when calculating deemed income and will continue to be regarded as assets if the asset has been disposed of for less than adequate or no consideration.

This bill continues the government’s ongoing commitment to supporting Australia’s veteran community and their families and ensuring their wellbeing now and into the future.

Debate (on motion by Mr Andrews) adjourned.

DISTINGUISHED VISITORS

The SPEAKER (9.06 am)—I inform the House that we have present in the gallery this morning members of a parliamentary delegation from New Zealand, members of the Select Committee on Health, led by Dr Paul Hutchison. On behalf of the House I extend to you a very warm welcome.

Honourable members—Hear, hear!

SOCIAL SECURITY AMENDMENT (FLEXIBLE PARTICIPATION REQUIREMENTS FOR PRINCIPAL CARERS) BILL 2010

First Reading

Bill and explanatory memorandum presented by Mr Clare.

Bill read a first time.

Second Reading

Mr CLARE (Blaxland—Parliamentary Secretary for Employment) (9.07 am)—I move:

That this bill be now read a second time.

The government’s bill addresses the problems encountered by many parents who are income support recipients in meeting activity requirements.

According to the OECD, Australia has relatively low employment rates for mothers of school-age children compared to other OECD countries, particularly for single mothers.

The government is committed to supporting the economic and social participation of both partnered and sole parents.

Participation requirements associated with receipt of income support are part of this commitment. However, such requirements need to better take into account important and different circumstances associated with caring responsibilities.

The aim of the changes within the bill is to make income support more effective by helping parents balance their parenting responsibilities with their participation requirements.

In May 2008 the government established the Participation Taskforce to consider whether there were better ways of balancing the participation requirements of carers and parents with their family and community responsibilities.
The feedback the task force received from carers, parents and peak groups representing them was that some participation requirements add no value to their efforts to find work.

The task force also found that the current participation rules are often counterproductive to their efforts to gain skills and find work.

The task force reported to government in August 2008.

The bill is a response to that report.

The bill, together with a legislative instrument and changes to the Guide to Social Security Law, will implement the 2009-10 budget measure ‘More flexible participation requirements for parents’.

It will achieve our aim of creating more opportunities for parents to get skills, qualifications and work by providing flexibility in the activities that parents can undertake to meet their participation requirements.

The bill and the legislative instrument support the government’s productivity and education agendas by making education, training and relevant volunteering opportunities more readily compatible with caring responsibilities, including on a part-time basis and through a combination of these activities.

Parents on income support whose youngest child has reached school age will still be required to undertake 30 hours of a suitable activity each fortnight to meet their requirements.

What this bill means is that parents with participation requirements will be able to combine activities such as part-time study and part-time paid work to fully meet their participation requirements.

The legislative instrument and changes to the Guide to Social Security Law will replace ‘one size fits all’ participation requirements.

This bill provides for new and extended exemptions for sole and partnered parents on income support payments to make them more responsive to individual family circumstances.

The home schooling, distance education and large family exemptions will be extended to parents with older schoolchildren in secondary education and will not cut out when the child turns 16 even though the parent has higher caring responsibilities.

This bill provides support for all job seekers who provide emergency or respite foster care placements, by providing a new exemption to them while a child is in their care and for a period of time afterwards to support their availability for subsequent placements.

A new exemption will be introduced to support a relative who is caring for a child through a kinship care arrangement, where a care plan is in place that has been prepared or accepted by the state or territory government.

This will support many people, particularly women who provide care that is not formally recognised through a court order, including women in Indigenous communities in Australia.

Victims of domestic violence will be further supported through this bill. Parents may receive a 16-week exemption regardless of whether they have left the violent relationship, recognising that for many women this is difficult.

Voluntary work will also be able to be used to meet participation requirements in some situations where a parent is connected to a Job Services Australia provider, particularly in areas of the country where the labour market is poor, there are limited training op-
opportunities and where voluntary work will help build a parent’s skills.

Parents will be able to take a break from their part-time participation requirements over the Christmas/New Year fortnight, giving certainty and flexibility at a time when caring and other family responsibilities are greater.

Parents who have term-time work will also be afforded more flexible arrangements over the long school holidays when their caring responsibilities are also greater.

If they have a job to return to at the beginning of the new school year and they are unable to work through an employer initiated shutdown, such as a parent who is a casual schoolteacher, they will not have to job search or connect to a Job Services Australia provider over the long school holidays.

In addition, all parents, regardless of the payment they receive, will be able to participate in New Incentive Enterprise Scheme training on a part-time basis.

A further component of the budget measure will provide more flexible methods for parents to report their earnings and participation efforts to Centrelink through expanded access to existing facilities such as telephone-based integration voice recognition and web-based channels.

The measure will reduce the need to come into a Centrelink office for face-to-face reporting.

The measure also supports communication of these changes and the exemptions available to parents, through Centrelink.

The government believes that parents should have the flexibility to develop skills and find employment through individual pathways.

It also believes that caring responsibilities should be better recognised and participation in family and community life should be supported.

This bill provides a balance between the role of parents on income support as carers, their participation in paid work, their skill development and their support of their local communities.

It provides for an individually tailored approach for parents to gain skills and employment through many pathways while maintaining participation requirements.

We also recognise that parents have caring responsibilities that they are constantly balancing as well.

This caring load can change depending on many factors and the government recognises and has responded to this.

This bill provides parents with flexibility and support for meeting their responsibilities to children, as community members and through participation in education, training and employment.

I commend the bill to the House.

Debate (on motion by Mr Andrews) adjourned.

PERSONAL PROPERTY SECURITIES (CORPORATIONS AND OTHER AMENDMENTS) BILL 2010

First Reading

Bill and explanatory memorandum presented by Dr Emerson, for Mr McClelland.

Bill read a first time.

Second 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) (9.15 am)—I move:

That this bill be now read a second time.
The bill is the second suite of consequential amendments to Commonwealth legislation brought about by the passage of the Personal Property Securities Act 2009.

Personal property securities reform is an important part of COAG’s deregulation agenda.

By harmonising the current laws and creating a single national online register, the reform will have a significant positive impact on business and consumers.

Transaction costs will be reduced and businesses will be able to use more types of personal property to secure lending.

Consumers will be able to protect themselves by more easily checking whether major purchases, such as motor vehicles, have money owing on them.

The main purpose of the bill is to amend the Corporations Act 2001.

These amendments are necessary to establish a clear and consistent single national legal regime for security interests in personal property.

The bill will amend the Corporations Act to close the ASIC register of company charges once the new PPS register begins to operate.

The bill will also ensure the conceptual consistency between the Corporations Act and the Personal Property Securities Act.

Importantly, it will do this while preserving the rights of parties under the Corporations Act.

The bill also makes minor amendments to the Personal Property Securities Act.

These amendments will simplify the transitional provisions in the act.

The PPS Act will also be amended to clarify that the act is, in its application to the enforcement of security interests in agricultural products, consistent with the state and territory legislation it will replace.

Finally, the bill will make minor amendments to other Commonwealth legislation.

Before I turn to look at the bill in more detail, I must acknowledge the work of the Senate Standing Committee on Legal and Constitutional Affairs, which has taken a keen interest in PPS reform.

The bill I introduce today contains amendments to the PPS Act made as a result of submissions to the committee and to the Attorney-General’s Department following the committee’s August 2009 report on its inquiry into the PPS Bill.

The efforts of the committee and the wide range of stakeholders who have participated in the extensive consultation on PPS reform undertaken by the government have contributed much to the final form of the legislation.

I should also note that in relation to the Corporations Act amendments, the Commonwealth has complied with clause 506(1) of the Corporations Agreement 2002 and has obtained the approval of the Ministerial Council for Corporations prior to introducing this bill into parliament.

**Amendments to the Corporations Act**

The amendments to the Corporations Act will achieve four objectives.

First, Chapter 2K of the Corporations Act, which established the register of company charges, will be repealed.

When the new PPS scheme begins operation in 2011, registrable company charges will be registered on the PPS register.

Charges currently registered on ASIC’s register of company charges will be migrated to the PPS register.

The bill ensures that the data on the register of company charges will continue to be available as a record of existing charges for a
period of seven years, should recourse to the original data be needed.

Second, the amendments will amend the terminology of the Corporations Act to make it consistent with the PPS Act. This will include removing the distinction between different forms of security interest, so as to treat transactions that secure payment or performance of an obligation as security interests, regardless of their legal form.

The third objective is to ensure the Corporations Act treats property provided by a supplier on a 'retention of title' basis as secured property. Many businesses supply goods on this basis, retaining title to the goods until the purchase price is paid. Treating such supplies as secured property is consistent with the PPS scheme's approach of treating transactions that in substance secure payment or performance of an obligation the same way, regardless of the form of the transaction.

Finally, the amendments will ensure that certain existing rights under Corporations Act are not interfered with. Importantly, the special priority in favour of employees to their employment entitlements over unsecured creditors will be maintained.

Amendments to the PPS Act

The PPS Act includes transitional provisions which deal with the status of security interests under the new law from the commencement of the PPS Act until the end of 24 months after the registration commencement time.

These provisions will have particular significance during the period when both old and new security interests are in existence. The government is therefore keen to ensure the provisions are as simple as possible.

Following stakeholder comment, this bill includes measures to streamline the transitional provisions.

The bill does this by treating all security interests during the 'transitional period' as if they were created under the PPS Act.

If enforcement action were to be taken in relation to a pre-PPS Act security interest in the 'transition period', they would be enforced under the current law, rather than under the PPS Act.

Similarly, where there is a priority contest between two pre-PPS Act security interests, the contest will be determined under the current law.

The bill also clarifies how crops and livestock may be used as security.

The proposed amendments reflect current state and territory law and will have the effect of ensuring there are enforcement rights for parties to security agreements involving crops and livestock.

Amendments to other Commonwealth legislation

The bill would make other minor amendments to Commonwealth legislation.

The Proceeds of Crime Act 2002 would be amended to ensure that the priority provided to amounts owing to the Commonwealth in relation to proceeds of crime actions would continue after the PPS Act commences full operation.

The Proceeds of Crime Act and Mutual Assistance in Criminal Matters Act 1987 would be amended to ensure that the priority of the Commonwealth to amounts owing for action to recover the proceeds of crime would continue after the PPS Act took effect.

The Proceeds of Crime Act would also be amended to ensure that the Commonwealth Director of Public Prosecutions could, subject to the PPS regulations, use the PPS reg-
ister to protect property subject to proceeds of crime interests.

Finally, a range of other Commonwealth legislation would be amended to reflect changes made by this bill to the transitional provisions of the PPS Act.

**Conclusion**

This is the last significant bill to be introduced to implement the important PPS reforms. As the minister said when introducing the Personal Property Securities Bill in the House last year, PPS reform will increase certainty for all users of secured finance by removing barriers that preclude businesses and individuals from using personal property as security.

By reducing complexity and introducing greater consistency between the different kinds of security interests, the new PPS system will generate wide-ranging benefits for all parties who use their personal property to raise finance.

PPS reform will meet the needs of businesses and other users of secured finance.

It will simplify the way they conduct their business and, more importantly, it will contribute to the productivity growth and jobs in this country.

Debate (on motion by Mr Andrews) adjourned.

**ELECTORAL AND REFERENDUM AMENDMENT (CLOSE OF ROLLS AND OTHER MEASURES) BILL 2010**

**Second Reading**

Debate resumed from 9 March, on motion by Mr Byrne:

That this bill be now read a second time.

Mr ZAPPIA (Makin) (9.24 am)—I rise today to take the opportunity to speak on the Electoral and Referendum Amendment (Close of Rolls and Other Measures) Bill 2010. Australia prides itself on being a free and democratic country, and by most comparable standards we are a democracy. I believe that that is an aspect of Australia that we should hold dearly. Notably, in the oath and affirmation of Australian citizenship the phrase ‘whose democratic beliefs I share’ is the first of three simple but very powerful pledges sworn by new citizens. The reality is that democracy comes in different shades and Australia is no exception to that assessment. True democracy is about much more than ensuring the right to vote or equal value for each vote. It is about ensuring that all the processes leading up to the vote do not in any way discriminate against, disadvantage or disenfranchise any elector, that the voting process itself is non-discriminatory and that voters and the process are not manipulated. Even in many of the free and democratic Western world countries, questions relating to election outcomes frequently arise. Over the years there have been examples of voter eligibility being deliberately made more difficult, complicated ballot papers and phoney candidates all being used as tactics by political candidates and political parties seeking to manipulate election outcomes.

Of course, a better educated society is much more difficult to manipulate or deceive. That is why I firmly believe that the better people are educated the better true democracy is served. Not surprisingly, the ruling classes in many countries for years deliberately resisted improving education outcomes for the population at large. Education enlightens and empowers people. The ruling class mentality is regrettably still alive and well amongst those who believe that they were born to rule. So, as the people become better educated, the ruling class, driven by their sense of self-importance and self-interest, inevitably look to other methods of manipulating the election outcome. Money has always been a major determining factor in election outcomes. Promoting political
parties and political candidates has become as much a marketing challenge as promoting any other consumer product. And the ultimate success or failure, be it a consumer product or a political candidate, will be very much dependent on the quality of the marketing campaign and that inevitably is dependent on money. It is a simple reality and a fact of modern elections. It is also an example, however, of how democracy can be manipulated.

While the system in Australia is better than that in many other countries, it is still far from perfect. It has, however, always been a Labor government, whether at state or federal level, that has driven the changes that have made our electoral processes much fairer and more transparent. That is very much the case with the measures in this bill. Looking at some of the significant changes to the electoral system in Australia, it has always been a Labor government that has introduced them. I go back to my own state of South Australia, which for many years up until the late 1960s conducted elections under a very much gerrymandered system. In fact, it was in 1970, after Premier Don Dunstan was elected, that the gerrymander was removed and the restrictive system of property franchise that determined the Legislative Council elections was abolished. The new basis of the South Australian electoral laws was full adult franchise and the principle of one vote one value. I can well recall many of the debates that occurred right throughout the 1960s, where in more than one election the Labor Party would get over 50 per cent of the two-party vote and yet was unable to win government simply because of the distortion in the way the electoral process was managed in those days. It was clearly the case that one vote did not have the same value as another, and it was clearly very much the case that some electorates had a greater value than others, particularly those of the inner Adelaide area.

In 1973 the Whitlam government lowered the voting age from 21 to 18. Again, I believe that was a very important reform that has undoubtedly given tens of thousands of young people the right and the opportunity to vote.

It was in 1984 that the Hawke government introduced public funding of elections and disclosure of political donations and electoral expenditure. It was the Hawke government in 1984 that established registration of political parties and an independent Australian Electoral Commission. The same Hawke government in 1988 sought in a referendum to alter the Constitution to provide fair and democratic parliamentary elections throughout Australia. I understand that was mainly directed at the gerrymandering that had been occurring in some of the states, in particular in Queensland. Anyone that understands the history of politics in this country would be well aware of the years of the Bjelke-Petersen government in Queensland, where for years and years that government ruled despite getting less than 50 per cent of the two-party preferred vote. In one election I believe that it was able to form a government with something like 40 per cent of the two-party preferred vote, clearly highlighting the distortion that was occurring in that state. Again, it took years to get that fixed up. The Hawke government tried to get that result through a referendum to alter the Constitution. Regrettably that referendum failed, as most do. It was the Goss government, when elected in 1989, that finally was able to abolish the Queensland gerrymandered system.

Contrary to the record of the Australian Labor Party, it seems that the coalition members opposite have a track record of trying to prevent people from participating in the electoral process. The decision by the Howard
government to close electoral rolls on the day the writs are issued was a deliberate move to create a barrier to people voting. If the Howard government truly believed in democracy it should have been doing the opposite, trying to make it as easy as possible for people to enrol and thereby to vote. There are some 1.4 million eligible electors in Australia that are currently not on the electoral roll. One wonders what the outcome of elections would be if all of those people chose to enrol and then exercised their democratic right. We may well have different governments both at state and federal level. Regardless of what the outcome is, it is my view that the best form of democracy is one where all people who are entitled to vote do so, because then you get a true reflection of the will of the people.

The bulk of the people who were affected by the Howard government’s early closure of the rolls were new citizens and young people who had just reached voting age or who had changed address because of study or work. Those are categories of people that generally are considered to be more disadvantaged for one reason or another. I note that, when it comes to disadvantage, the counterargument used by the coalition members is that we need to maintain the integrity of the electoral system; therefore, the change to close rolls early was done to prevent any form of fraud or manipulation of the electoral rolls. I would like to respond to the question put last night by the member for Bowman that the government should say how it is going to overcome the possibility of fraud and preserve the integrity of the electoral system. That question makes an assumption which is not backed by any evidence whatsoever. In evidence given to the Joint Standing Committee on Electoral Matters, Graeme Innes, the Human Rights and Disability Discrimination Commissioner, said this:

The commission is concerned that early closure of the electoral rolls may lead to the disenfranchisement of many Australians—particularly those who are marginalised, such as young people, new Australian citizens, those in rural and remote areas, homeless and itinerant people, Indigenous people and people with a mental illness or an intellectual disability—due to access difficulties. Thus, the commission recommends that the 2007 amendments which shortened the close of rolls period be repealed and the period between the date of the writ and the close of rolls be extended to seven days to allow enrolment activity during this time.

That is a statement by a person who has no particular political benefit to gain one way or the other but is simply being objective in terms of highlighting how the provision to close the rolls early disenfranchises a large section of the community. In respect of the issue that the member for Bowman raised in the House last night about the integrity of the system, I will quote from university academic, Dr Kathy Edwards, who said in a submission to the same committee:

… the recommendations of the JSCEM in 2005 were made on the basis of speculations and possibilities, not on evidence that any fraudulent activity had, in fact, occurred, and without due consideration of human rights implications. ‘Integrity’, or its lack, thus became a speculative issue, but the possibility that this could hypothetically occur was deemed more important than evidence that disadvantage to particular groups within Australian society was likely to occur should the rolls be closed early.

Dr Kathy Edwards makes the very point that I was making a moment ago: there is no evidence to suggest that the integrity of the electoral system will be put at risk as a result of extending the closing date of the rolls. If there were any risk, one would expect that the authority that would be in the best position to make that judgment would be the Australian Electoral Commission.
Members opposite have not come into this chamber and produced one bit of evidence to suggest that, firstly, extending the closure of the rolls leads to more fraud and, secondly, there is any support for that proposition by the very body in the best position to know, the Australian Electoral Commission. You would think that they would be aware of any rorts that might be taking place. You would think that they would also be in a position to understand which, of all the aspects of the Commonwealth Electoral Act, are more likely to be manipulated. If there were an identified problem then I expect that they would have put their case to the government of the day in order to seek the relevant changes to the act. I am not aware that they have done so in this particular case, nor am I aware that they have opposed the extension of the closure of the rolls.

I also highlight a point made by the member for Lindsay in his address. It was a very good point—that is, if someone has the intent of in any way rorting or manipulating the electoral process then you would think that they would do it well in advance. They would not wait until the last few days to do it. If they have the intent to do so, the opportunities would be there for them and it would have been done in a much more prepared and careful manner well and truly before the election is announced.

The change to the electoral act by the Howard government is an example of how even governments can manipulate the election outcome. By disenfranchising people from being able to vote you certainly can affect the election outcome. Governments have been elected on a handful of votes. I think we could all point to different election outcomes where the government of the day was voted in on the basis of a very few votes. In fact, I can recall one election in South Australia where I believe the final outcome was determined by one vote in one seat. That was all that determined whether the government of the day got a majority or not—one vote. On that basis it is absolutely critical that everybody who is entitled to vote be given the right to do so. Vice versa, if you deny people who are entitled to vote the ability to do so, it highlights the fact that you can get a different government elected.

My electorate office is located in the same building and adjacent to the Australian Electoral Commission’s office for the Division of Makin. With a state election due on 20 March, my office has become a de facto Electoral Commission office, fielding numerous inquiries from people who mistake my office for the electoral office. Many of these queries relate to the very matters that are contained within this bill. The one point I will make is this: from my observation and that of my staff, who over the last two or three weeks have dealt with numerous inquiries about the electoral enrolment process, none of us have come to the conclusion or formed any view that any of those people were being anything other than sincere about coming in to seek assistance so that they could become enrolled. None of them looked like people that were doing so for the purpose of defrauding the system in one way or another and I suspect that that is exactly the kind of evidence that the Australian Electoral Commission would also be providing to the government if they were asked that very question. It is for all of those reasons that it is important that we ensure in every way possible that as many people who are entitled to vote do so.

The last point I make about the issue of extending the enrolment period is this: it has been suggested that it will come at a cost for the Australian Electoral Commission because it places an undue amount of work on the commission for that week or so. If that is the price of democracy, so be it. It is not an issue or a matter that has been raised with the gov-
ernment by the commission; therefore it should not be used as an excuse for denying anyone the opportunity to vote just because it puts an extraordinary burden on the commission during that period of time. If it means that they have to employ additional staff on a temporary basis, again, so be it. It is far more important to ensure that people are given that right.

We live in a society where people do move frequently, where people for a whole range of reasons either travel or are not in a position to know where they might be at the time election is called—more so than ever before. Therefore, the likelihood of people being disenfranchised by being excluded from the voting process is greater unless the government acts to provide as much time as possible for those people to enrol. These recommendations are in line with the recommendations of the Joint Standing Committee on Electoral Matters.

I certainly welcome the support given to other measures in this bill by the opposition. I note that they oppose the provision in respect of extension of the time and the provision relating to identity. On the issue of identity it seems to me that the overwhelming majority of voters of Australia who go into polling booths on the day do not have to provide any form of identity. Why should anyone else be treated any differently? In any event if it were a problem, if it were considered by the Australian Electoral Commission that the issue of identity was creating any kind of fraud or any other kind of problem, you would think that the body that would have made the appropriate recommendation to make the changes would be the Australian Electoral Commission. Again, I have seen nothing from them to suggest that they have a concern with this provision. On the basis of those comments, I commend the bill to the House.
about manipulating the outcome of elections rather than ensuring that every Australian has every possible opportunity to cast their vote.

I will talk a little about the restoration of the closing of the roll period to seven days after the issue of the writs for an election. During the last election there were a number of young people in my electorate who came to my office and expressed their desire to vote in the election. I had to say to them: ‘We can give you a form to enrol. Even though in previous elections you would have had up to seven days to register to vote, unfortunately, because of the action of the Howard government, you will be unable to cast your vote. You will be unable to have a say about who will represent you in the federal parliament.’ They were quite disgusted. I do not know how those young people would have voted. They may have voted for the Howard government. But the anger they expressed about not being able to enrol—the anger they expressed about being denied the right to cast their vote—will, I think, be imprinted on them for eternity. They will probably think very carefully before they cast a vote for the coalition, because they saw that their right to vote was taken from them at the last election. That is a very important issue, because in a democracy like Australia we have an overriding principle that people should be able to cast their vote and have a say about who should represent them. I need to very strongly put on the record my absolute disgust and the disgust of a number of young people in my electorate at the previous government.

The second issue that I want to spend a little bit of time on is the second part of the major change, which is allowing the repeal of the requirement for provisional voters to provide evidence when they cast their vote. Point 1: every other voter does not have to provide evidence when they cast their vote. Could you imagine the length of the lines if every person that went to cast a vote had to pull out their ID? Once again, I think this is based on the premise that the previous government had that people who cast provisional votes were less likely to vote for them and, maybe because they tended to move around a bit or for whatever reason, were less likely to have that ID with them. I think that was borne out in the last election, because at the last election approximately 25 per cent of provisional voters were unable to produce evidence of identity on polling day. That is one-quarter of the people.

I do not believe—and I do not think any reasonable person could believe—that 25 per cent of provisional voters were people there to rort the system. They were not; they were just ordinary Australians who did not have identification with them. They probably were not as organised as other Australians. They had their democratic right to cast a vote taken from them simply because they did not have ID. I think it is worth putting on the record that only 20 per cent of electors produced evidence after the elections. There were 27,000 voters rejected at preliminary scrutiny.

There is another way of doing it. If the divisional returning officer doubts the signature on the envelope, he can check that. That is a way that is much more encouraging to people and allows more people to cast their vote. I believe that legislation that deals with providing people with the right to vote should be about that. It should ensure that people do have the right to vote. It should not be about putting in place barriers for people voting. Under the Howard government, there were certain groups for whom barriers were placed in front of voting. I may be doing a disservice to the Howard government—I may be doing a disservice to the opposition parties—when I say that I believe that that tended to be skewed towards groups that the then government believed would not
support them. I think they stand condemned for that. Elections are about ensuring that people have the right to say who should be in power in the federal parliament and who should represent them. They are not about manipulation and ensuring that a particular party is re-elected. I strongly support those two amendments in this legislation.

I would also like to say that I support the efficiency measures. I think it is important that we listen to the AEC and put in place the recommendations that they made about modernising the enrolment process. That enables electors to update their enrolment details electronically. We are in an electronic age, so that should be adopted. Allowing flexibility in how and where enrolment transactions are processed should also be accepted. Enabling the counting of prepoll votes cast in an elector’s home division as ordinary votes where possible on election night will be of great benefit both to the AEC and, I think, to the whole of Australia. It will give us a better understanding of the outcomes of elections on the night of the election and should be supported.

I need to finish by saying that as members of parliament we have a responsibility to ensure that all Australians have their right to vote. We should do everything that we can to facilitate that right, and we should not be putting barriers in front of people, trying to prevent them from casting their vote. The role of government is about empowering; it is not about manipulating election results. I strongly support the legislation that we have before us today.

Mr GRAY (Brand—Parliamentary Secretary for Western and Northern Australia) (9.55 am)—I rise to speak on the Electoral and Referendum Amendment (Close of Rolls and Other Measures) Bill 2010. This is an important bill for a number of reasons. It will provide a significant rebalance to the Commonwealth Electoral Act 1918, the Electoral Act; and the Referendum (Machinery Provisions) Act 1984, the referendum act. It implements recommendations of the Joint Standing Committee on Electoral Matters, JSCEM, and meets a 2007 election commitment.

The bill has drawn extensive debate from both sides of parliament. However, there is a golden thread which runs through election law making in this place. Election laws should be changed only with the support of both sides of the parliament. This is to maintain the stability, trust and integrity of our system. Today’s amendments aim to rebalance the Electoral Act since changes in 2006 were made in a partisan way and for partisan advantage. They were done because they could be done, and they have done no good.

Today’s amendments will encourage all eligible voters to participate in the electoral process by removing barriers to enrolment, voting and vote counting. By simplifying and modernising the electoral process, fewer people will drop out of the system. Let us be clear: we are making these changes to rebalance the former government’s lopsided, misguided and self-interested 2006 amendments. In fact, the Australian Electoral Commission has estimated that 1.5 million eligible voters today are not currently listed on the electoral roll. That is 10 per cent of the voting population of our nation disenfranchised. Those opposite should not be surprised. It is what was intended in 2006. Clearly, today’s amendments are needed.

Schedule 1 of the bill will restore the close-of-rolls period to seven days. The Howard government amended the Electoral Act to close new enrolments on the day of the issue of the writ. They argued that these changes were needed to prevent wide-scale election fraud. However, the AEC has advised that there is no evidence of wide-scale
election fraud. This finding was supported by the Joint Standing Committee on Electoral Matters. That committee found that there is no evidence to justify restricting access to the roll, particularly for young Australians and those who move often.

In 2006, the amendment discouraged enrolment, and that is exactly what it was meant to do. That was the catalyst for the Australian Labor Party’s commitment to restore the close-of-rolls period to seven days. This will ensure that new voters have ample time to be included on the electoral roll before a federal election. The importance of this measure was reinforced by the Joint Standing Committee on Electoral Matters. In fact, it was the first recommendation of that committee.

Schedule 2 of the bill will repeal the identity requirement for provisional voters. It will, quite frankly, make it fairer and easier to participate in the electoral process. Again, the act will err on the side of inclusion, not exclusion from, the electoral process. Currently, electors are not permitted to cast a provisional vote at a polling place without proof of identity. Currently, if you do not provide proof of identity on the date of the election or by the preceding Friday, the provisional vote—your vote—is excluded.

We all understand the difficulty of this identity requirement. In fact, it is unrealistic and runs counter to both the philosophy of inclusion and the principle that the roll of electors is just that: a roll of electors. Necessary to this is voter identity. Culture and practice have seen identity established through signature and address identification. The former government argued that the proof of identity requirement was needed to prevent widespread election fraud. However, the AEC has advised that there is no evidence of wide-scale election fraud.

The electorate I represent, Brand, has a high number of fly-in fly-out workers who were not able to meet the requirement of the 2006 amendment, so their vote was excluded from the count. Additionally, this requirement has meant that silent electors whose name is on the certified list but have a suppressed address are required to provide proof of identity. The requirement also applies to a voter who may have an unusual name and spelling. Some 27,000 votes were excluded in the last election as a result of these provisions. The new requirement will allow the signature on the provisional vote envelope to be checked against previously lodged enrolment forms so as to confirm an elector’s identity. This, quite simply, makes sense and is consistent with the practical implementation of the act and the electoral culture and practice in our nation for over a generation.

We understand that electors want to vote. They want a simple, transparent and easy-to-negotiate electoral system which errs on the side of inclusion.

Then we come to the way the votes are counted. Schedule 3 of the bill will allow prepoll votes to be counted as ordinary votes. Prepoll provides the option for electors to vote early because of other commitments. Recent elections have seen an increase in the demand for prepolling. At the last 2007 federal election 15 per cent of the total votes cast were cast prior to the election date. In my electorate of Brand almost 12,000 early votes were cast. This remarkable increase in early voting was caused, on my patch, by the deployment of the navy ship HMAS Arunta from Garden Island to the Gulf on 12 November 2007, two weeks prior to the election. I mentioned earlier the fly-in fly-out workforce, which is significant in the electorate of Brand in the communities of Kwinana, Rockingham and Mandurah. The ageing population means that older people find it more convenient to turn up in the two
weeks or so prior to an election to vote in more comfort. At 14 per cent, Brand has more aged people—more people over the age of 65—than the national average.

More prepoll votes—or early votes—means that the AEC has to change the protocols to count these votes. Under the current system, prepoll votes are not counted on the day and take between six and 12 days to pass through the system. This can delay the determination of the election in some seats, potentially affecting when we know who will form a government. Australians want to know on the night who won and delay can lead to distrust, speculation and uncertainty. These amendments will see the prepoll votes counted as ordinary votes when feasible. In fact, the AEC have estimated that if this amendment had been in place for the 2007 election an additional 667,000 votes would have been counted on polling night. Together, these amendments will maintain the integrity of the electoral system. Voters will be able to get on the roll, then be issued with a ballot paper, be marked off the roll and their ballot paper counted and scrutinised on election day.

Schedule 4 of the bill is administrative and does not directly influence voting patterns and elections. It will, however, increase the AEC’s efficiency, which is significant. Currently, AEC workers distribute work according to the jurisdiction of the electorate and the divisional office. The bill will allow the AEC to allocate work based on workload outside of an election period. At present this is permitted only during the election campaign. The second part of schedule 4 will allow enrolment updates to be provided to the AEC electronically. This is important. Not only will people be provided with greater control of their electoral enrolment details but also the change will simplify and modernise the electoral system. The exchange of information will be legitimised by personal details such as drivers licence number and date of birth. The bill will improve the efficiency of the electoral system.

Schedule 5 of the bill will restrict the number of candidates endorsed by a political party. In the 2009 Bradfield by-election there were 22 candidates. This in itself is not an issue—democracy does provide for choice. However, nine of these candidates were endorsed by a single registered political party. The current provisions do not prohibit political parties from endorsing more than one candidate in each division for an election. For an elector to cast a formal and valid vote they are required to number a ballot paper from 1 with no errors. In the Bradfield by-election the rate of informal votes was nine per cent. The informal vote of the 2007 election in Bradfield was only 4.12 per cent. It does, therefore, seem reasonable to conclude that the multiple endorsement may be implicated in the very high informal vote. This amendment is required to prevent a similar manipulation of the ballot paper. The integrity of the electoral process is at the heart of our political system. The amendments in this bill will make it easier to participate in elections. That is democracy. It makes sense. Electors trust us to create a process which is as easy as possible. Complexity creates confusion.

The Electoral Act, in its current form, has a number of obstacles which hinder its effective operation. I mentioned earlier that the AEC has estimated that approximately 1.5 million eligible voters are simply not enrolled; they are disenfranchised. Two-thirds of them are aged between 18 and 39 years. This bill will reform the electoral process and make it easier for young people to participate. It will provide greater flexibility in the enrolment system and will address declining enrolment rates. The bill will restore the integrity of the electoral roll and the way the electoral roll operates. This is fair and
necessary. This bill has encouraged substantial debate from both sides of the House. I took the opportunity to have my staff check the impact of the changes to provisional voting and how those votes were verified in the 2004 and 2007 election. I did that for a number of the speakers who had spoken on this bill.

I noticed that one of the first speakers in the debate was the member for North Sydney. The changes made in 2006 cost the member for North Sydney 449 votes in his electorate. In Mitchell, the impact was that 305 voters did not get their vote counted. In Mayo it was 153, and in the by-election it was 186. In Indi, 334 votes were cast into the garbage bin as a consequence of the changes that were passed by the former government in 2006. In Forrest, the number was 1,072—1,072 people turned up to vote and marked their ballot paper. We do not know how they intended to vote; we just know they turned up to vote, marked their ballot paper and those ballot papers were thrown in the rubbish bin. In O’Connor, 874 ballot papers were not counted. In New England, 584 ballot papers were thrown into the bin. In Bradford, it was 154; in Lyne, 402; in Fisher, 490; in Bowman, 296; in my electorate of Brand, 998 votes were not counted; in Freewell, 662; in Hasluck, 530; and in Perth, 613.

The impact of the changes in 2006 has been far reaching. Not only did they disenfranchise 1.5 million Australians but also, clearly, the changes have the capacity to significantly impact election results. Changes such as this are rare, and the changes passed in 2006 should never have happened. They should not have happened because the golden thread that should balance our Electoral Act should always be that both sides of this House agree, and then changes can take place. We know that in 2006 the substantial minority report of the Joint Select Committee on Electoral Matters argued strongly against the changes. We know why the changes were made: the former government could make them, and so they were made. They did no good.

Influencing elections is something that we like to do in this place through our ability to carry arguments and our ability to stand up for what is right—not through our ability to change the act to favour one side of politics or the other. The election process is too important for that. The current system is neither as fair nor as effective as it should be. The bill will modernise, simplify and maintain the integrity of our electoral system. It will update the Commonwealth Electoral Act and deliver fairness. I commend the bill to the House.

Mr Byrne (Holt—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade) (10.11 am)—in reply—I am pleased to be summing up the debate on the Electoral and Referendum Amendment (Close of Rolls and Other Measures) Bill 2010, which I note has drawn significant interest across the political spectrum. It is obviously a very important piece of legislation, meeting two of the Rudd government’s 2007 election commitments and building on several recommendations of the Joint Standing Committee on Electoral Matters. Of the 53 recommendations on electoral reform, 45 have been unanimously supported.

In summing up, I thank all the contributors—particularly the member for Barker, sitting there in the background—and wish to explore the five schedules in more detail. The schedule 1 amendment relates to the closing of rolls. The government is fulfilling its pre-election commitment to restore the close of rolls period to seven days after the issue of a writ for an election. I note the coalition does not support this amendment, which is disappointing. It is estimated that
1.5 million eligible voters are not presently enrolled to vote, and the government is committed to enabling all eligible Australians to participate in the electoral process, which is precisely what this measure aims to do. Many eligible Australians do enrol for the first time or update their enrolment details when an election is announced, and that is why extending the close of rolls from three days to seven is so vitally important. This will restore the policy that was in place for the 2004 federal election.

It goes without saying that there is a heightened enrolment activity once the election has been called, and we do acknowledge this. The AEC has, however, advised previously that the seven-day close of roll period is enough time to allow it to conduct the enrolment verification processes it performs for all applications for enrolment. Further, the AEC has advised that there is no evidence of wide-scale electoral fraud, which has been mentioned on an ongoing basis by those opposite. JSCEM also found that there is no evidence of widespread electoral fraud that would justify restricting access to the roll, especially for young Australians and also for people who move often. The opposition to this schedule and baseless claims made by some in the opposition demonstrate that the coalition’s primary interest seems to be keeping people off the electoral roll, not strengthening Australia’s electoral integrity.

Schedule 2 concerns evidence of identity for provisional votes. It removes a range of anomalies relating to provisional votes that have no logical foundation. The Howard government introduced an additional requirement that to cast a provisional vote at a polling place on polling day a person must provide a polling official with evidence of identity at the time of voting or by the first Friday following polling day. If this identity requirement was not met, this person’s provisional vote was excluded from the count. The result of this requirement has been that a silent elector, whose name is on a certified list but has an address that is suppressed, is required to provide evidence of identity, otherwise their vote will be excluded. A voter who may be on the certified list but whose name could not be found by the polling official, such as if their name had an unusual spelling, would be required to provide evidence of identity, otherwise their vote would be excluded. If the same person had voted by absentee, postal or pre-poll vote rather than by provisional vote, they would not have been required to provide evidence of identity.

The AEC’s estimate is that over 27,000 provisional votes were excluded at the 2007 federal election as a result of the current evidence of identity provisions, and this schedule remedies this. There is no evidence that the Howard government’s evidence requirement for provisional voters did anything to reduce actual or perceived electoral fraud or to suggest provisional voting has more fraudulent behaviour connected to it than any other forms of voting on polling day, nor is there any evidence to suggest any widespread electoral fraud. The bill will, therefore, remove the requirement to provide identity to cast a provisional vote and restores the requirements for provisional voting in the operation of the 2004 election. Votes cast in this manner will, of course, be subject to the same prescriptive preliminary scrutiny processes in the electoral act that apply to all declaration votes. This change will provide the appropriate balance between providing eligible voters with the opportunity to vote in an election and protecting the integrity of the electoral processes.

Schedule 3 amendments relate to prepoll ordinary votes. Schedule 3 of this bill provides for prepoll votes cast in an elector’s home division to be cast and counted as ordinary votes wherever practical. Previously prepoll votes were not counted on election
day and took between six and 12 days to pass through preliminary and further scrutiny processes and then for the ballot papers to be counted. This schedule will provide for pre-poll ordinary votes to be counted at the close of polling on polling day. In recent elections, more voters have been casting their votes before polling day. At the 2007 federal election almost 15 per cent of the total votes cast were early votes. Indeed, the AEC estimates that, if this amendment had been in place for the 2007 federal election, an additional 667,000 votes would have been counted on polling night. The additional demand for pre-poll votes—exacerbated by the fact that these votes are not counted on polling day—increases the likelihood that the outcome of an election will be delayed. The bill maintains the integrity of the electoral process as voters are required to be marked off a certified list before they will be issued with a vote, similar to the way in which voters are scrutinised at a polling place on polling day. This is a measure that was recommended by JSCEM and I welcome the opposition’s support for it.

The amendments in schedule 4 of the bill are administrative and do not affect the voting enrolments, rights and obligations of eligible Australians, but they will make it easier for the AEC to undertake its ordinary operations. Presently the Electoral Act provides that the AEC allocates work—principally being enrolment applications and enrolment changes—through its divisional office network within a state or territory. This bill will expand the operation of workload-sharing ability to non-election periods and will not be limited to the divisional office network in the affected state or territory. These amendments will therefore provide the AEC with additional tools to maintain the electoral roll in a timely and efficient manner.

In addition, this bill will allow for a person who is already on the electoral roll to inform the AEC of a change of address by electronic means. The Electoral Act will still require voters to complete and sign paper forms when enrolling for the first time. Providing a facility for electors already on the roll to update their address electronically will bring the AEC into line with the manner in which the community expects to interact with the government and will provide services similar to those provided by other government agencies, such as the ATO. The bill does retain mechanisms to preserve the integrity of the electoral process—such as regulations enabling the AEC to request information such as drivers licence number and date of birth to ensure the electronic transaction is authentic and has been undertaken by the elector to whom the information relates. We believe that this will improve participation in the electoral system, especially with younger Australians. Because this government is committed to ongoing reform, we will also consider the JSCEM report on the New South Wales smart roll initiative in due course. We are actively investigating whether and how automatic enrolment—which arguably goes much further than electoral enrolment—could be introduced at the Commonwealth level in the medium term.

The fifth and final schedule in this bill restricts the number of candidates that a single registered political party is able to nominate as an endorsed candidate in any one division. This measure arises from a practice at the Bradfield by-election where, of the 22 candidates, nine were endorsed by a registered officer of a single registered political party. The result of this was a significant increase in the informal vote at this election. We believe this amendment is necessary to prevent a similar rise in the informality rate in multiple divisions at the next federal election.

In conclusion, in 2007 the Rudd government came to office with a strong reform agenda. This bill is but one tranche in a large
and growing agenda, and I am proud to be able to add to this a bill that builds on the integrity of Australia’s electoral system. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr BYRNE (Holt—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade) (10.20 am)—by leave—I present an explanatory memorandum to the bill and move government amendments (1) and (2) as circulated:

(1) Clause 2, page 2 (table item 4), omit “Schedule 5”, substitute “Schedules 5 and 6”.

(2) Page 64 (after line 5), at the end of the Bill, add:

Schedule 6—Electronic voting

Part 1—Amendments

Commonwealth Electoral Act 1918

1 Part XVB (heading)

Repeal the heading, substitute:

Part XVB—Electronically assisted voting for sight-impaired people

2 Division 1 of Part XVB (heading)

Repeal the heading.

3 Section 202AA

Omit “Division”, substitute “Part”.

4 Section 202AA

Insert:

by-election means an election of a member of the House of Representatives that is not part of a general election.

5 Section 202AA (definition of vote record)

Omit “subsection 202AD(1)”, substitute “section 202AD”.

6 Subsection 202AB(1)

Omit “the first general election, and the first Senate election, held after the commencement of this section”, substitute “general elections, Senate elections and by-elections”.

7 Subparagraph 202AB(2)(a)(iv)

Omit “., including a process of applying to use the method”.

8 After paragraph 202AB(2)(a)

Insert:

(aa) make provision for, and in relation to, the appointment by the Electoral Commissioner of officers in relation to the conduct of the electronically assisted voting method; and

9 Paragraph 202AB(3)(a)

Omit “the Senate election referred to in subsection (1)”, substitute “a Senate election”.

10 Paragraph 202AB(3)(b)

Omit “the general election referred to in subsection (1)”, substitute “a general election or by-election”.

11 Subparagraph 202AB(3)(b)(i)

After “general election”, insert “or by-election”.

12 Subsection 202AB(5)

Omit “Division” (wherever occurring), substitute “Part”.

13 Subsection 202AD(1)

Omit “(1)”. Note: The heading to section 202AD is altered by omitting “printed”.

14 Subsection 202AD(1)

Omit “printed”.

15 Subsection 202AD(2)

Repeal the subsection.

16 Subsection 202AE(1)

After “pre-poll”, insert “ordinary”.

17 Subsection 202AE(1) (note)

Repeal the note.

18 Subsection 202AE(2)

Repeal the subsection, substitute:
(2) For the purposes of this Act as it applies because of subsection (1), a vote record is to be treated as if it were a ballot paper.

19 Section 202AF

Repeal the section, substitute:

202AF Electoral Commissioner may decide that electronically assisted voting method is not to be used

(1) The Electoral Commissioner may, in writing, determine that the electronically assisted voting method is not to be used either generally or at one or more specified places.

(2) The determination must specify the election to which the determination applies.

(3) A determination under subsection (1) is not a legislative instrument.

20 Division 2 of Part XVB

Repeal the Division.

Referendum (Machinery Provisions) Act 1984

21 Part IVB (heading)

Repeal the heading, substitute:

Part IVB—Electronically assisted voting for sight-impaired people

22 Division 1 of Part IVB (heading)

Repeal the heading.

23 Section 73L

Omit “Division”, substitute “Part”.

24 Section 73L (definition of vote record)

Omit “subsection 73P(1)”, substitute “section 73P”.

25 Subsection 73M(1)

Omit “Subject to subsection (2), the”, substitute “The”.

26 Subsection 73M(1)

Omit “the first referendum held after the commencement of this section”, substitute “referendums”.

27 Subsection 73M(2)

Repeal the subsection.

28 Subparagraph 73M(3)(a)(iv)

Omit “; including a process of applying to use the method”.

29 After paragraph 73M(3)(a)

Insert:

(aa) make provision for, and in relation to, the appointment by the Electoral Commissioner of officers in relation to the conduct of the electronically assisted voting method; and

30 Subsection 73M(4)

Omit “the referendum referred to in subsection (1)”, substitute “a referendum”.

31 Subsection 73M(6)

Omit “Division” (wherever occurring), substitute “Part”.

32 Subsection 73P(1)

Omit “(1)”.

Note: The heading to section 73P is altered by omitting “printed”.

33 Subsection 73P(1)

Omit “printed”.

34 Subsection 73P(2)

Repeal the subsection.

35 Subsection 73Q(1)

After “pre-poll”, insert “ordinary”.

36 Subsection 73Q(1) (note)

Repeal the note.

37 Subsection 73Q(2)

Repeal the subsection, substitute:

(2) For the purposes of this Act as it applies because of subsection (1), a vote record is to be treated as if it were a ballot-paper.

38 After section 73Q

Insert:

73QA Electoral Commissioner may decide that electronically assisted voting method is not to be used

(1) The Electoral Commissioner may, in writing, determine that the electronically assisted voting method is not to
be used either generally or at one or more specified places.

(2) The determination must specify the referendum to which the determination applies.

(3) A determination under subsection (1) is not a legislative instrument.

(4) If:
   (a) a referendum is held on the same day as an election; and
   (b) a determination under subsection 202AF(1) of the Commonwealth Electoral Act 1918 is in force in relation to a place for that election;

   a determination under subsection (1) of this section is taken to be in force in relation to that place for that referendum.

39 Division 2 of Part IVB

Repeal the Division.

Part 2—Application of amendments

40 Application of amendments

The amendments made by this Schedule apply in relation to elections and referendums the writs for which are issued on or after the commencement of the amendments.

Taken together amendments (1) and (2) to the Electoral and Referendum Amendment (Electoral Integrity and Other Measures) Bill 2006 enable the Australian Electoral Commission to provide voters who are blind or have low vision with the means to cast an independent and secret vote. These amendments are needed as the current legislation requires a voter who is blind or has low vision to rely on another person to complete their ballot paper. The resulting vote is neither secret nor independent. The amendments will modify the existing parts of the electoral act and referendum act, which provided for a one-off electronic voting trial at the 2007 federal election. The amendments maintain the existing approach of these parts so that electronically assisted voting will be made possible by broad legislative frameworks supported by regulations. This approach provides flexibility to change the arrangements as technology develops from election to election.

These amendments provide for regulations to be made to cover matters such as the process of casting an electronically assisted vote, the privacy, secrecy and integrity of the vote and the places, days and hours on which the electronically assisted voting will be available. The amendments retain the requirement for a record to be kept of who has voted using the electronically assisted voting method. The amendments also require a record to be kept of the vote. This record will be included in the count like a ballot paper.

Following consultation with peak representative bodies, for the next federal election the AEC proposes to utilise a call centre arrangement so that a person who is blind or has low vision may cast a secret vote. A voter may attend any of the AEC divisional offices in the two weeks before polling day and have their eligibility to cast a vote checked against a certified list or some other means. If eligibility is confirmed, the voter will be connected to a call centre where two trained operators will complete a ballot paper in accordance with the voter’s instructions. The completed ballot papers will then be forwarded to the relevant division and counted in the usual way. This is a measure that was welcomed yesterday by Australia’s Disability Discrimination Commissioner, Graeme Innes, as one that has the potential to benefit 300,000 Australians who are blind or have low vision. The arrangements proposed for the next federal election are intended to be the first phase in delivering more options to voters who are blind or have low vision.

Question agreed to.

Question put:

That the bill, as amended, be agreed to.
The House divided. [10.27 am]
(The Deputy Speaker—Hon. BC Scott)

Ayes……………… 68
Noes……………… 58
Majority………… 10

AYES
Adams, D.G.H.
Bevis, A.R.
Bird, S.
Bradbury, D.J.
Butler, M.C.
Campbell, J.
Cheeseman, D.L.
Collins, J.M.
D’Ath, Y.M.
Debus, B.
Elliot, J.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Georganas, S.
Gibbons, S.W.
Grierson, S.J.
Hale, D.F.
Hayes, C.P.
Jackson, S.M.
King, C.F.
Macklin, J.L.
McKew, M.
Murphy, J.
Neumann, S.K.
Owens, J.
Perrett, G.D.
Rea, K.M.
Rishworth, A.L.
Shorten, W.R.
Sullivan, J.
Tanner, L.
Thomson, K.J.
Turnour, J.P.
Windsor, A.H.C.

NOES
Andrews, K.J.
Baldwin, R.C.
Bishop, B.K.
Briggs, J.E.
Chester, D.
Cobb, J.K.
Dutton, P.C.

Fletcher, P.
Gash, J.
Haase, B.W.
Hawke, A.
Hockey, J.B.
Hunt, G.A.
Jensen, D.
Katter, R.C.
Ley, S.P.
Macfarlane, I.E.
Markus, L.E.
Morrison, S.J.
Neville, P.C.
Pearce, C.J.
Ramsey, R.
Robb, A.
Ruddock, P.M.
Simpkins, L.
Smith, A.D.H.
Truss, W.E.
Turnbull, M.
Washer, M.J.

* denotes teller

Question agreed to.

Third Reading

Mr BYRNE (Holt—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade) (10.35 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (2010 GST ADMINISTRATION MEASURES No. 1) BILL 2010

Second Reading

Debate resumed from 10 February, on motion by Ms LEY:

That this bill be now read a second time.

Ms LEY (Farrer) (10.37 am)—I am pleased to speak on the Tax Laws Amendment (2010 GST Administration Measures No. 1) Bill 2010. The bill was introduced into the House on 10 February and implements some of the 46 recommendations
made by the Board of Taxation from its review of the legal framework for the administration of the GST. Legislation implementing some other recommendations from the Board of Taxation’s review, the Tax Laws Amendment (2009 GST Administration Measures) Bill 2009, passed through the House in an earlier sitting week this year. As I did with the earlier bill, I would like to say at the outset that the coalition will be supporting the passage of this bill through the House and the other place.

Schedule 1 implements recommendation 6 of the board’s report by amending the law to provide for adjustments when payments are made between a payer and a third party. The amendments will mean that, where an entity makes a payment to a third-party consumer, both entities will be able to apply adjustments to reflect the actual amount received and the actual amount paid. This change ensures that the correct amount of GST is remitted by the supplying entity and by the third-party consumer. The amendments in Schedule 1 take effect from 1 July 2010.

Schedule 2 implements recommendation 10 of the board’s report by clarifying the law regarding the attribution of input tax credits to tax periods. Schedule 2 clarifies the law to reflect the Commissioner of Taxation’s current approach. The changes in Schedule 2 will also apply from 1 July 2010. The coalition supports the measures of this bill and I commend the bill to the House.

Mr NEUMANN (Blair) (10.39 am)—I speak in support of the Tax Laws Amendment (2010 GST Administration Measures No. 1) Bill 2010. This bill amends, by way of schedule, the legislation which is known as A New Tax System (Goods and Services Tax) Act 1999. It relates to adjustments for third-party payments and it deals with the attribution of input tax credits. The legislation is important in the sense that it improves the operation of business, gives flexibility and reduces the burdens on business, particularly with respect to the second schedule. The first schedule improves accuracy in arriving at the appropriate amount of GST payable. It also assists with the business arrangements between parties in a supply chain. As the previous speaker said, the first schedule and second schedule arise from recommendations of the Board of Taxation’s review of GST administration.

The first schedule deals with the circumstances where there is a taxpayer at the top, a retailer below that and then a third party below that. Where the first party, the taxpayer, provides some sort of incentive or monetary assistance—say, a manufacturer’s rebate—to the third party, this impacts on the price. As a consequence of these circumstances, business is presented with administrative challenges and difficulties in determining the appropriate amount of GST payable. The Board of Taxation recommended the law be amended in relation to manufacturers’ rebates, which, in effect, adjust the price. For example, if the third party is given a monetary incentive, assistance or a rebate, this will generally be reflected in a reduced price at a lower level in the chain. The law needs to be amended to result in adjustments for the payer and the third party to reflect the actual financial outcome of the transaction and to reflect the business and economic situation emerging between the parties.

Schedule 1, as I said, deals with an important change because it assists in the operation and the integrity of the tax system. Anyone who has been in business knows that it is often the case that parties deal with each other in a supply chain. A manufacturer deals with the ultimate receiver of the goods, but it is not always the case that this situation operates vertically downwards. The changes we are seeking to make here are important and they apply where the price is indirectly al-
tered or when a party receives something for a thing which is supplied. The amount of GST payable or an input tax credit claimed in a previous tax period may need to be adjusted to ensure the correct GST is obtained. As I mentioned before, it is more likely to occur in circumstances where there is a discounted price. The amendment creates an entitlement to a decrease in adjustments in certain situations where an entity, the payer, supplying things to another entity for resale makes a monetary payment to a third party in the chain. I think the amendment is therefore worthy of support.

The second schedule deals with the attribution of input tax credits. Businesses pay GST and they are entitled to credits, otherwise they would have to pass on the GST in the price to consumers. This would obviously have an impact on inflation and on the purchasing power of consumers, so businesses are entitled to claim input tax credits. This prevents GST costs of acquisitions from being incorporated in the taxed price of the goods and services supplied, again effectively reflecting commercial reality. GST input tax credits are generally claimed in the period in which a taxpayer provides that consideration. When they are not claimed at that time, there are compliance, administrative and other regulatory costs associated with amending past tax returns and that puts a burden on business which is unnecessary. To minimise those costs, GST law is intended to allow the business to claim what could be described as an old input tax credit in the current year.

The amendment in this bill, which applies from 1 July 2010, clarifies the law to remove even a shred of doubt or ambiguity that the flexible attribution should apply. The proposed amendment will benefit taxpayers who have what could be described as ‘poor tax compliance’ by allowing one unrelated failure—namely, neglecting to claim input tax credits on time and offset those. In other words, you do not have to go back and re-do your tax returns yet again, with all the costs and administrative burden. You are able to simply claim, in circumstances, the old credit in the current year. It is pretty technical but it does allow flexibility for business. Allowing input tax credits to be attributed to the current period reduces the cost for business and the compliance costs and reduces the complexity. In the circumstances it ought to be supported, and I commend the legislation to the House.

Mr GRIFFIN (Bruce—Minister for Veterans’ Affairs) (10.46 am)—In summing up, firstly I would like to thank those members who participated in this debate on the Tax Laws Amendment (2010 GST Administration Measures No. 1) Bill 2010. The amendments in the bill implement several government measures developed in response to the recommendations of the Board of Taxation in its review of GST administration. The review identified ways to reduce compliance costs, streamline and improve the operation of the GST and remove anomalies.

Schedule 1 addresses concerns raised in submissions to the Board of Taxation’s review of the legal framework for the administration of the GST. Concern was expressed that the adjustment provisions failed to reflect the commercial reality of transactions by not considering related payments to third parties that effectively alter the consideration provided for the supply. The amendments address these concerns by ensuring that adjustments are required in situations in which a payment is made which indirectly alters the price paid or received by the parties for the thing supplied.

Schedule 2 addresses taxpayer concerns about the operation of the present GST law. The amendment clarifies the GST input tax credit attribution rules so that it is clear that
it is always possible for taxpayers to claim input tax credits in the current tax period rather than needing to amend prior returns. I commend this bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr GRIFFIN (Bruce—Minister for Veterans’ Affairs) (10.48 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (2010 MEASURES No. 1) BILL 2010

Second Reading

Debate resumed from 10 February, on motion by Mr Bowen.

Mr HARTSUYKER (Cowper) (10.49 am)—I welcome the opportunity to speak on the Tax Laws Amendment (2010 Measures No. 1) Bill 2010. The bill introduces a number of measures, the majority of which are supported by the coalition. The bill introduces protection to the deductions made by investors in forestry managed investment schemes. Previously, investors have been able to make deductions only after the interest is held for four years. These provisions will allow deductions where the four-year rule is not satisfied due to factors outside the investor’s control, such as the collapse of a forestry MIS, the death of the investor and where trees have been damaged by, say, natural disaster.

In the wake of collapses such as Timbercorp, these reforms are welcomed by the coalition as measures to improve investor confidence in forestry schemes by protecting them in unforeseen circumstances. The legislation also makes changes to the rules surrounding managing investment trusts. The government is amending the law to allow managed investment trusts to make an irrevocable election to apply capital gains tax on the disposal of certain assets such as shares and real property. Currently, when investments are disposed of, the proceeds can be classified as capital or revenue depending on the nature of the asset, business and investment activity.

The coalition support these changes because we believe they will provide certainty to investors by allowing MITs to make a one-off choice to apply the capital gains tax rules to the disposal of certain assets. If the MIT does not choose to apply the capital gains tax rules then the proceeds of the disposal will be classified as revenue.

The bill makes changes with regard to the entrepreneurs tax offset. The bill will introduce an income test for those seeking to access the offset. This was originally announced by the government in the 2008-09 budget and deferred. The amendments introduce an income threshold of $70,000 for singles and $120,000 for families. Above these thresholds the maximum offset that can be claimed is reduced by 20c for every dollar of income above the threshold. Whilst the coalition are concerned that these amendments will provide disincentives for entrepreneurs to create and access the offset, we are supporting this government’s budget decision and will monitor its effects.

The legislation also makes some minor amendments, addressing errors and anomalies within existing tax legislation. These changes will ensure the correct operation of existing taxation legislation by clarifying unclear provisions of the consolidation regime addressing incorrect terminology, outdated definitions, grammatical errors and
punctuation errors. My colleague the shadow Assistant Treasurer will consider in more detail the elements of the bill I have just outlined.

However, incorporated in the bill are provisions that are of concern to the coalition. These provisions relate to the government’s policy to implement a superannuation clearing house for small business. The superannuation clearing house was promised by the government during the Prime Minister’s 2007 budget reply speech when he was opposition leader. The clearing house will allow small businesses to pay their superannuation guarantee contributions in a block to an approved clearing house at no cost to small business. The clearing house then splits that single payment into individual payments and remits them to each employee’s respective superannuation fund account. The service will be available to employers with fewer than 20 employees. The Labor Party in opposition argued that the Howard government’s superannuation choice policies, as introduced in 2005, increased compliance costs for small businesses, which in many cases were now required to make separate superannuation payments for each individual employee. This situation was a bi-product of the success of superannuation choice—that so many employees chose their own superannuation fund after the policy’s implementation.

The coalition support measures to lower the compliance costs of super guarantee payments to small business. We support the availability of a superannuation clearing house to small business. However, the superannuation clearing house represents an example of another broken promise by this Labor government. Firstly, the government promised that the clearing house would be implemented by 1 July 2009. Early actions by the government indicated they were trying to meet this target. The then superannuation minister, Senator Sherry, released a discussion paper in November 2008 asking for submissions on its implementation. Over 12 months then went by without so much as a word of what the government intended to do with their promise to deliver clearing house services to small businesses by 1 July 2009. Well, 1 July came and went, and surprise, surprise, we did not hear a word. The superannuation industry was left doubting whether the government would actually implement their policy and their promises. But this is a standard pattern for the government in this portfolio—to review and issue discussion papers and then to discuss industry-changing policies that leave the industry guessing what the regulatory environment may be in six months or 12 months time.

This is a government that hit the ground reviewing. Nobody knows what will happen with the Cooper review. The government refuses to release Henry. As for Ripoll and Johnson, the government cannot decide what it wants to commit, and it leaves the industry hanging in the balance—uncertain and potentially confused. We are all constantly waiting for random announcements by the government that may or may not follow recommendations and may or may not even follow its own policy promises.

That brings me to the second promise which was broken by this government with regard to its superannuation clearing house. That was Kevin Rudd’s promise to contract the government clearing house to the private sector. Then opposition leader Rudd issued a media release on 10 May 2007 clearly stating that the clearing house would be contracted to the private sector. On 11 May, Senator Sherry argued very strongly that the policy would not create a new bureaucracy because the clearing house would be contracted to a private operator. The 2008 discussion paper also asked the industry to make submissions on the basis that the contract would be awarded to the private sector. Then some-
thing happened in the 12 months that the
government sat on its review. What made it
change its mind? In November last year,
without any warning and without any expla-
nation, the Minister for Superannuation and
Corporate Law announced the clearing house
would be awarded to Medicare. There were
those in the industry acting on the misrepre-
sentation that they could tender for the con-
tract. They have now been cut out of the
process with no explanation as to why. As
the company, Payment Adviser, said:
When Minister Sherry appealed to the industry to
develop a solution for small business, and then
put out a discussion paper, we all responded.
As they might!
We did not hear from Treasury or anyone associ-
ated with the Government after putting in our
submission. We worked to develop this solution
and a few other people looked at what they could
do to provide a solution to small business. And it
was quite a shock late last year for a press release
to say that the Government was going to give it to
Medicare.

In the Senate inquiry, Medicare claimed that
they have completed costings, but refused to
publicly release what these were. Medicare
admitted in the inquiry that they have not
finalised their system for data processing and
the types of payments to be accepted.

Medicare have not developed key per-
formance indicators for the scheme, they
have no plans for how to deal with errors and
they did not consider if anything could be
outsourced. Medicare admitted to the inquiry
that they have no targets for business take-
up; they only have targets to develop the sys-
tem and to get the system up and running by
the due date. They are using all the resources
merely to implement a scheme by the gov-
ernment’s timetable so Prime Minister Rudd
can be seen to be meeting an election prom-
ise—$16.1 million over four years to be pro-
vided to Medicare to operate the clearing
house. This amount was budgeted when the
government were planning to send the
scheme to the private sector.

So the government are paying $16.1 mil-
lion for a clearing house and have not pro-
vided how this will be spent. How much will
it cost to develop and implement the system?
How much will it cost to process each trans-
action? How much would be spent on labour
costs? How much would be spent on system
maintenance? These are all questions to
which we have no answers at the moment.
How will these costs fluctuate depending on
the take-up? With no plan for how many
small businesses will actually use the clear-
ing house, Medicare cannot answer these
important questions. How will Medicare deal
with the quarterly massive peaks in workload
created by the operation of the clearing
house? How will this be staffed? How will
this impact on Medicare’s core responsibility
to assist in the delivery of health services?

When asked by Senator Bushby if re-
sponses from the consultation paper into the
clearing house were made available to Medi-
care for their consideration in terms of build-
ing and delivering the system, Ms Hughes
from Medicare admitted, ‘We have not asked
for any of these documents.’ How can Medi-
care even understand the concerns of indus-
try if they did not seek these submissions?
Medicare will be under no obligation to
make superannuation transactions within a
minimum time period. The general manager
of Medicare told the inquiry that they could
not commit to a time because they did not
know if there would be ‘issues with match-
ing and some requirement for us to do fol-
low-up work’. Surely, the speedy remittance
of funds to a member’s superannuation ac-
count is an important element in the selection
of a superannuation clearing house, yet that
does not appear to be a concern to the gov-
ernment. Funds not remitted in a timely fash-
ion will have an adverse affect on returns to
fund managers, yet the speedy remittance of
funds does not appear to be a priority for this government.

Existing private clearing houses have systems in place to process transactions. They know how much each transaction costs and they could implement the government’s policy in a relatively short time span with a full business plan. These businesses are being told that they have lost out to a government agency that has not finalised its plan, that has no regard for industry concerns and that does not even know if there will be ‘issues with the matching of some requirements for them to do follow-up work’, as was admitted by the General Manager of Medicare. Craig Osborne, Managing Director of MicrOpay, has made some interesting comments on the announcement:

Medicare is not looking at the full detail that needs to be achieved when there are adequate private enterprise solutions out there ... To run with a government agency that doesn’t have a track record in collecting this information and collecting these sorts of funds, and doing the disbursements and matching and cross-checking that’s needed to ensure the system is efficient, has not been addressed or even contemplated.

So when this government is planning health reforms that may see the workload of Medicare increased it is also handing Medicare responsibility for superannuation payments. Why would the government award the contract to Medicare, which has no experience in superannuation? After the government has received overwhelming evidence that the private sector could easily handle the additional transactions at a fraction of the cost proposed, why would the government announce without warning that it was going to award the contract to Medicare? According to Treasury’s evidence to the inquiry, the decision was made on the basis of risk management. We know how well this government manages risk. We have seen that in action with the insulation affair. It has very interesting risk management procedures.

The legislation provides that employers will be able to discharge their superannuation guarantee obligations by making a bulk payment to the approved clearing house on the 28th day of the month in each quarter when the payment is required. This is different to the current system where employers need to have the payment arrive at the superannuation fund trustee by the 28th of the month when the payment is due, regardless of whether they use a clearing house or not.

The government is now arguing that changing the super guarantee obligations for an approved clearing house will increase the risk of using a clearing house to process superannuation fund payments. Because the employer discharges his or her obligations before the payment reaches the fund, Treasury argues that the risk of processing the payment moves from the employer to the employee. But aren’t employees always at risk with their superannuation guarantee payments? There are, for example, the risks that employers may not make payments on behalf of the employees and that their entitlements may not be respected by an employer. Life is full of risk and it is matter for government to properly manage and assess risk. I must say that when it comes to risk management this government has a very poor record.

At the end of the day, it is employees’ money that is being transferred and risk management is important, but Treasury have not made the case for Medicare. They have made an excuse. They have not made the case; they have made nothing but an excuse. Why this Labor government is worrying about the risk for the clearing house when it undertakes so many risky policies is beyond me. We have seen this government turn policies that have little risk into very risky pro-
jects due to its inability to listen to experts. Once again, the Home Insulation Program is the perfect example of that.

We know that the government refused to listen to the experts on home insulation and now it is refusing to listen to the experts in superannuation and payment processing with regard to the clearing house. I ask the government: why do you have so many reviews into superannuation and finance if you refuse to listen to the views of experts? The Investment and Financial Services Association told the Senate inquiry that private clearing houses are well regulated through prudential reporting requirements and that private clearing houses must hold an Australian financial services licence. IFSA told the inquiry that the risk involved with private clearing houses was very low and that the use of private clearing houses provides ‘certainty’.

ASIC requires clearing houses to issue product disclosure statements which must detail the terms and conditions of the facility, any fees and charges, how the transactions are made and authorised, and any risks associated with the facility. Medicare will be exempt from this regulation. If the government is suggesting that companies with this level of regulation are risky, then the minister is suggesting that the current level of regulation is insufficient.

The largest private clearing house provider, SuperChoice, is processing around 20 million contributions each year on behalf of 50,000 employers; 40,000 of these have fewer than 20 employees. If the Minister for Financial Services, Superannuation and Corporate Law, Mr Bowen, is suggesting that SuperChoice and other private clearing houses are risky, then he is telling millions of employers and employees that superannuation payments are already at risk if they are being processed through a private sector clearing house.

All government promises have an element of risk about them. It is up to Treasury to implement these promises whilst mitigating the risk. In this instance, where private clearing houses are well regulated and operating at acceptable levels of risk, it is not good enough for the government to hide behind the risk argument for failing to meet its promise to tender the operation of the clearing house to the private sector. In ignoring its commitment and awarding the contract to Medicare, the Labor government is also giving Medicare a competitive advantage compared to privately operated clearing houses.

Private clearing houses currently operating will still be forced to process their payments by the 28th of the month in which the payment must be made, which requires employers to pay their bulk payments in advance of that date. On the other hand, employers will be able to pay the Medicare clearing house on the 28th, when the payment is required. Under these conditions, why would any employer not choose Medicare as its clearing house?

I remember one of the last acts of the Keating Labor government was to sign an agreement with the states on the principles of competitive neutrality. Competitive neutrality is overseen by the Productivity Commission and requires all government agencies to compete on a level playing field if they are competing with private industry. As a principle, the coalition believes in competition and efficient markets. Competitive neutrality is a favoured principle in legislation and will impact on the private sector. This legislation enshrines principles that contradict those of competitive neutrality. Medicare will have a clear advantage over private sector clearing houses. As ASFA have argued, the government’s scheme ‘has the potential to deliver commercial damage to existing providers of clearing house services’.

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The industry are questioning whether this was a rushed Rudd government decision to give Medicare the contract so that it could announce that it was meeting its clearing house commitment before the next election. Who knows? Mr Osborne of MicrOpay says: Like the home insulation debacle, it begs the question of why did the government not listen to the experts in this area—payroll, banks, super funds?

Peter Philip, CEO of SuperChoice, puts the issue plainly by saying:

We certainly feel that what the Government is proposing will create distortions in the market ... how could it not when they’re funding with public money a clearing house that will be a significantly advantaged competitor to existing clearing houses?

The bill as drafted misses a real opportunity to implement an efficient superannuation clearing house market by extending the definition of an ‘approved clearing house’ to privately operating clearing houses holding an AFS licence and subject to prudential requirements. This would level the playing field and allow employers to make their superannuation guarantee payments to a number of clearing houses with the same deadlines. These changes would increase competition and lower fees in the sector.

Private sector clearing houses have worked to meet the needs of the market. They have been operating efficiently without issue. The bill as drafted will damage this market. As Mr Osborne says, the provisions are:

... certainly a substantially larger investment than what has been earmarked and that does beg the question: ‘Does the Government really understand the complexity and nature of what they are trying to achieve?’ And the answer has to be no.

This entire clearing house exercise has been another example of waste and mismanagement. The government is showing a reckless regard for the companies backing Australia’s retirement system.

In conclusion, $16.1 million has been allocated to the clearing house over four years and we still do not know if Medicare is able to deliver an effective scheme within the allocated budget. Private sector clearing house operators have delivered efficient and low-risk services to employers for many years. The legislation as drafted will give Medicare a significant competitive advantage against private sector operators, who have found a need in the superannuation market and developed innovative technologies to fulfil that need.

I await the outcome of the Senate inquiry with interest. I foreshadow that the coalition will be moving amendments in the Senate to provide for competition in the market, to make the provision of a government funded clearing house contestable. We will certainly be moving amendments in the Senate which would place all clearing houses on a competitive footing.

We have support for some elements of this bill, but we have major reservations with regard to the impact of the proposed government funded clearing house. It has been a retrograde step by this government to depart from its promise to have a service that is provided on a contestable basis. We have no problem with the allocation of the job of the government funded clearing house to Medicare if Medicare is able to compete with private sector operators and put in a bid that is price and service competitive and offers the same degree of amenity or better amenity than is being offered by private operators. But there is a very distinct possibility that we are going to squander large amounts of government money and see a more expensive solution and a less customer orientated outcome. We will see small business being the loser out of this. We will see the taxpayer
being the loser out of this. What does the government have to lose by putting this issue out to public tender, allowing the private sector to compete for a service and allowing this market to operate on an arms-length basis without a government preferred operator in the field? I have real concerns with this legislation, and we will be moving amendments in the Senate in that regard.

Mr NEUMANN (Blair) (11.11 am)—I speak in support of the Tax Laws Amendment (2010 Measures No. 1) Bill 2010. I hope that small business operators across Australia listened to the nonsense that the member for Cowper just went on with. We took this commitment about the superannuation clearing house to the people in 2007. It was part of our policy, we took it to the people and they voted in the Rudd Labor government. We are trying to implement our policy. Those opposite, in their typical obstructionist way, today are saying that they are opposing it. There are three-quarters of a million small businesses in this country, employing about four million people. Those people need assistance. They are burdened with the kind of regulation that the Common Market in Europe has, because of the idiocy and eccentricity of our federal system and because governments of both persuasions over decades have increased the burden on business. We are trying to assist small business. We took this to the people. They voted for us and they voted for this policy.

The member for Cowper says in this House that the opposition want Medicare to be a superannuation clearing house like other private operators. So they want Medicare, a government entity, to be in the market with respect to the superannuation clearing house industry. But that is a bit inconsistent with a policy that has been enunciated by those opposite with respect to private health insurance. As I understand it, they want to privatise Medibank Private, effectively a competitor, which is government owned. They want to privatise it and are against the government being involved in the private health insurance sector. But they want Medicare, a government operated entity, to be involved not just in the assistance of people with respect to health issues and not just in the superannuation clearing house area but competing in the marketplace as well. That is what I understand the opposition are saying. If their policy was to support some sort of superannuation clearing house, when, during nearly 12 years tenure on this side of the House, were they going to do it? When were they going to help small business operators? They did not. We never saw their legislation during their time on the treasury bench.

What we are trying to do here is support small business. Every single person who is a small business operator takes a risk. Deputy Speaker Slipper, I know you were in business before you came to this House and I know the member for Dawson, who is in the chamber, was also in business. He knows the risks involved. When you are involved in business you do not get much protection. You do not get sick pay or holiday pay, annual leave, leave loadings or penalty rates. You take a risk every day trying to achieve commercial success. Running a small business is tough, and we need to give assistance to small businesses, as I have said many times. We recognise and applaud the sacrifices of small business operators, because they are the backbone of the economy; they are the major employers in our economy. They are vital to the economic prosperity and financial security of the people of regional and rural Queensland, whom I represent. The contribution of small business to the nation’s prosperity and to job creation, particularly with the nation-building and stimulus package, can never be underestimated. It is immense. What we are doing in schedule 1 of
the bill is introducing an operation which will assist small business.

The introduction of the choice of superannuation schemes in this country has been a positive thing for employees. It has given them greater control over financial security for their retirement and over the way in which their retirement savings are invested. Those things are crucial to their future. But we need to ease the administrative burden that is imposed on small business. Providing employees with choice has created another administrative burden, so to assist small business the idea of a superannuation clearing house is important. It will reduce the time and compliance costs for small businesses, which is crucial for their future. Payments will be made to a central location. The clearing house—and we think the appropriate entity is Medicare Australia, for reasons I will outline—will handle all forms of filing, checking and distribution and receipt of contributions. As we have said before, the superannuation clearing house service will provide these things free of charge for businesses with fewer than 20 employees.

Contrary to what the member for Cowper said, we have kept our promise. We have decided that Medicare Australia is the most appropriate entity, and I agree. We have kept that promise and we have committed $16.1 million over the next three years to implement it. We think it is important for small business, as I have outlined. The Minister for Financial Services, Superannuation and Corporate Law, the Hon. Chris Bowen, in his media release of 6 November 2009, said:

Medicare Australia is well placed as one of the Commonwealth Government’s key service delivery agencies—with significant electronic and payment processing capacity whilst ensuring the privacy of information and the security of funds.

He said that in the context of explaining why we have chosen Medicare Australia to be the entity that operates as the superannuation clearing house. As I said, the service will be available for small businesses with fewer than 20 employees from the middle of 2010.

This is another brick in the wall, another instalment, in our strong reform process to assist small business. The key features, as the minister said in his press release, will be that the superannuation contributions made to numerous funds will be electronically paid to a single location, the clearing house, which will process the transactions. Small businesses that choose to use the clearing house service will have their legal obligation fulfilled when they pay those moneys to the superannuation clearing house; namely Medicare Australia. As I said, it will be offered free of charge to small businesses with fewer than 20 employees. The superannuation clearing house will manage employers’ choice of fund obligations.

This is an important reform to assist small business. Those opposite present themselves and posture as the party that help small business. They do not. They say it but they do not put it into practice. If they believed in the reform that the member for Cowper was talking about, they would have introduced their version of this amendment during their long tenure on the treasury bench. They did not. It has always been left to Labor governments to be the reformist governments of this country. When it comes to business changes, we are the ones who brought in the superannuation industry, reduced tariffs and internationalised and opened up the economy. We did it all. From Whitlam’s day, through Hawke and Keating and now under Rudd, we are the ones who do it, not those opposite.

The DEPUTY SPEAKER (Hon. Peter Slipper)—The honourable member for Blair ought to refer to the Prime Minister by his title.

Mr NEUMANN—I am happy to refer to the Prime Minister by his title: the Hon.
Kevin Rudd, member for Griffith. As I said, this will reduce the burden for small business and is worthy of support. It is a great shame that those opposite do not support schedule 1.

This legislation, as is usual, deals with amendments to the tax legislation by way of schedules. Schedule 2 of the bill deals with investment in forestry managed investment schemes. When I was in private practice as a lawyer I dealt with a number of these types of schemes in the context of marriage break-ups and in the context of other business arrangements. Investors in forestry managed investment schemes can claim an immediate tax deduction for expenditure incurred in the scheme, subject to certain conditions, and that is why people enter into these arrangements. There is a four-year holding rule, which effectively means that, in order to claim and retain the deduction, what is required is that there is not a capital gains tax event which occurs during that four-year period. If, for example, something happens that results in a capital gains tax event emerging, then there are problems with respect to the deduction, and the Commissioner of Taxation disallows it—and the commissioner has no discretion in relation to it. So schedule 2 amends the tax law to protect the deduction of investors in these types of schemes from being denied for reasons which are genuinely outside of the investor’s control. The member for Cowper outlined some of those changes—and I agree with him actually—for example, insolvency or where trees were destroyed by fire, flood or drought.

Schedule 3 deals with managed investment trusts and the capital treatment in taxation of those interests. It amends the tax laws to change the way gains and losses on the disposal of certain investments are treated, and these were announced in the 2009-2010 budget. In effect, the changes in schedule 3 allow an eligible managed investment trust—that is, a person—to irrevocably elect a capital account treatment for gains or losses on the disposal of certain assets from the previous financial year. Investors are entitled to claim the capital gains tax concessions and eligible taxable gains, distributed of course by managed investment trusts. If an eligible managed investment trust does not make an election to have the capital account treatment, then gains or losses and disposal of shares or units are treated as revenue and are therefore taxable. Schedule 3 ensures that tax law will clarify that the distribution or gains on carried interest units in a managed investment trust are treated on the revenue side.

The government announced in the 2009-10 budget that it would amend the tax laws to allow gains or losses on disposal of certain Australian managed investment trusts to be subject to a capital gains tax regime, and that will assist investors—because they will be winners in the circumstances of this legislation. It will allow the eligible managed investment trust to make an irrevocable choice to apply the capital gains provisions as the primary code for assessing gains or losses and disposal of eligible assets—as I said, shares, units or real estate. That will provide certainty, and that is part of the government’s strong efforts to ensure that the Australian market, whether it is in the area of shares or property or managed investments, is attractive to not only Australians but to those eligible non-resident investors as well. We think that is important as we compete with the likes of Singapore, Hong Kong, Tokyo and Beijing.

The other amendments are fairly minor. They deal with the entrepreneur tax offset, which provides eligible taxpayers with a maximum tax offset of 25 per cent on their income tax liability which is attributable to their net small business income for that fi-
nancial year. The ETO amount phases out over time. It phases out at aggregate turn-overs of $50,000, and eligibility ceases when aggregate turnover reaches $75,000. The introduction of an income test here into the eligible criteria ensures that the measures are targeted better for taxpayers’ purposes and provide additional assistance to small businesses.

The final schedule is schedule 5, and that just deals with consolidation and various technical amendments. I will not go through all of those, but they, of course, improve the operation and clarification of certain aspects of tax law and they reduce compliance costs. Those savings arise as the result of amendments relating to the way units, managed trusts and rights to future income are treated. So, while they are not particularly interesting to the average person, they do improve business, they improve the profitability of business and they assist with the certainty of business operations with respect to taxes.

Professional and business groups have been consulted on the draft legislation and, contrary to what the member for Cowper said, there has been significant support in industries for what we are doing here. I commend the legislation to the House.

Ms LEY (Farrer) (11.27 am)—I am pleased to make some brief remarks on the Tax Laws Amendment (2010 Measures No. 1) Bill 2010. My colleague the member for Cowper has covered the first schedule well. It deals with his area of operations, superan- nuation. I would like to make some comments on schedules 2 to 6.

Schedule 2 implements the announcement by the Assistant Treasurer on 21 October 2009 that the government would amend the law to protect the deductions of investors in forestry managed investment schemes to maintain their investment in a scheme for four years. Currently, if a taxpayers’ interest in a scheme is not held for four years, the investor cannot claim a deduction. The amendments in this schedule allow investors to claim deductions if the four-year rule is not satisfied because of factors outside the investor’s control. This is an important measure, because there are factors that have been occurring outside of the investor’s control. Principally, we have seen in recent years the insolvency of several MISs, and the effect that has had on investors has been in some cases quite devastating. According to their current interpretation of the law, the tax office have not had the ability to allow the deduction, even though the facts around the ending of the MIS have been quite clear and clearly beyond the control of the investor. The law does not, as it currently stands, allow that scope.

Situations that could be genuinely outside the initial investor’s control that are noted in the explanatory memorandum include the accidental death of the initial investor, the interest in the scheme being compulsorily transferred because of marriage breakdown or compulsory acquisition by a government, the initial investor becoming insolvent, the interest in the scheme being cancelled because of trees being destroyed by fire, flood or drought, and the insolvency of the manager of the scheme leading to the winding up of the scheme. Those are some examples. The amendments in this schedule do have a retrospective application from 1 July 2007 and will provide some welcome relief to those particularly who were caught up in the ending of many MISs over the last two years due to the firms going into liquidation.

Schedule 3 amends the tax law to give effect to a measure announced in the 2009-10 budget. In the last budget the government announced that they would amend the law to
allow managed investment trusts to make an irrevocable election to apply capital gains tax on the disposal of certain assets such as shares and real property. Through our ongoing consultations with businesses and tax agents, I know that the amendments in schedule 3 will provide certainty to investors. The amendments will have effect from the 2008-09 income year.

Schedule 4 introduces an income test for those seeking to access the entrepreneurs’ tax offset. The introduction of an income test was first announced by the government in the 2008-09 budget and later deferred until the 2009-10 budget. The entrepreneurs’ tax offset was introduced by the former coalition government and took effect from 1 July 2005. It was intended to provide an incentive for very small businesses in the early stages of business development. The entrepreneurs’ tax offset provides a maximum tax offset of 25 per cent of their income tax liability that is attributable to their small business. The amendments in schedule 4 introduce an income threshold of $70,000 for singles and $120,000 for families to take effect from 1 July 2009.

Schedule 5 amends the tax law relating to the consolidation regime. The consolidation regime has undergone continuous improvement since it began in 2002. In 2007 the then Assistant Treasurer, the member for Dickson, announced that the then government would amend the law relating to the consolidation regime to clarify certain unclear provisions and to improve the consolidation regime’s interaction with other areas of the tax law. The then government began to undertake extensive consultation with industry stakeholders on the amendments. Schedule 5 contains the amendments to the consolidation regime initiated by the former coalition government.

Schedule 6 contains housekeeping amendments, as is common in many of these tax law amendment bills. It makes a number of minor changes to the existing tax law to ensure they operate as was intended. The bill was introduced into this place on 10 February 2010 and contains various technical aspects amending tax law. As such, I commend the bill to the House.

Ms GRIERSON (Newcastle) (11.33 am)—I rise to support the Tax Laws Amendment (2010 Measures No. 1) Bill 2010, which amends various taxation and superannuation laws to implement a range of improvements to Australian tax laws. Those improvements will give more clarity and more certainty around tax law, something the Rudd government have committed to. It is also an incredibly important bill for the thousands of small investors, mum and dad investors throughout Australia, who certainly saw some link between taxation law and their readiness to invest. This bill seeks to renew stability for managed investment trusts following the collapse of Great Southern and Timbercorp early last year, and therefore to pare down and modernise the tax system and to deliver on our government’s election promises. It attempts to rebalance the scales of business investment and manage risk.

This is a bill I have had some connection with as a voting member on the Joint Parliamentary Committee on Corporations and Financial Services. I was involved in the inquiry into agribusiness managed investment schemes which was the basis for some of these amendments. The corporations and financial services inquiry and this subsequent legislation have been a rapid and, hopefully, effective response to what was a very real problem. It is estimated that Great Southern and Timbercorp had 43 per cent of all managed investment scheme businesses in Australia within their portfolios and MISs ac-
counted for 100 per cent of their business. The schemes collapsed in April and May last year taking with them over $3 billion from 60,000-plus investors. The investors were attracted by the offer of an immediate tax deduction on their investment combined with the possibility of a long-term return. However, a number of intervening factors that were out of their control, such as drought, the global financial crisis et cetera, meant that many high risk factors that investors had not anticipated resulted in a devastating financial blow to individuals who had no other means nor in some cases the business acumen to deal with them. This legislation amendment, taking into account the findings of the inquiry, aims to prevent such an event happening again.

The bill’s amendments are divided into six schedules. Schedule 1 of the bill delivers on our 2007 election commitment to introduce an optional superannuation clearing house service free for eligible small businesses. Last year the Minister for Financial Services, Superannuation and Corporate Law, Chris Bowen, announced that the superannuation clearing house service would be implemented through Medicare Australia. It will become available in July 2010 and businesses will be able to register for the scheme from May 2010 onwards. The clearing house will cut the red tape for small businesses and it will remove the time and paperwork burdens arising from the need to pay contributions into numerous superannuation funds. I remember that in the last parliament the House of Representatives Standing Committee on Economics, Finance and Public Administration, chaired by Bruce Baird, looked at maximising participation in superannuation. This was one of the areas it did suggest and recommend, so it is great to see that it has been taken up.

Schedule 2 amends the existing tax regime to protect the deductions of around 19,000 investors in forestry managed investment schemes from unintended and adverse tax outcomes. It strikes a balance between protecting certain investors’ deductions and discouraging the kind of excessively risky behaviour that led to the collapse of Great Southern and Timbercorp in April and May last year. As I have said, that collapse cost over 60,000 investors in the order of $3 billion. It also ensures that taxpayers are not unfairly affected as a result of those events outside their control.

Mr Katter—You realise it’s a tax dodge in a protection bill, don’t you?

Ms GRIERSON—I think the previous bill had that element in it. Schedule 3 builds on the amendments contained in schedule 2 of the bill and changes the way in which gains and losses on disposal of specific investments by Australian managed investment trusts are taxed from the financial year ending June 2009 onwards. The bill also clarifies the position of the law with respect to the disposal of eligible assets by managed investment trusts. The current arrangement was developed under the auspices of the common law and is at present unclear and unnecessarily complex. Under the current law, gains and losses may be recorded on revenue or capital accounts, depending on the circumstances, including the nature of the business or investment activity. The bill provides certainty to Australian managed investment trusts and allows eligible managed investment trusts to make an irrevocable choice to apply the capital gains tax provisions as the primary code for assessing gains and losses on disposal of eligible assets. This is a bill that will assist investors, and of course very many investors at the moment are trying to recover from their losses and plan for their retirement and their future.

Schedule 4 amends the Income Tax Assessment Act 1997 to introduce an income
test threshold into the entrepreneurs tax offset, with a view to facilitating small business growth. The amendment targets the benefits of the offset for small businesses that do not earn additional income not referable to the relevant small business. It does this by beginning to phase out the tax offset on a graduated scale at an aggregated turnover of $50,000, and the entrepreneurs tax offset ceases at an aggregated turnover of $75,000. By restricting the eligibility of single individuals whose income is over $70,000 and members of families whose incomes are over $120,000, the entrepreneurs tax offset builds on our government's commitments to means testing.

Schedule 5 similarly amends the Income Tax Assessment Act 1997 in response to practical issues arising from the implementation of the consolidation regime since its introduction in 2002. This schedule has the explicit support of business and professional groups seeking greater certainty in the consolidation regime. Several of the amendments will improve the cost effectiveness of the restructuring of consolidated groups into multiple entry consolidated groups and vice versa. In particular, the amendments minimise the tax consequences of restructuring and clarify the operation of the tax cost-setting rules which apply when an entity joins or leaves a consolidated group.

Schedule 6 includes miscellaneous amendments which remove anomalies arising from implementation and correct drafting defects. These amendments stem from feedback from tax professionals and the general public provided through the Tax Issues Entry System.

When I spoke to the House on the financial services committee’s report on agribusiness I commented that I hoped the matters raised would result in a regulatory framework that puts more emphasis on consumer protection, and I think this bill does that. I congratulate the minister for that, and of course the committee chair, Bernie Ripoll. It does show that we are committed to improving processes and making sure that there is clarity and that investors have confidence and certainly will not be in a situation, as we have recently seen, of great loss. The amendments do illustrate the government's commitment to the continual process of review and modernisation of the Australian tax system.

Another inquiry held by the Joint Parliamentary Committee on Corporations and Financial Services is of relevance too—its inquiry into the operation of Australia’s franchising code of conduct last year. I note that Australian franchises employ more than 400,000 people and turnover is around $130 billion a year. However, some elements of the code, in particular its provisions on unconscionable conduct, in some cases failed to stop unethical conduct by big businesses and franchisors towards small businesses and franchisees. This week the Minister for Small Business, Independent Contractors and the Service Economy, the Hon. Craig Emerson, announced sweeping changes to that code in light of this committee’s inquiry as well as a number of other inquiries that have been held by the states. It is good to see that this government is serious about making sure we respond to the needs of business and the needs of investors as well. These are people who put their income and their future on the line.

I have also talked in the House about issues around phoenix companies. We have had a quite distressing experience in Newcastle. Another important announcement affecting small business was made in November of last year by the Assistant Treasurer, Senator Nick Sherry, who released a package of proposals that aimed to crack down on businesses who rip off their workers and the
general taxpaying community. This has been an issue of particular relevance in my electorate of Newcastle and the surrounding region. Too often, particularly in the construction and development industry, there have been examples of companies engaging in questionable and dishonest behaviour, leaving former employees being owed considerable amounts of back pay and superannuation, and causing misery to contractors, suppliers and other workers on those sites. This government certainly is very serious about its commitment to corporate responsibility. It is committed to clearly defining the roles and responsibilities of the key players in the corporate and commercial sectors, and giving some confidence that a framework is in place to protect investors and other people involved.

At the same time, the Rudd government understands that it is vitally important to maintain conditions that allow businesses to prosper of their own accord, that reward entrepreneurship and that foster economic wealth. Catering for the demands of two considerations is not always easy, but they are not mutually exclusive. With legislative amendments like the ones before the House today, we can strike a balance between accountability and prosperity. The Rudd government understands how important its role is in attending to the care and maintenance of tax laws. They do need intervention if they are left too long—the complexities grow and the uncertainty grows. We are committed to assisting compliance cost savings, with a strong financial and taxation framework. I commend the bill to the House.

Debate (on motion by Mr McMullan) adjourned.

Sitting suspended from 11.44 am to 2.31 pm

ADDRESS BY THE PRESIDENT OF THE REPUBLIC OF INDONESIA

His Excellency, Dr Susilo Bambang Yudhoyono, having been announced and escorted into the chamber—

The SPEAKER—On behalf of the House, I welcome as guests the President of the Senate and honourable senators to this sitting of the House of Representatives and the Senate to hear an address by His Excellency, Dr Susilo Bambang Yudhoyono, President of the Republic of Indonesia. Mr President, I welcome you to the House of Representatives chamber. Your address today is a significant occasion in the history of the House. I would also like to welcome Ibu Ani Bambang Yudhoyono, who is in the gallery this afternoon.

Mr Rudd (Griffith—Prime Minister) (2.33 pm)—Mr Speaker, Mr President, honourable members and honourable senators: today is only the fifth time in the 110-year history of this parliament that the two houses have met together to hear an address from a visiting head of state.

And today is the first time we have done so to hear an address from the President of the Republic of Indonesia.

In doing so, we symbolise the profound changes that have occurred in the relationship between our two countries.

Mr President, we welcome you as our neighbour.

Mr President, we welcome you as our friend.

And we welcome you now as a member of the family of democracies—a nation which now celebrates political freedom, a nation whose parliament is as loud, noisy and robust as the parliament in which we are now assembled and a nation where freedom of the press is now exercised without constraint,
without restraint and without fear of repression.

Mr President, these are profound changes in which you have played no small part—and we are delighted to welcome you now as a fellow democracy.

**Indonesia’s Achievements**

The people of Indonesia enjoy a free media, an open society and religious tolerance.

They live in a multiparty democracy in which transitions to power take place according to law.

In Indonesia, democracy now has strong foundations.

And Indonesia’s economy continues to grow, disproving the argument of some that democracy somehow impedes development.

Indonesia now has the third-fastest-growing economy in the region and the third-fastest-growing economy of all those which make up the G20 of large economies around the world.

It has withstood the global economic crisis well.

This has been underpinned by a bold economic stimulus package of Indonesia’s and bold measures to underpin the stability of the Indonesian financial system.

Your national poverty reduction program is expected to benefit at least 35 million people.

Your nation of nearly 240 million spread across some 17,000 islands still faces many challenges—as do we in Australia with fewer millions and fewer islands.

But you have weathered the storm of the global financial crisis well through the strength of your leadership, and you have decided to exercise that leadership in order to avoid the alternative—mass unemployment—that would have brought great suffering to the people of Indonesia.

**Australia-Indonesia Relations**

A strong friendship means standing shoulder to shoulder not only when times are good but also in the face of the greatest of adversities.

At the time of the devastating Victorian bushfires, President Yudhoyono and the people of Indonesia did not hesitate to send their assistance to us.

At the time, Mr President, you wrote me a letter of sympathy and support containing the following words:

In the spirit of the Australia-Indonesia partnership, Australia’s success is also Indonesia’s success, and its misery is also Indonesia’s misery.

These were eloquent words. No sentiment better encapsulates the 21st century relationship we seek between our two nations, between our two democracies.

Mr President, we are neighbours by circumstance, but we are friends because we have chosen to be friends.

Indonesia sent aid when bushfires struck Victoria.

Australia, too, sent aid workers, doctors and engineers to help the relief, recovery and reconstruction after the Padang earthquake in September of last year.

Australia sent police officers to work with their Indonesian counterparts in the aftermath of the terrorist bombings in Jakarta, as we did after the Bali bombings in which so many, many Australian lives were lost.

And we will never forget the unspeakable tragedy of the tsunami when, as nations, we stood shoulder to shoulder together in responding to the violence of nature and you wept with us as we mourned the loss of our own military personnel who were killed while helping in the recovery.

Challenges like these, whether natural disasters or man-made scourges, have brought our countries and our people closer together.
Mr President, our modern relationship has been forged in much adversity—adversity which has deepened rather than strained the bonds between us.

Mr President, we are now building a culture of cooperation between us across so many fields.

We are investing in a joint disaster reduction facility.

We are partnering with Indonesia in building its own natural disaster rapid response force.

Our law enforcement agencies are working closely together on a daily basis to deal with the continuing threat of terrorism and, Mr President, today we congratulate the government of Indonesia on its further extraordinary success in fighting terrorism within its own country.

As co-chairs of the Bali process, we are also pursuing a far-reaching regional response to people smuggling and to irregular migration and I would thank the government of Indonesia for their strong and continuing support.

Through bodies such as the Bali Democracy Forum and the Regional Interfaith Dialogue, we are working hand in hand to foster tolerance, pluralism and democracy across our wider region.

We are also working together in the institutions of our region—in the East Asia Summit and in APEC. In the future shape of our region’s architecture, together we are helping to build the habits of cooperation across our wider region.

Globally, we now work together intimately in the councils of the G20 on the great challenges which now lie ahead for the international economy.

We also work together on the great challenges that respect no international boundaries, such as the challenge of climate change, on which your own leadership at Bali just over two years ago was so important.

As neighbours with different histories, as neighbours with different cultures and as neighbours with different challenges of economic development, we now come together on the global stage to shape a common future together.

Mr President, historically, so much of our engagement has focused on managing the bilateral relationship between us.

Now, our relationship enters into a new phase, when together we work in the great institutions of our region and the world to build a better region and to build a better world.

As you and I have so often shared in private, we also have the potential to demonstrate to the world at large how two such vastly different nations—one an emerging economy, the other a developed economy; one Muslim, the other of Judeo-Christian origins; one a founding member of the non-aligned movement and the other, one of the oldest allies of the United States—can work comfortably, seamlessly and positively together and in partnership in the great councils of our region and the world.

Mr President, Australia’s relationship with Indonesia is comprehensive, it is dynamic, it is economic, it is in foreign policy and it is in security policy, and in all these domains, the potential is vast.

We are ambitious for the future of our relationship.

We are committed to a new partnership for a new century for Australia and for Indonesia.

Your visit and your address to the joint meeting of the Australian houses of parliament further strengthen the ties between our two nations and they reflect, Mr President, the esteem in which Australia holds our na-
Mr President, you are a welcome guest in this parliament.

Honourable members—Hear, hear!

Mr ABBOTT (Warringah—Leader of the Opposition) (2.42 pm)—I rise to support the remarks of the Prime Minister. This is one of those rare and historic occasions on which the leader of another country addresses a joint sitting of parliament. Mr President, you follow the leaders of the world’s most powerful country, of the world’s most populous country and of Australia’s oldest ally in addressing this parliament. It is fitting that you do so, as the leader of the world’s fourth largest country, third largest democracy, largest Muslim society and as a fellow member, with Australia, of the G20.

Our two countries know what can be achieved when we work together. We worked together to rebuild mutual trust after 1999. We worked together to fight terrorism, particularly after Bali in 2002. We worked together to rebuild Aceh after the tsunami in 2004 and the subsequent earthquake and we have worked together to end people smuggling since 2001.

We have worked to end people smuggling before. It worked when we worked together before. People smuggling has started again and we can stop it again, provided it is done cooperatively and with a clear understanding of our mutual interests and with the right policies in place here in Australia.

Let me say that multilateral diplomacy is very important, but it is no substitute for deep bilateral engagement, because it is hard to make friends with everyone unless you are strengthening your individual friendships. I want to commend the Prime Minister for focusing this week on the vital friendship between Indonesia and Australia rather than on nebulous new communities.

Mr President, Indonesia is one of the world’s rising powers. We have been with you when you needed us and we are confident that you will be with us when we need you.

Honourable members—Hear, hear!

The SPEAKER—Mr President, it gives me great pleasure to invite you to address the House.

HIS EXCELLENCY Dr SUSILO BAMBANG YUDHOYONO (2.45 pm)—Bismillah ir-Rahman ir-Rahim.

Honourable Harry Jenkins, MP, Speaker of the House of Representatives; honourable Senator John Hogg, President of the Senate; honourable Kevin Rudd, MP, Prime Minister; honourable Tony Abbott, MP, Leader of the Opposition; honourable members of the federal Parliament of Australia; excellencies; ladies and gentlemen: I am greatly honoured and privileged to be given this rare opportunity to address this august chamber. May I also once again thank the government and people of Australia for the warm and gracious welcome you have extended to me and my delegation. It is really good to be back here, and thank you for the wonderful lunch. I also know that many officers reported for work on Monday, although it was a public holiday, to prepare for this visit. For that, please accept my gratitude and also convey my appreciation to your families.

The last time I spoke here was at a luncheon in this building in 2005. I am grateful for the invitation to address the Australian parliament today. I know that you invite foreign leaders to address this chamber only on very rare, very auspicious occasions, so I am very humbled by the honour of this historic occasion.
I have come to this great country to bring a message of goodwill and friendship from the good people of Indonesia. It is an important message that I trust will be well received in this great hall. I hope that it will also be heard beyond this parliament, in the homes and workplaces of all Australians. That message is very clear and simple: Australia and Indonesia have a great future together. We are not just neighbours, we are not just friends; we are strategic partners. We are equal stakeholders in a common future with much to gain if we get this relationship right and much to lose if we get it wrong.

Australia and Indonesia have evolved a special relationship. To illustrate the depth of our relations, let me take a few moments to mention the names of some very distinguished Australian citizens: Matthew Davey, Matthew Goodall, Paul Kimlin, Jonathan King, Stephen Slattery, Scott Bennet, Paul McCarthy, Lynne Rowbottom and Wendy Jones. They were selfless soldiers who died in a helicopter crash while helping Indonesian earthquake victims in Nias, Indonesia. Morgan Mellish, Mark Scott, Brice Steele, Allison Sudradjat and Elizabeth O’Neill were dedicated reporters, officers and diplomats who died in a plane crash in Yogyakarta while preparing a bilateral visit. And a highly-committed embassy trade official, Craig Senger, lost his life in the latest Marriott Hotel bombing in Jakarta.

These are ordinary names to the ear but they belong to very extraordinary people: heroes. These fine Australian men and women made the ultimate sacrifice in the cause of friendship, solidarity and humanity. Let us give them a big hand to show our deep respect and appreciation. Let us honour them by continuing their noble work to build bridges and help one another, for that is the business we are in.

We have come a long way together. In the last 60 years of our diplomatic relations we have gone through many ups and downs, many generational changes, many political eras and many crises. We in Indonesia will always remember that Australia resolutely stood by us when Indonesia was struggling for our God-given right to independence and statehood. We remember how Prime Minister Chifley, foreign minister Evatt and diplomat Sir Richard Kirby actively supported Indonesia during critical moments of diplomacy in the United Nations—a standard collegiate with that of the Netherlands. That was one of the finest hours of our relationship, and we have had many more high points since. Our intense and fruitful cooperation to bring the Bali bomber to justice and Australia’s outpouring of sympathy and rescue and relief efforts in the wake of the tsunami tragedy of 2004 were the emotional turning points of our bilateral relations.

I will always remember when Australian servicemen went all out to help us during the tsunami tragedy in Aceh and Nias. It was Indonesia’s darkest tragedy ever, but I was so proud to see Australian soldiers and TNI troops working together to save lives and bring relief to the suffering. We are two nations united by grief. It mattered to us in Indonesia that we were able to lend a helping hand to the Australian people during the bushfires in Victoria early last year. Yet over the decades ours was not always an easy relationship. One Indonesian observer in the 1980s described it as a love-hate relationship. There were periods when we were burdened by mistrust and suspicions at both ends. There were times when it felt like we were just reacting to events and were in a state of drift. There were moments when we felt as if our worlds were just too far apart. During the East Timor crisis in the late 1990s our relations hit an all-time low.
Today Indonesia looks at Australia in a different way. Australia means different things to the Indonesian generation of today. Australia is now a country of choice for Indonesian students and tourists. Indonesians admire Australia’s high standard of living, social dynamism, openness and generosity. They can watch the Australian Open on their TVs. They watch your soap operas and Australian stars such as Hugh Jackman, Mel Gibson, Nicole Kidman and the late Steve Irwin. They all have many fans in Indonesia.

Indeed, I know of no other Western country where Bahasa Indonesia is widely taught in the school curriculum. I know of no other Western country with more Indonesianists in your governments, universities and think tanks, and no other Western country has more Indonesians studying in their universities and high schools. Here I wish to extend my deepest gratitude to the professors, teachers, students and families across Australia who have been so kind and generous in welcoming tens of thousands of Indonesian students into your campuses and your homes. I have heard heart-warming stories from various Indonesians who studied and worked in this country, including from my son Ibas, who spent five years at Curtin University. So allow me to say on behalf of many Indonesian parents, ‘Terima kasih, Australia’— ‘Thank you, Australia’.

Excellencies, ladies and gentlemen, a watershed event in our relation is the comprehensive partnership that we entered into in 2005 and the agreement and the framework for security cooperation—or the Lombok treaty—that we signed the following year. The comprehensive partnership has locked us in a vision of two countries that are compelled to work closer together in pursuit of common objectives. The Lombok treaty has in a vision of two countries that are compelled to work closer together in pursuit of common objectives. The Lombok treaty entered into force in February 2008 through an exchange of notes in Perth. The plan of action for the agreement was signed in November 2008. For Indonesia, the Lombok treaty is a landmark since it makes possible forward-looking cooperation in the fields of traditional as well as non-traditional security. Let me stress that the Lombok treaty created neither a security alliance nor an exclusive club. It recognises the complexity of the security issues that our two countries are confronting together; hence, it is a treaty committing both sides to working together to address these complex issues. Moreover, both sides commit themselves to respecting each other’s sovereignty and territorial integrity. That means each side will in no way support any separatist movement against the other. Thus, the treaty is a paradigm shift in the notions of security, threat, mutual respect and cooperation. By signing onto this agreement we were changing course and reinvented Indonesian-Australian relations for the better. I commend the bipartisan stance of Australia that is firmly committed to the new partnership with Indonesia.

The same spirit prevails on the Indonesian side. Indonesia has a proliferation of political parties but, whichever is in power, a constructive relationship with Australia will always be of the highest priority. And what a difference it has made: in recent years, the contents of our relations have expanded. Our respective officials have become much more comfortable with each other and the pace of our interaction has picked up. Imagine: in our first 55 years of relations only three Indonesian presidents visited Australia, an average of one every 18 years or so. In the last six years I have visited Australia three times, an average of once every two years. Indeed, I have made it a policy to include Australia in my first batch of bilateral visits after each of my presidential inaugurations. It is also of enormous diplomatic significance that Prime Minister John Howard and Prime Minister Kevin Rudd attended Indonesia’s presidential inaugurations in 2004 and 2009. But we
should not be complacent. We must nurture our partnership patiently, prudently and creatively. The worst step we can take is to take this partnership for granted. We have to continue to earn each other’s trust, for trust is at the heart of our bilateral relations.

Excellencies, friends, the Australian-Indonesian partnership today is solid and strong, but just how far this partnership will take us will depend on our ability to address a set of challenges. Let me highlight at least four of them. The first challenge is to bring a change in each other’s mindset. I was taken aback when I learned that in a recent Lowy Institute survey 54 per cent of Australian respondents doubted that Indonesia would act responsibly in its international relations. Indeed, the most persistent problem in our relations is the persistence of age-old stereotypes—misleading, simplistic mental caricature that depicts the other side in a bad light. Even in the age of cable television and internet, there are Australians who still see Indonesia as an authoritarian country, as a military dictatorship, as a hotbed of Islamic extremism or even as an expansionist power. On the other hand, in Indonesia there are people who remain afflicted with Australia-phobia—those who believe that the notion of White Australia still persists, that Australia harbours ill intention toward Indonesia and is either sympathetic to or supports separatist elements in our country.

We must expunge this preposterous mental caricature if we are to achieve a more resilient partnership. I want all Australians to know that Indonesia is a beautiful archipelago. We are infinitely more than a beach playground with coconut trees. Indonesia is the world’s third-largest democracy and the largest country in South-East Asia. We are passionate about our independence, moderation, religious freedom and tolerance; and, far from being hostile, we want to create a strategic environment marked by a million friends and zero enemies.

Indonesians are proud people who cherish our national unity and territorial integrity above all else. Our nationalism is all about forging harmony and unity among our many ethnic and religious groups. That is why the success of peace and reconciliation in Aceh and Papua is not trivial but a matter of national survival for us Indonesians. We would like Australians to understand and appreciate that.

The bottom line is that we still have a lot of work to do when it comes to people-to-people contact and when it comes to appreciating the facts of each other’s national life. That is why I keenly welcome the Asian language studies program initiated by the Australian government. I hope the program makes Australia not only the most Asian literate country but also the most Indonesian literate country. Through its mission in Australia, Indonesia is supporting this program by providing Indonesian language teaching assistance in several primary and high schools in Australia. We are offering free language courses and establishing Bahasa Indonesia language centres in Perth and Canberra. We will do more of these in the future.

The second challenge to our partnership is how to manage relations that are bound to become more complex, more dense and more hectic. It is the law of diplomacy that as two countries get closer and interact at an increasing velocity we will experience some speed bumps. When we have a growth in traffic of hundreds of thousands of our citizens and official crisscrossing we should expect problems to surface. Our job is not to lament these problems but to solve them. That is why I welcome the bilateral arrangement for consular notification and a system that was agreed at this visit.
In the face of problems like that, we need to put in place more pragmatic ways of diplomatic consultation. Hence, I am glad that the Australia-Indonesia Ministerial Forum has progressed very well. Indonesia has quite a few bilateral forums with so many ministers on both sides taking part in extensive policy discussions. I am told that since Prime Minister Rudd assumed office we have had 69 ministerial visits both ways. That is an impressive number. We must sustain this good momentum.

For the same reason I am glad that our respective legislators are vigorously engaged with each other. As I stand before the parliament of this great country, I wish to thank the parliamentary group on Indonesia, chaired by the Hon. Jim Turnour MP, and its counterpart in Indonesia. Because of their initiative we have better policy coordination between our countries today.

In that same spirit I am pleased to announce that Prime Minister Kevin Rudd and I agreed today to upgrade our partnership with an annual leader’s retreat that is to take place alternately between Indonesia and Australia, and a two-plus-two annual meeting involving the foreign and defence ministers of both countries. I am sure that this new arrangement will further cement Indonesia-Australia relations and enhance trust between us.

The third challenge is how to make our partnership more opportunity driven. We know that it is already a rich and dense relationship between our countries, especially in the people-to-people contact, but we have much to do to really connect with our true potential. Indonesia is one of the world’s emerging economies and South-East Asia’s largest economy with a GDP of US$514 billion, the third-highest growth among G20 countries, a large market of 240 million people with a growing and sizable middle class, and a wealth of natural resources. Australia is a developed country—the 18th largest economy in the world, one of the world’s most competitive and innovative economies, with the best corporate governance and one of the easiest places to do business, with a GDP of US$920 billion.

The prospect of Australia and Indonesia is indeed bright and exciting, but these impressive statistics need to be reflected in our partnership. Our bilateral trade stands at US$6.7 billion in 2009, which grew 18 per cent in the last five years, but it is still growing at a much lower rate than Australia’s trade with ASEAN. Australian investment flows to Indonesia, which in 2009 was at US$79 million with 26 projects, ranked at No.12. Meanwhile, services account for only 10 per cent of our total trade. So we need to do better to harness these economic benefits. We need to encourage our private sector to do more business with one another. On that note I do welcome Australia’s effort in fostering greater economic linkages with the eastern part of Indonesia.

The fourth challenge for our partnership is how to address new issues. Just look at the list of issues that has defined recent Indonesia-Australia relations and captured public imagination in recent years and you will know what I mean: terrorism, tsunami, people smuggling and drug offenders. We live in a different time and we face different sorts of challenges. Both our countries are facing a new strategic reality where non-traditional threats are becoming more permanent. Terrorism, infectious diseases, financial crises and climate change, to mention only a few, threaten the lives and wellbeing of our citizens.

Our partnerships, to be relevant, must develop the capacity to deal with these new issues. In fact, the unique part of the Australia-Indonesia partnership in the 21st century
is how we cooperate beyond the bilateral context to tackle issues of global significance. I believe that Indonesia and Australia are on the same page on the need to foster a more democratic world order to reflect the changing global political and economic landscape. We are both firm believers in the virtue of multilateral relations and in the need to reform the United Nations system. In anticipation of what may well be the Asian century, Indonesia and Australia are also committed to strengthen and evolve the regional architecture to meet the challenges that lie in wait. It is important that such regional architecture evolves in ways that ensure a new equilibrium and usher in new geopolitics and geoeconomics of cooperation.

In addressing the global financial crisis, I am pleased that I was able to work closely with Prime Minister Kevin Rudd, through many phone calls back and forth, to push for the realisation of the historic G20 summit which commenced in Washington DC in 2008. It is a sign of the times that Indonesia and Australia now are part of the premier forum for international economic cooperation. We both share a strong interest in advancing the G20 process, reforming the international financial architecture and promoting balanced, sustained and inclusive growth. We also need to ensure that the G20 leaders avoid the danger of complacency that will result in the reform process losing steam. Prime Minister Rudd and I have kept in close consultation on international economic issues—and, yes, we do wink at one another during G20 meetings!

Prime Minister Kevin Rudd and I have also been in close touch on the issue of people-smuggling. Given the regional circumstances, this is an issue that seems likely to go on in the short term. Indonesia and Australia believe in the imperative of the Bali process, which recognises that people-smuggling is a regional problem that requires a regional solution involving the origin, transit and destination countries to work together. What is our response? At this visit, we have finally worked out a bilateral mechanism of cooperation to deal with this issue so that future people-smuggling cases can be handled in a predictable and coordinated way. We will continue to work together to advance the Bali process. We will speed up the process of relocating illegal migrants now stranded in Indonesia to another country. Now that we know much more about their modus operandi, our respective authorities will intensify their cooperation to disrupt people-smuggling activities. To strengthen our legal instruments, the Indonesian government will soon introduce to parliament a law that will criminalise those involved in people-smuggling. Those found guilty will be sent to prison for up to five years.

In the fight against terrorism, the Indonesian National Police and the Australian Federal Police will continue to work closely together, including in intelligence sharing, information exchange and capacity building. We in Indonesia continue to be relentless in our fight against terrorism. We have scored some major successes against dangerous terrorists such as Dr Azahari, Noordin Mohammed Top and their associates. In recent weeks, we were able to disrupt terrorist cells operating and training in Aceh and in other places in Indonesia which had some connections with other terrorist cells in the region. Just yesterday, our police authorities raided an important terrorist cell in a suburb of Jakarta and put several terrorist operatives out of commission. In any case, the Indonesian authorities will continue to hunt them down and do all we can to prevent them from harming our people. I agree completely with Prime Minister Rudd, who said in the aftermath of the Marriott bombing:
any terrorist attack anywhere is an attack on us all. Any terrorist attack on our friends in Indonesia is an attack on our neighbours.

Another major concern that we share is climate change. Prime Minister Rudd and I have worked closely since the Bali climate conference two years ago. Last December, we were both part of a meeting of 26 leaders that produced the Copenhagen Accord. But, beyond the multilateral forum, there is much that can be done between us while waiting for the new global climate treaty to take place.

I appreciate the opportunity to work constructively on the Indonesia-Australia Forest Carbon Partnership. Indonesia also appreciates Australia’s support for the Coral Triangle Initiative, which Indonesia initiated and which has become a collaborative effort with Malaysia, the Philippines, Papua New Guinea, Solomon Islands, Timor-Leste and Brunei Darussalam. This initiative will conserve the world’s greatest marine biodiversity area—in our region—known as the ‘Amazon of the seas’. The livelihoods of some 120 million people around this marine area are dependent on it.

In the same spirit of conserving our marine and coastal resources, we hosted the Manado World Ocean Conference, which Australia strongly supported. We worked with Australia to ensure the mainstreaming of ocean issues in the Copenhagen Accord. I wish to acknowledge Australia’s support for Indonesia’s initiative of forming the group of 11 tropical forest nations, or F-11. This group has contributed so much to the conservation and sustainable management of tropical forests, which are the lungs of the earth. In caring for our precious forest resources, we in the F-11 are also fostering the larger cause of sustainable development.

In the political field, we are cooperating to strengthen a positive trend in our region, the growth of democracy. I am grateful to the Australian government for strongly supporting the Bali Democracy Forum, which we launched in December 2008. The Bali Democracy Forum is the only intergovernmental forum in Asia on the issue of democracy. As peace-loving democracies, we are strong advocates of disarmament, particularly the eradication of nuclear weapons and their means of delivery. Thus Australia played a pivotal role in the establishment of the nuclear-weapon-free zone in the Pacific, while Indonesia was a key player in the creation of a South-East Asian nuclear-weapon-free zone.

Through the International Commission on Nuclear Nonproliferation and Disarmament, which is led by Australia and Japan, and other forums we are working closely together towards the attainment of a world of zero nuclear weapons. Because of efforts like these, perhaps in our lifetime we will no longer have to fear the possible tragedy of a nuclear holocaust.

Excellencies, ladies and gentlemen, Australia and Indonesia have become better nations, stronger nations, because we have each other for a friend and partner. We will get stronger and we will together contribute more to the peace, security and equitable prosperity of our region and the world in the years ahead. We will do that by faithfully pursuing our enhanced, comprehensive partnership.

Finally, I look forward to a day in the near future when policymakers, academicians, journalists and other opinion leaders all over the world take a good look at the things we are doing so well together and say: ‘These two used to be worlds apart but they now have a fair dinkum partnership. Why cannot we all do likewise?’ And because others will follow our example, the world will become a better place to live in. I thank you.
The SPEAKER (3.15 pm)—Bapak Presiden, terima kasih. On behalf of the House, I thank you for your address and the important messages, for your friendship and good humour, and for your ongoing work in strengthening the Indonesia-Australia relationship. I wish you, your wife, your ministers and the members of parliament and governors accompanying you a successful, safe and enjoyable stay in Australia. Selamat sukses!

Members and senators rising and applauding, His Excellency Dr Susilo Bambang Yudhoyono left the chamber.

The SPEAKER—I thank the President of the Senate and the senators for their attendance and impeccable behaviour. The sitting is suspended until the ringing of the bells.

House resumed at 4.15 pm

AUDITOR-GENERAL’S REPORTS

Report No. 24 of 2009-10

The DEPUTY SPEAKER (Hon. AR Bevis) (4.15 pm)—I present the Auditor-General’s Audit report No. 24 of 2009-10 entitled Procurement of explosive ordance for the Australian Defence Force—Department of Defence.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (4.15 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:

Migration Act 1958—Section 486O—Assessment of detention arrangements—2010 Personal identifiers 574/09 to 580/10—Commonwealth and Immigration Ombudsman’s reports.

Government response to Ombudsman’s reports.

Sydney Airport Demand Management Act—Quarterly reports on movement cap for Sydney airport—1 October to 31 December 2009.

Debate (on motion by Mr Hunt) adjourned.

QUEENSLAND FLOODS

Mr BRUCE SCOTT (Maranoa) (4.16 pm)—Mr Deputy Speaker, I seek the indulgence of the House to make a statement about the floods in Queensland.

The DEPUTY SPEAKER—Proceed.

Mr BRUCE SCOTT—Thank you, Mr Deputy Speaker, and I thank the House. I want to take some time to put on the public record some of the issues and to note the support we have had in Queensland in my electorate of Maranoa with these floods that are unprecedented in recorded history. To give the House some idea of the geographic distance and spread of the floods, they cover an area—obviously intermittently broken up by land mass—twice the size of the state of Victoria. Prior to the more high-profile areas that have been receiving some attention during the course of the last week, in what I would call the Darling River system, the Lake Eyre basin system right out in the west of my electorate—the Diamantina, the Bulloo, Barcoo and Quilpie shires—were certainly getting it as the rain depression moved across from the Northern Territory and dropped unprecedented amounts of rain. The Diamantina, the Georgina and the Barcoo-Thomson rivers all fed down towards the Lake Eyre basin in record floods which have cut off communities for the last two to three weeks.

To give the House some idea of how isolated people have been and what an impact the flood has had in the Bulloo shire, the flood in that region has been so prolonged that people have been able to drive out of Thargomindah for 14 days this year. This has
of course presented enormous challenges for basic household needs, like food, fuel, supplies and medical needs. Anyone who has had to move in and out of the area has had to go by air, which obviously underpins the importance of air travel and, of course, a good airport in these communities. Their lifeline really has been air support out there, and I think it is important that I acknowledge the great work of the council employees and the mayors in those shires. The work that they have done has been quite extraordinary.

To give the House some idea of the geography, think of a remote pastoral property up to 100 kilometres from the nearest town, isolated all the way by water, with the power cut, if the property were on rural power. If they were generating their own power, obviously the diesel that is used would be getting low. In some cases drums of diesel had to be transported by helicopter into these very remote pastoral properties so that they could keep power generated for refrigeration and to maintain electricity in those homesteads. That is in the west of my electorate. I know there are going to be severe stock losses out there, fences and property are going to be lost, and we probably will not know for several months the extent of the damage to roads in that part of western Queensland. These roads will be out for probably another month to two months to come, and we will not know even then whether we will be able to get heavy vehicles into those communities. The flooding does of course feed into the Lake Eyre basin and also into the Cooper basin oil and gas area and the Moomba gas fields—an important resource for the whole nation—and it will disrupt the movement of vehicles and personnel into those oil and gas fields.

Two little communities in the Quilpie shire, Adavale and Eromanga, probably did not make the news down here, but houses and people in those communities were cut off and inundated. Like so many people when we see adversity like this, they are self-help communities. People jump in and help each other, and that has been one of the remarkable features of this flood event across my electorate.

I want to mention the leadership of the mayors out there—Dave Edwards of Quilpie; Robbie Dare of Diamantina; my namesake, Barcoo Bruce Scott in the Barcoo shire; and John Ferguson in the Bulloo shire—and the local councils. I want to emphasise the local councils, because further east we have seen some amalgamation of councils. This has required someone to be able to take charge during this severe flooding event. To get an idea of what I mean when I say ‘severe flooding’, there have been unprecedented amounts of rain, with eight or nine inches on the old scale overnight in a town like Birdsville—which has an average rainfall of about five inches. So you can start to get some idea of the challenge that was confronting the local councils and employees which required the leadership of local mayors. I thank all of them.

Further east, to Charleville and the Warrego River, you move into what I call the Darling River system. It is often called the Murray-Darling Basin, but we should not confuse the two systems. I find them to be two totally different systems. The Darling River system is east of the Lake Eyre basin. Charleville was probably the worst hit of any of the communities in the Darling River basin in my electorate. They had over 500 houses that were inundated. I note Minister Bowen is here in the chamber: thank you, Minister. Your department’s people out there, the community services and the fact that you were able to have me on your plane as we visited Charleville yesterday to see what has happened there was great comfort to the people, and I want to say a little bit more
about the government support in a few moments.

It was one thing for people to have the first flood through their homes, with very little notice—within eight to 10 hours—and to start the clean-up but, two days later, the flood came again and inundated the same homes. This is a traumatic event for people and families. It is about the safety of people, being able to evacuate people, being able to keep moving the emergency services in—they could not come by road; they could only come by air, often by helicopter—and deploying them in the areas to help these communities. Mark O’Brien, the mayor, showed enormous and wonderful leadership in that area. Once again, it showed a local council leading and being able to bring the emergency services meetings together to coordinate the efforts of the SES, Emergency Services Queensland, the rural fire board people and emergency people from New South Wales who were also up there with helicopters. Once again, that local leadership was needed.

I noted—and I am sure you did, too, Minister—that the volunteers who were manning the community support there were able to process claims for cash grants and other grants that will obviously flow for people who may not have been insured. There were people from the Red Cross. I sat down with Betty Taylor, from your electorate, member for Hinkler. People from Townsville and Cairns came out to help their fellow Queenslanders, their fellow Australians. They were just so busy. They showed compassion for people who were obviously in a distressed situation and were able to calmly deal with the situation and get that cash and emergency aid coming through to the people as they went back to their homes and started to clean them out. Councils were able to take the destroyed carpets and beds and almost all of people’s belongings that were on the front footpaths away to a rubbish tip.

Minister, you might have seen the local doctor there in Charleville and the new rural medical infrastructure that had only been opened in the last 12 months and how proud she was of the equipment that she put in there, because she wanted to have a beautiful surgery. Much of the money for that new rural medical infrastructure and the consulting rooms had been provided by the Commonwealth, but it has all been destroyed. No one could ever have believed floodwaters would have entered that medical centre. In fact, two weeks ago, Minister Albanese, the Minister for Infrastructure, Transport, Regional Development and Local Government, opened the local town hall, after some stimulus money had gone into the refurbishment. That hall was also inundated and some of the money that was spent there will have to be spent again. The beautiful floor will have to be lifted. Also, the paint and some of the other materials in the kitchen have also been destroyed. It will take a long time for a community like Charleville to recover. Although they have seen it all before, this is one of those extraordinary floods that, notwithstanding they had a levee bank built to keep the Warrego River out of the town, the Bradley’s Gully, which has approximately a 450,000-acre catchment, had 10 inches of rain overnight on two occasions and that is what flooded the town.

I now move further east to my own hometown of Roma. I was actually going to do a Commonwealth health promotion, a Healthy Living breakfast, but I was blocked because of floodwaters. My rain gauge recorded eight inches on the hill that I live on—and, thank goodness, I live on a hill. To give you some idea of the magnitude of what hit the people of Roma, where 200 houses were inundated, according to the official recording station at Bungil Creek the water rose eight metres in
six hours. If that occurred on the coast you would say you had a tsunami. That was the type of event that hit mainly homes and a couple of small businesses in my hometown of Roma.

I talked to a young teacher who was on her first job in western Queensland. She had left her flat at eight o’clock in the morning and gone to school, not thinking that by midday she would be alerted to the fact that her flat, which she rented, was four feet under water. All the goods she had bought that had not been insured—the refrigerator, the bed, the little lounge chairs and things like that—were destroyed. It gives you some idea of the sudden impact that this has had on families. They had no chance to move anything out of their homes. The big effort on that day, at midday, was about getting the SES and council workers into these low-lying areas and also into areas that had never seen water in recorded history and about helping people, children and babies and getting them to higher ground.

Further downstream, those systems run into the Condamine and Balonne. As I understand it, over in the town of Meandarra, which has never had inundation, 16 to 20 houses were inundated. Once again, a sudden impact, a shock, hit them so quickly. Down at St George, people certainly had time to prepare, with sandbags, for perhaps the worst flood they had ever seen. In fact, they had the highest recorded flood they had ever seen in St George. The Minister for Human Services and Senator Ludwig were with me yesterday. To see the sheer volume of water moving down into the Darling River system is wonderful, but of course it is doing damage. Whilst we have that, we also hope for much better times ahead.

For those who often like to use Cubbie Station in my electorate of Maranoa as one of those touchstones for all the problems of the Murray and Darling River system, can I just let them know that 320,000 megalitres of water is passing through the Beardmore Dam gates every day. In a day and a half that volume of water will fill Cubbie Station’s storages. That water is still running through today. It will run through tomorrow and the next day and it will run through at that rate for several weeks. It gives you some idea of what this volume of rain can do. To put it into perspective for people, it will take a day and a half to fill Cubbie Station—that wonderful irrigation farm that is currently in voluntary administration. Now it will be back in production it will produce about 120 jobs, and up to 300 with all the subcontractors, in the townships of Dirranbandi and St George. That is the kind of hope for a better future. But we have to get through the here and now as the waters go downstream.

While we were in St George yesterday, Minister Bowen, the emergency services and community support were not able to get out to Dirranbandi, Thallon, Hebel and Bollon. Premier Anna Bligh had been to Bollon several days earlier and there was nowhere to land. They found a dry spot just to the west of town and they took her into town on the back of a tractor carryall. She had water up to her knees as she went in to see the people of Bollon, who were all perched at the hotel. That was the only bit of dry space where they could meet—and that is where the people of Bollon have been for the last three or four days. Likewise at Cunnamulla, which has got a levy bank, they have done magnificent work in closing off the levee to the town. That is certainly going to save Cunnamulla from the inundation that would otherwise have happened without the levy banks.

I record my appreciation for the wonderful work of the community services, the State Emergency Service, the fire brigades, the local residents and Telstra. All of those services have been absolutely magnificent.
They went to those communities and we had them deployed to a building to help with cash grants and advice. They were there just doing their job. It was just wonderful to see—as I am sure you saw yesterday, Minister—the relief on so many people’s faces. We are all aware of what the support, through these cash grants, means to the community.

I also thank the Prime Minister. I was speaking to his office and I said: ‘This is not about politics; this is really about people.’ I wanted to make sure that, whatever happened, we took a bipartisan approach. We have got to do the best we can as a state, as a local government and as a nation to help these people back. There is no politics. If anyone wanted to play politics out in my part of the world whilst this is happening, I can assure you they would not be welcome and they would soon get the short shift from people who can pick someone playing politics a mile away.

I thank the Prime Minister and thank Minister Albanese, who tried to get me three or four times by mobile phone. In the end I was getting voice mails before we could make contact with each other. I said to my office, ‘If that is Minister Albanese, next time, if I am on the phone to Buckingham Palace, please put them on hold and I will take Albo’s call.’ He was very interested. I think it demonstrates the genuine concern from ministers of the government to help these communities. I had calls also from my leader, Warren Truss, on several occasions, as was the case with Tony Abbott, and I told them the same thing. I gave them an overview of the picture that we are now confronting and will for several months yet. This is about helping people, saving lives, making sure that people are comfortable and helping them make the best of what has been a very difficult situation for so many families.

I think there are two messages that are coming from the mayors in many of the communities. We hope that any of the grant or insurance money that people are receiving for rebuilding and reconstruction is all spent locally. We might not be able to get all the tradesmen locally but we hope the money is spent locally. I think that is the message that all these communities want to send: if it is public money or insurance money, please can we see as much of it as possible spent in the local communities to help those communities—because they too will be suffering from the loss of revenue. This takes a while to feed through the system and people will be naturally focused on the rehabilitation before they will start to spend on other personal effects.

In looking at our communities and at the volunteers who come forward, on Sunday in Charleville and in my home town of Roma, the Commonwealth Bank opened up just to cash the cheques, which were Commonwealth Bank cheques. That gives you some idea of how people felt about their fellow Australians: they opened on a Sunday to cash these cheques. It is just extraordinary. You could say that about all those throughout my electorate who have been affected by these floods. That is the sort of response we got from local people.

I want to acknowledge the great work of Telstra Country Wide. They were absolutely magnificent. I know in St George and in Roma they opened up the pay telephones as free phones because that may have been the only phone someone had. They have made free mobile phones and satellite phones available. They have got a new plan for rental costs to help people that have lost a connection to their home or will not be able to go back their home. Telstra Country Wide have been absolutely fantastic, as have the other emergency services. I want to place on the record the great work that they have done.
and the fact that they are a physical presence in our community.

Finally, once again, to the members of the ministry here, the Prime Minister, the Leader of the Opposition, the Leader of The Nationals, Warren Truss, and all of those at a state level—including Anna Bligh, who was out there on several occasions—I thank all of you. This is about people. This is about how we can all do the right thing by these people and help these communities to rehabilitate, to get going and look forward to the better times that the rain will ultimately leave behind. I thank the House.

Mr BOWEN (Prospect—Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services) (4.35 pm)—on indulgence—As the honourable member for Maranoa said, yesterday he and I, together with the Special Minister of State and, for some of the time, Senator Joyce, were able to visit some of the affected communities to tour the area and assess the damage. There were two reasons I wanted to go to the affected area. Firstly, I wanted to thank the staff members of government agencies, both those locally based in the affected areas and those who had flown in for the purpose, for their tireless work in assisting these communities over many hours—often very long hours and often with very little sleep—and, often, for those who are locally based, dealing with trauma in their own family. Several staff members that I had spoken to had homes which were flooded but their key priority was assisting others.

Secondly, I also wanted to assess the government’s response to ensure that we were doing everything we could and to assess whether there was anything we needed to do better or anything more that needed to be done. I am very pleased to be able to report to the House that federal government agencies, primarily Centrelink, and state government agencies, primarily Emergency Management Queensland and the Department of Communities, and local government agencies and not-for-profit organisations such as Red Cross, the Salvation Army, Lifeline and the SES, as well as private companies like Telstra and the banks, have come together as one to provide seamless support and assistance to those affected.

Yesterday we were able to visit St George and Charleville. It is true that the degree of damage, indeed devastation, is very significant. We expected to see that. It is also true that the degree of resilience and determination in those communities is very evident. They are not all in the same situation. It is easy for those of us who are watching from afar on television to assume that there is one flood and one situation. That is not the case. The people of St George, for example, got significant notice that the flood was coming. That does not mean the devastation has been less, but it means it has been different. The people of Charleville had very little notice at all. Several people I spoke to went to work at eight or nine o’clock in the morning and by 10 o’clock their houses had been deluged, with no warning at all. So these situations are very different.

Yesterday we were not able to get to places like Quilpie, Thuringowa and Dirranbandi, but they were very much in our thoughts and they were very much in our questions as we spoke to members of the various government instrumentalities and not-for-profit organisations about what support and assistance is being supplied to people in those communities. It is very difficult in some circumstances there, where access is very limited indeed, but nevertheless the support is being given.

The government has activated, through the Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny

CHAMBER
Macklin, the Australian Government Disaster Recovery Payments, and they are a big focus of the government’s response. Yesterday, further assistance was announced by the Prime Minister and Premier Bligh in relation to primary producers and small business. This is very significant, and I thank the member for Maranoa for both his public and private comments on yesterday’s announcements. A number of small business people I know had difficulty getting insurance coverage for floods. Underinsurance is a big issue around Australia but, where a company tries to get insurance but cannot get insurance, that is a separate question altogether. I know that the further announcements made yesterday, with grants under two different programs of up to $20,000 or $5,000, will be very significant in those communities.

I say to the House, as I have said to the member for Maranoa, that the government stands ready to listen seriously to any further issues or requests that arrive. As the member for Maranoa said, the Prime Minister spent a considerable part of the weekend on the phone to the various mayors, which I know the mayors appreciated. The member for Maranoa should not hesitate to provide further information, requests or anything of that nature to the government, because we stand ready to take seriously any requests.

I thank the mayor of Charleville, Mark O’Brien, and the mayor of Balonne, Donna Stewart, for their assistance yesterday. It was very useful to have them personally giving us a tour of the towns, talking about the issues that the community is suffering at the moment and talking very positively and constructively about the recovery and the determination of the communities. We stand side by side with them.

MINISTERIAL STATEMENTS
Home Insulation Program

Mr COMBET (Charlton—Minister for Defence Personnel, Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency) (4.40 pm)—by leave—On Friday, 26 February the Prime Minister appointed me as the Minister Assisting the Minister for Climate Change and Energy Efficiency. The government has determined to move the energy efficiency areas of the Department of Environment, Water, Heritage and the Arts into the Department of Climate Change, thereby creating a Department of Climate Change and Energy Efficiency. Within the Climate Change and Energy Efficiency portfolio, I have the responsibility for the wind-up of the Home Insulation Program and the introduction of the new Renewable Energy Bonus Scheme. I am assisted in that task by the member for Isaacs, and I thank him for his assistance.

It is the Home Insulation Program that I wish to address today. The government’s Home Insulation Program was terminated on 19 February as a result of safety and compliance concerns. I am advised that, from 1 July 2009 until the program closed, around 1.1 million Australian homes had been insulated, at a cost of approximately $1.5 billion. In my statement today I want to update the House and the community on the steps being taken by the government to wind up the program. As the responsible minister I have five principal objectives:

- to put in place a household inspection program to identify and address the extent of safety and fire hazard concerns, to mitigate risk, and thereby reassure householders who have had their homes insulated under the program;
- to assist industry and employees adjust to the termination of the program and transition to the new scheme;
to identify and put in place processes to deal with issues of noncompliance and fraud;
• to identify any failures of administrative processes within government associated with the design and implementation of the Home Insulation Program; and
• to introduce the new home insulation component of the Renewable Energy Bonus Scheme on a sound footing.

In my statement I will outline three particularly significant responses to the problems experienced with the Home Insulation Program:

1. A commitment by the government to remove foil insulation, or alternatively install safety switches, in over 50,000 homes.

2. A commitment by the government to do a safety inspection in a minimum of 150,000 homes, in addition to the action taken in relation to foil insulation. If a risk assessment identifies the need for more inspections, those inspections will be undertaken.

3. A commitment by the government to aggressively pursue those who may have committed fraud. As my statement will make clear, the actions of unscrupulous operators have had a serious impact on legitimate businesses, employees and household safety.

To begin, however, I would like to express my sincere sympathy to the families of the four young men who lost their lives while installing insulation under the program. They were Matthew Fuller, Rueben Barnes, Marcus Wilson and Mitchell Sweeney. These four fatalities are independently the subject of workplace safety authority investigations and reports, police investigations, and will also be the subject of coronial inquiries. The government will do what is necessary and appropriate to support these inquiries.

The deaths of these four young men is a terrible tragedy. Each of them was entitled to a duty of care from their employer. Having spent much of my life representing working people in relation to occupational health and safety, I find these fatalities very distressing. Firms that have flouted their obligations to employees under the program will be a focus of my attention as minister. I will use all of the resources at my disposal to ensure that they are held accountable. The labour movement in this country has long fought for rights to protect employees from unsafe work practices, and these values will inform my own approach to responsibility in relation to the Home Insulation Program and the new Renewable Energy Bonus Scheme. I have spoken with a member of each of the families, and on behalf of the government and myself as minister, expressed my deepest regret and sympathy.

**Context for the Home Insulation Program**

As I stated earlier, the purpose of my statement today is to outline the approach that I am taking to the wind-up of the Home Insulation Program. It is important firstly to place the origins of the program into context.

The program was designed as part of the government’s response to the global financial crisis. In late 2008 and early 2009 the government was implementing measures designed to stimulate and support economic activity and employment. The Home Insulation Program was part of these stimulus measures, which has had a very positive impact on the economy and employment. The environmental objectives of the program were also very important. The energy efficiency of residential buildings can be a significant factor in Australia’s capacity to reduce its greenhouse gas emissions.

On the workforce front, the Home Insulation Program led to the registration at the peak of installation activity of over 10,000 installation firms, employing many thousands of workers. The program delivered the
first ever national training program for ceiling insulation employees, and over 3,700 workers have so far completed the new training package. Safety standards, in what has largely been a self-regulated insulation industry, have received long overdue attention and improvement.

However, the dramatic increase in household demand for insulation installations under the program generated significant problems. Longstanding participants in the industry have advised me that the market for the retrofitting of insulation in homes has historically been around 60,000 to 70,000 homes per year. Under the program more than 1.1 million homes were insulated in less than eight months, at an average of over 137,000 per month—that is, twice the previous annual average number of home insulation jobs were completed on average each month under the program. That is an extraordinary result.

These figures I think provide important perspective—the rate of home insulation under the program could not possibly have been achieved without a very dramatic escalation in the supply of household insulation and in the size of the installation industry. The larger longstanding participants in the insulation industry have historically self-regulated in order to build and maintain their business reputation, consumer confidence in their product, and their market share. The entry of many thousands of new insulation installation firms, some of which engaged in unscrupulous conduct, and the probable importation of some poor quality insulation products to meet the dramatic escalation in demand, contributed to many of the risks and problems experienced under the program. Some of the issues include:

- The use of insulation products that failed to comply with Australian standards;
- Poor quality installation of insulation in some homes, including breaches of building regulations and occupational health and safety laws;
- Safety and fire hazards in some homes;
- Breaches of consumer protections; and
- Entry into the installation market of operators intent on committing fraud.

Mr Katter—Mr Deputy Speaker, I raise a point of order. The claims of misrepresentation here—

The DEPUTY SPEAKER (Hon. AR Bevis)—There is no point of order. The member for Kennedy will resume his seat. I assume he wishes to participate in the debate later. He would be well advised to sit there quietly so that he can.

Mr COMBET—In stating this, it is important that I emphasise once more that the available evidence indicates that a large majority of home insulation installations have been completed in compliance with the program. Of course, there are many legitimate and reputable companies that operate in the industry and did so under the program as well.

I wish now to address one of the principal priorities of my work, and that is to assure householders that the government is acting to mitigate safety and fire risks.

Mitigating Risk for Households

There has been widespread anecdotal reporting of problems associated with the installation of insulation in homes, centred upon safety and fire hazards. As of this morning, I am advised that 105 fires, including smouldering or smoking insulation, have been formally linked to installations under the program. It is important to note that historically, prior to commencement of the program, there were on average some 80 to 85 fires per year associated with insulation. The government’s approach to the safety and fire
hazard issues is informed by the fact that there are two distinct categories of insulation that need to be considered—foil insulation, and other insulation products.

**Foil Insulation**

Significant risks have been identified in relation to the installation of foil insulation, a metal product which is in fact highly conductive. I have been advised that foil insulation has been installed in approximately 50,300 homes, the vast majority in Queensland and northern New South Wales. Approximately 85 per cent of these installations are in Queensland.

Because of its conductivity, and its proximity to electrical wiring, it is now held that horizontally laid foil insulation on the ceiling joists is unsafe. Two of the four fatalities, both apparently as a result of electrocution, have been associated with the installation of foil laid horizontally in ceiling spaces. I am advised that foil insulation products, if used and installed correctly, are safe and effective products and that they will, of course, continue to be widely used in the construction industry. Foil product is most commonly used as insulation lining around external walls and roofs, inside the wall cladding and roof cladding during home construction. But the installation of horizontally laid foil across ceiling joists under the program is a safety issue that the government is determined to address.

An initial inspection of around 1,000 homes fitted with foil insulation has found that three per cent had electrical safety risks associated with the installation of foil, including 15 homes with ‘live’ foil. Around five per cent had fire safety risks. The safety inspections revealed that 20 per cent of homes were found to have pre-existing electrical safety risks that were not related to the insulation. Thirty-three per cent of foil installations involved the use of metal staples after this practice had been prohibited under the program.

The government has committed to conducting electrical safety inspections in homes in which foil insulation has been installed under the program. The current interim arrangements enable a household to arrange for a licensed electrician to conduct an electrical safety test, with the cost to be reimbursed by the government. These arrangements will be replaced in the near future with a program of foil safety inspections funded directly by the government. Householders will be contacted initially by letter and then by telephone to make a booking for a licensed electrician to conduct an inspection. However, the advice that the government has received indicates that the electrical safety inspection, if it finds no risk, will only certify that there is no electrical safety risk on the date of the inspection. The residual risk arises from the potential for foil insulation laid in proximity to electrical wiring to become live at a subsequent point in time through degradation of wiring by ageing, heat exposure and moisture, vermin damage, or by damage caused by tradespeople or householders entering the ceiling space. This is an unacceptable risk.

The Electrical Safety Office in Queensland is recommending that horizontally laid foil insulation be removed or, alternatively, that safety switches be installed in household electrical circuits. On 23 February this year the ESO issued a safety alert on managing foil ceiling insulation risks which included the following statement:

The Electrical Safety Office considers that the safe removal of foil from the ceiling space provides the greatest level of electrical safety. Alternatively, householders should consider the installation of safety switches for all final sub-circuits and sub-mains located in the ceiling space by a licensed electrical contractor.
This specific ESO advice postdates the termination of the program and was not therefore available to the previous minister, Peter Garrett, during the operation of the program. As a consequence of this and similar advice recently received from organisations including Master Electricians Australia and the National Electrical Contractors Association, the government is as a matter of urgency preparing a plan for the safe removal of foil insulation or alternatively the installation of safety switches. In the meantime the government will continue with its commitment to electrical safety inspections. An announcement concerning the further measures to deal with foil insulation will be made as soon as possible.

The removal of foil insulation may be the most appropriate safety measure in houses where electrical wiring is old, degraded or damaged, or cannot be inspected because a blanket of insulation has been laid over the wiring. If the wiring is visible and in good condition and the insulation is installed correctly, safety switches may be a safe alternative. We are currently seeking the input of industry bodies and regulators in relation to these and other issues associated with foil insulation. The Australian government will fund the foil removal or safety switch installation program.

Other Insulation Products

In relation to the more than one million households which have been installed with non-foil insulation products, the government is committed to a large-scale home inspection program to identify and mitigate risks. Non-foil products include glasswool batts, polyester and cellulose products.

Although the Home Insulation Program has been terminated, a number of risk mitigation measures previously initiated remain in place. This includes an inspection regime which has so far completed approximately 15,000 roof inspections and over 1,000 desktop audits. I am advised the analysis done on inspections completed to date have shown:

- 66 per cent of installations were fully compliant;
- 7.6 per cent had fire safety hazards;
- 16 per cent had other quality issues including non-compliant insulation product and incomplete installations;
- 0.5 per cent involved potential fraud; and
- 9.5 per cent were unable to be completed for various reasons.

I am advised that caution must be exercised in extrapolating the results of this sample, as it may not be representative of all homes insulated under the program. That is because the inspections to date have to some degree targeted installations by firms with a poor compliance record. However, on the basis of these results, the potential for safety and fire hazards, I can confirm that the government will inspect a minimum of 150,000 homes installed with non-foil insulation under the program. Taken in addition to the inspections of foil insulation, this means that a minimum of 200,000 homes will be inspected. As minister, I am working with the Department on the development of this inspection program as a matter of very high priority.

The proposed inspection program will involve a targeted, risk-based audit and inspection approach. If a risk assessment indicates that additional homes should be inspected, further inspections will be undertaken. However, there can be no guarantee that all risk will be eliminated. The inspection of houses installed with insulation by companies with known non-compliance problems will be a priority. In developing the inspection program, the involvement of longstanding, reputable firms with strong brands, who are pre-
pared to stand behind their products, and the quality of their installation, will be a foundation for the restoration of confidence. The inspection program will be overseen by a newly established Home Insulation Program Review Office within the Department of Climate Change and Energy Efficiency.

The scale of the task to inspect a minimum of 150,000 homes with non-foil insulation is immense, but it must be undertaken. As I stated earlier, the Australian government will continue household inspections if necessary. Some further time is needed to develop and implement the inspection program, and to build into it appropriate safety and risk mitigation measures. The government will announce the program once this work is completed. To ensure industry and regulatory involvement in the design and implementation of the foil and non-foil inspection and risk mitigation programs the government has appointed an advisory panel comprising a number of industry, employee and regulatory representatives. They include:

- Dr Ron Silberberg, ex-Managing Director of the Housing Industry Association;
- Mr Peter Tighe, National Secretary of the Electrical Trades Union; and
- Mr Tony Arnel, Victoria’s Building and Plumbing Commissioner and Chair of the Green Building Council of Australia.

In addition to the minimum 150,000 non-foil inspections that will be undertaken, I want to emphasise that householders with concerns are able to contact the safety hotline on 131792, which is already operational. Until the new inspection program is in place, the current arrangements enable householders who have safety concerns to ring and request a safety inspection, which will be carried out as soon as possible. In relation to callers with other concerns, names and details are taken and they will be contacted once the new inspection program is finalised.

The scale of the task at hand has presented some operational difficulties at times for the hotline. But all efforts are being made to ensure that up-to-date and accurate information is available to callers in a prompt manner.

**Impacts on Industry and Workers**

The second major issue surrounding the program has been the impact it has had on the industry and workers. The government acknowledges the impact that the program’s termination has had on the industry, and we are committed to helping industry and employees manage the challenges over the coming months. While the program has ended earlier than anticipated, it is important to recognise that it would have concluded in some months time when the limit of allocated funds was reached. Industry adjustment was always therefore due to occur at the conclusion of the program, as demand returned to pre-existing levels. The decision to terminate the program prematurely has been influenced by the conduct of a number of unscrupulous operators. Their behaviour has resulted in widespread harm to legitimate businesses and the redundancy of many employees. For the hardships caused, for the loss of value of legitimate businesses, for the extent of safety and fire hazards, for the loss of consumer confidence and for the failure of duties of care and regulatory compliance, the government attributes a burden of responsibility to the minority of companies in the program that cut corners to achieve a quick buck.

On 24 February 2010, the Prime Minister announced a $41.2 million industry assistance package for insulation workers. The government’s commitment is that displaced workers will receive either:

- support to retain their current job until the new Renewable Energy Bonus Scheme begins; or
- assistance to find alternative jobs; or
The government is currently examining other mechanisms which may be of assistance to insulation manufacturing and installation firms. However, the best assistance government can provide is to help restabilise consumer confidence and a return to normal business activity levels and stability in a timely way. This objective is central to my approach in working with the longstanding reputable industry participants.

**Program Administration, Noncompliance and Potential Fraud**

As I have previously outlined, the low barriers to entry to the insulation installation market, in combination with the extraordinary demand created by the program, led to the registration of many thousands of new installation companies. Despite the measures put in place to ensure companies met and complied with program requirements and their broader regulatory obligations, some unscrupulous operators became involved. One consequence was the potential for non-compliance with program guidelines and relevant legislation and regulations, including occupational health and safety laws. Claims have been made not only of non-compliant and potentially hazardous insulation installations but also of fraud.

It was initially estimated that approximately 90,000 installations would occur each month after the launch of the program on 1 July 2009. In fact, by November 2009 demand had reached almost 180,000 installations that month—almost double the anticipated monthly demand. On average, 4,566 claims were received per day since 1 July 2009. The level of demand created significant difficulties not only for the administration of the program but also for the management of audit and compliance. During the program design process, potential risks were canvassed in the Minter Ellison report received by the department in April 2009. Attached to each of the risks identified in the report were proposed mitigation actions. The risk register tracked these actions. I am advised that this information, along with other inputs, informed the overall program design. Notwithstanding the best endeavours of those responsible for the program design, the behaviour of unscrupulous operators led to the realisation of a number of these risks in the delivery of the program—most notably concerning the quality of installations and fraud.

In light of this experience it is appropriate that, with respect to the design and administration of the Home Insulation Program, the government has appointed former senior public servant Dr Allan Hawke to conduct an independent review. This review, to be completed prior to the end of March, will advise the government of the lessons to be learnt in the design and administration of the Home Insulation Program. Apart from the administration and design issues there are other issues related to the program that need to be addressed. One obvious issue concerns safety for both households and employees and how it was dealt with.

The government, through former Minister Garrett and the department, took a number of important steps to mitigate safety risks. Program requirements built upon the pre-existing frameworks for standards, quality, safety, training and consumer protection. These were added to by Minister Garrett and the department from time to time in response to experience. From the outset, products installed under the program were required to comply with the Building Code of Australia and the Australian Standards. A national compliance and audit program was put in place. Specific installer training was developed, incorporating workplace health and
safety components. These training materials were developed in conjunction with industry, professional associations and installers.

Following some serious workplace safety incidents, the training program was enhanced with more information on site risk assessments, the identification and control of electrical and other hazards and assistance for workers with lower literacy levels. A new unit of competency specific to residential ceiling insulation was also developed. The first approved list of products that met Australian standards for insulation was promulgated. The government announced additional safety precautions on 1 November 2009. These included:

- a ban on metal fasteners for foil insulation such as metal staples or nails;
- mandatory installation of covers over downlights and other ceiling appliances, which although commonly used, are not compulsory under the Australian Standards; and
- a targeted electrical safety inspection program of Queensland homes with foil insulation installed under the program.

In addition, from 1 December 2009, a mandatory formal risk assessment for every installation was required before any work could commence. Minimum training requirements announced in December further strengthened the requirements of installation firms. On 9 February this year, following safety concerns, the use of foil insulation was suspended under the program. This was largely because there was evidence that measures to prohibit the use of metal fasteners for foil insulation in November last year were not complied with.

In relation to foil insulation safety concerns, interim arrangements were put in place so that any householder with immediate safety concerns could engage a licensed electrician to conduct a safety inspection and undertake any necessary rectification work. A more stringent set of registration requirements for the overall program was put in place, with effect from 12 February. The number of registered installers then fell to approximately 2,500, with approximately a further 950 firms partially fulfilling the requirements. At the peak of activity more than 10,000 firms had been registered.

Despite the intent of changes to strengthen safety under the program, the government made the decision to close the program on 19 February due to the risk of further poor quality installations leading to safety concerns. Household safety and risk mitigation will be addressed through the foil and non-foil insulation inspection programs for households that I have already outlined.

Beyond these safety issues, it is also apparent that fraud has been committed. This was one of the risks identified during program design. Steps taken to mitigate this risk included the following:

- Every insulation installer that was registered to be part of the Home Insulation Program had to comply with the rules of the program.
- These included requirements that an installer must get a work order form signed by the householder following installation of insulation. This form was to be produced on request.
- Every installation was also followed up with a letter from the department to the householders confirming the installation.
- In addition, the government had a program of targeted and random audits including ceiling inspections, desktop audits, field audits and business profiling.

Since the termination of the program, the department’s compliance activities are continuing. The department will continue to
work closely with the Australian Federal Police, as well as state and territory police. I am advised that three cases of alleged fraud have been referred to the Australian Federal Police. As minister, I am disgusted that any fraud may have been committed by firms under the program. I will ensure that investigation of fraud is appropriately and diligently pursued.

I wrote to the Auditor-General on 3 March requesting that he consider the commencement of an audit of the Home Insulation Program as a matter of priority. The Auditor-General has agreed to conduct an audit. I have also taken advice from the department as to the appropriate way to evaluate the scope for fraud that may have occurred, and to identify cases so that such matters may be referred to the AFP or other relevant authorities. The department has advised me of its intention to appoint a firm to conduct a forensic audit of the program for this purpose. The department has moved to conduct a new fraud risk assessment and to move additional staff and resources into audit and compliance work.

In what have been termed phantom installations, fraud could have been committed by registered installers claiming payment for installations not actually undertaken. In the seven days following the termination of the program, I am advised approximately 107,000 claims were submitted. Many of these remain to be processed. However payments will not be made until the department is satisfied that actual work has been completed. This will unfortunately cause cash flow pressures for legitimate businesses, but is important if further fraudulent conduct is to be prevented. Legitimate claims will be processed as soon as possible and I am advised that further staff are being employed to help process these claims. Any household who believes that they may have been a victim of fraud should contact the Energy Efficient Homes Package Hotline on 1800 808 571.

As an example of the nature of the compliance issues being dealt with by the department, one company in northern New South Wales which has claimed $9.6 million under the program is being investigated in relation to over 100 complaints concerning electrification of foil insulation, dangerous electrical practices, damage to ceilings and roof coverings as well as phantom installations. I am advised that all payments to this company have been suspended and action is being taken to rectify safety matters and to reclaim government funds.

All installers registered at any time under the program are warned that they must retain all records of all installations and claims, including the worksheets. As minister, let me assure all those who may have participated in non-compliant or fraudulent behaviour in connection with the Home Insulation Program that we will track you down. The Australian government will not tolerate this conduct, and we will work with all relevant authorities to investigate and prosecute individuals and companies that have engaged in such behaviour. They will be pursued with rigour.

**New Program – Renewable Energy Bonus Scheme**

As the government has already announced, a new Renewable Energy Bonus Scheme will replace the Home Insulation Program. Under the Renewable Energy Bonus Scheme, households will be able to receive a rebate for the installation of ceiling insulation or a solar hot water system or a heat pump. $1,000 rebates will be available for ceiling insulation and solar hot water systems, and $600 rebates for heat pump systems. The new rebates for solar hot water systems and heat pumps are already avail-
able for systems installed after 19 February 2010.

It is intended that the insulation component of the scheme will be ready for commencement by 1 June 2010. However, I want to emphasise that, notwithstanding this intention, the design of the insulation component of the scheme will be informed by the lessons of the Home Insulation Program. I am determined that these lessons be properly applied, and will take the necessary time to do so.

The new scheme at the very least will institute several key changes. Firstly, householders will arrange for quotes for insulation to be installed, make the payment directly to the installer upon completion of the work, and then claim a rebate of up to $1,000 directly through the Medicare system. Householders will incur any cost in excess of $1,000. Secondly, a new registration scheme will be introduced requiring installers to re-register, pay a cash bond, show evidence of meeting the training and skills requirements, provide certified quality assurance for the insulation product and the installation, and occupational health and safety plans. Finally, a strengthened compliance regime will be developed in concert with state and territory occupational health and safety and fair trading authorities.

In designing this program, as I have already indicated, the government’s key priority is safety for households and workers. The government will be taking advice from industry and experts on the design of the scheme. The panel of experts advising on the inspection program comprising Messrs Silberberg, Tighe and Arnel has also been commissioned to advise on the proposed implementation arrangements for the scheme. They will provide an interim report to government later this month. The design of the scheme will also be informed by the findings of the Hawke Review into the Home Insulation Program which, as I announced, will consider issues around design, delivery and administration.

It is my intention to engage very closely with industry, unions and regulators to ensure that risks are managed in the best possible way. Advice will also be sought so that the audit and compliance systems attached to the new scheme are significantly strengthened.

Full details of the scheme, including registration requirements for installers, will be released in due course. It is important to stress that in designing the scheme the government will focus carefully on the safety of households and installers, and appropriate risk mitigation. The rebuilding of consumer and industry confidence will be essential to the success of the new scheme, and this can only be achieved through the close cooperation of the government and the longstanding, reputable manufacturers and installers that are prepared to stand behind their product.

Conclusion

In conclusion I would like to restate the principal decisions that the government has taken to date to address the issues associated with the wind-up of the Home Insulation Program. Firstly, the 50,000 households that have had foil insulation installed horizontally in the ceiling space under the program will continue to be the subject of electrical safety inspections.

Secondly, this program of inspections will be replaced as soon as possible with a program for the removal of the foil or alternatively for the installation of safety switches for all 50,000 households. Individual households will be able to make the choice of foil insulation removal or, alternatively, the installation of safety switches, on the advice of
a licensed electrician. Details of this plan will be announced as soon as possible.

Thirdly, a minimum of 150,000 households that have had non-foil insulation installed will also be the subject of a large-scale safety inspection program. Inspections will be targeted according to an assessment of risk. In combination with the foil insulation inspections, this means that a minimum of 200,000 homes will be inspected. If a risk assessment identifies that additional homes should be inspected, further inspections will be undertaken.

Fourthly, until the new inspection program is in place, the current arrangements enable householders who have safety concerns to ring and request a safety inspection, which will be carried out as soon as possible. In relation to callers with other concerns, names and details are taken and they will be contacted once the new inspection program is finalised.

Fifthly, a panel comprising Dr Ron Silverberg, Mr Peter Tighe and Mr Tony Arnel will advise the government in relation to the foil and non-foil inspection and remediation programs, as well as the design of the Renewable Energy Bonus Scheme.

Sixthly, workers in the insulation manufacturing and installation industry who have been displaced will have jobs services packages available to them. Assistance is being provided to businesses to retain and retrain workers.

Seventhly, Dr Allan Hawke has been appointed to conduct a review of the design and administration of the program and will report to the government before the end of March.

Eighthly, the Auditor-General has agreed to conduct an audit of the program.

Ninthly, the Department of Climate Change and Energy Efficiency has consulted the Australian Federal Police concerning potential fraudulent conduct. The department will appoint a firm to conduct a forensic audit of the program as a basis for identifying cases of fraud.

Tenthly, the government has committed to work with police and other relevant authorities in all jurisdictions to deal with cases of noncompliance and fraud.

Finally, the government has also committed of course to cooperate in any appropriate way with the coronial inquiries into the deaths of Matthew Fuller, Rueben Barnes, Marcus Wilson and Mitchell Sweeney. Their deaths are a tragedy, and I once again extend my sincere sympathies to the families and friends of these young men.

I ask leave of the House to move a motion to enable the member for Flinders to speak for 37 minutes.

Leave granted.

Mr COMBET—I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Hunt speaking in reply to the ministerial statement for a period not exceeding 37 minutes.

Question agreed to.

Mr HUNT (Flinders) (5.18 pm)—The Home Insulation Program was an example of systemic policy failure with the deepest human consequences. The ministerial statement today continues the practice of systemic failure. In that which has been presented there are three systemic failures and one grand human omission.

The systemic failures are very simple and I want to start with those. Firstly, we know that there are 240,000 houses which have either unsafe or dodgy insulation. There is no plan to find and fix the 240,000 houses out of the potential million. Without a plan to examine all of the one million houses there is no solution to this problem, because almost
one-quarter of them have either dangerous or dodgy insulation as a result of a program which was monumentally ill conceived and ill executed and which caused enormous human damage.

The second of the systemic failures is that there is no plan for small business in its moment of need right now. Small business is calling for assistance either in the form of a buyback or of financial assistance. There is a minor component in the existing program, but the small business program, which was promised almost two weeks ago, is now almost two weeks overdue and today’s statement has come and gone without assistance for those firms which are laying off workers on a daily basis. Almost 1,500 workers have lost their jobs, and there is no plan for small businesses which are currently going into liquidation.

The third systemic failure in the statement today is that there is absolutely no transparency in, honesty about or accountability for the extraordinary policy failings which represent perhaps the most systemic policy failure of the last 20 years in terms of its human consequences—not one word about the costs of repairing the government’s program. The National Electrical Contractors Association has referred to potentially $450 million as the cost of repairing a program which was already on track to being $1 billion over budget—potentially $450 million of costs, and not one word of transparency in a ministerial statement about a grand program failure in costs, not one word in real terms about the causes within the government both in terms of design and in terms of monitoring and responding to the 21 warnings which were given to the minister, and not one word as to why only three cases of criminal fraud have been reported, when we know that 0.5 per cent of 16,000 audited cases, approximately 80 cases, have already been identified as likely cases of criminal fraud. There is a disparity between the 80 in the government’s own figures and the three which have been reported to the Federal Court. Those are the systemic failures.

So the pattern of denial and systemic failure, and a program which has been catastrophic in human terms, continue. But, in showing the House’s sense of responsibility to the people whom it affects, there is one grand human omission. The minister, and I give him credit for this, made reference to the four young boys—Matthew Fuller, Rueben Barnes, Marcus Wilson and Mitchell Sweeney—whose lives have been lost through association with this program. The government has previously called upon the parliament to make apologies for the wrongs of previous governments. There is no doubt that this government had a duty of care, that it breached that duty of care and that there has been damage on a systemic and a human scale. The minister, his predecessor Mr Garrett and the Prime Minister have all failed to apologise to the families of those four young men and have all failed to apologise to the now 105 homeowners whose homes have been damaged or lost through fire as a result of this program. I call upon the Prime Minister to say sorry, and to use the word ‘sorry’, to the families of those four young men who were lost and to the homeowners of the 105 homes which, it has now been admitted, have been damaged or destroyed through fire during the course of this program. That is the least, in terms of human responsibility, which the Prime Minister, the new minister and the previous minister, Mr Garrett, can do.

Against that background, I want to examine briefly three things: the scope of the tragedy, the systemic causes of this grand program failure with its profound human consequences and then the lack of solutions as to what must be done as we go forward. In terms of the scope of the tragedy, let us be
absolutely clear that it begins with what we now know to be 105 associated house fires. What we had thought was a figure of 1,000 potentially deadly electrified roofs as a result of the foil insulation program is, we know as of today, closer to 1,500. We also know that there are 240,000 either unsafe or improperly installed and inadequate cases of insulation. We also know that there is a $1 billion blow-out in the program. We also know that there is a potential $450 million bill which future generations will have to pick up for the failures of this program, and above all else we know that there have been four human tragedies associated with this program.

Against that background, it is inconceivable in a Westminster democracy that a minister who received not just one, two, three or four but 21 warnings of grand systemic failure should retain his job as a minister of the Crown. He is a cabinet minister of Australia, the highest position in the Westminster system which can be occupied in Australia short of being Prime Minister. Mr Garrett remains in that position. He has lesser responsibilities but he has the same pay, the same status and the same entitlements. He was tickled with a feather and it is as if this grand systemic failure has been brushed off by the Prime Minister.

So we have no apology. The word 'sorry' has not appeared. There has been regret that the government might be held in lower esteem as a result of this—which is a contempt on all of those people who have suffered as a consequence of a design that did not care about the human consequences of a ministerial process which could not be bothered to intervene to take steps when there were public warnings, public debates, adequate notice and every chance and every responsibility for action.

So that is the scope of the tragedy. But let us look at the causes. How could it be that we come to this statement today, which recognises 105 house fires, a potential 1,500 deadly electrified roofs, 240,000 either dangerous or dodgy installations, a $1 billion blow-out and a potential $450 million worth of fix-up costs to fix the roofs—not to mention, above all else, the human tragedy? The causes date back to the stimulus package which was announced by the Prime Minister in February last year. Right from the outset, the opposition warned that the package in its totality was not appropriate for Australia. We had reservations. But we now know that there were warnings all the way through. What was proposed here was to place an industry on steroids and to multiply its size. This industry was multiplied more than twentyfold and in so doing it was evident from the outset that it would attract shonks, shysters, frauds, dodgy installers, those with criminal intent and those who did not care about the human impact. There was a duty of care from the government to make sure that it did not create an unsafe environment for homeowners and young installers. That duty of care was obvious. It should be imbued into every program, and that duty of care was not exercised.

We know this, because the government received warnings to its project control group from the Department of the Environment, Water, Heritage and the Arts. The environment department set out a design structure which would have ensured that existing operators tendered in order to win the right to carry out the program, and the project control group, we are told—but there is total silence on this in the minister’s statement—overrode those instructions and that design. They removed the safeguards and in so doing they created an industry which said, ‘Let it rip.’

They love to talk about ‘let-it-rip capitalism’ on that side. They created the greatest example of ‘let-it-rip rorting’ in Australian
policy history. They did so because the Prime Minister’s department, carrying out the desire of the Prime Minister and Ministers Arbib and Garrett, drove forth a set of outcomes which removed the safeguards. So from the outset the program was rotten and it was evident that there would be risk. That is not something which the opposition has come upon; it is something that the department of the environment warned about from the outset.

We also know that from that point on there were 21 specific warnings to the government from external bodies. As the program began to unfold, the warning signs were not just ignored; they were buried, and the result was catastrophic. Often in this place people will overstate, but it is not possible to overstate the human impact and the systemic problems caused by this program. It beggars belief to imagine that the minister responsible for that program remains in his position as a cabinet minister under the Crown in the second-highest role available in the Westminster system in Australia.

Firstly, the design was obviously rotten. Secondly, there were 21 warnings. These warnings came from the electrical authorities within the industry, from the union movement, from the states and territories, and from the opposition. Let me go through what I believe were the four most critical and damning of warnings. On 9 March 2009, Mr James Tinslay, the CEO of the National Electrical Contractors Association Queensland chapter, personally wrote to Minister Garrett directly. He warned of the risk of fire and the risk of systemic failure and that it was evident that increasing the size of an industry twentyfold without safeguards would create a structural flaw which would bring human consequences.

The second thing that occurred was that, in a phone hook-up of fair trading authorities with the Commonwealth, warned not just of problems but also of fires and fatalities. The words were very clear. They said that this program could not be regulated. They said that, because of its size and scope, the program—its fundamental essence, nature and design; everything which the Prime Minister craved—was unsafe and unsustainable, and paper changes would not solve the issue. At that point, before the program had commenced, the government was warned that it had a ticking time bomb and it was lighting the fuse. It was warned by the states and territories. At that point—because we know that the Western Australian government have made this statement public—they were expecting a failure rate of 10 per cent. A failure rate of 10 per cent out of 2.7 million installations is 270,000 failures. The government authorised a program which it knew would have 270,000 failures.

It turned out that they underestimated the failure rate; the failure rate is closer to 24 per cent. How could they proceed in good faith when there were warnings from the state and territory authorities of fires and fatalities, of a system which could not be regulated and of a system which would have a 10 per cent failure rate, or 270,000 homes? They proceeded nevertheless, and the reason for that is that, at the top of the tree, the Prime Minister was determined that this program would bring political kudos. They would roll out the money and roll out the benefits, and if 270,000 homeowners had a small problem then that was a price which they were willing to pay. That is not a price which any government should be willing to pay. This program was not worth one house fire, let alone one life. It is extraordinary that these warnings were in place.

The third of the critical warnings came on 16 October when Master Electricians Australia wrote to Minister Garrett, as well as re-
leasing a press release. In that letter the CEO of Master Electricians Australia, Malcolm Richards, said to Minister Garrett that unless there was an immediate suspension of the foil program they could not rule out further fatalities. I know those words because I have read them and rolled them around in my mind. I find it extraordinary. They warned that if the program for foil insulation was not suspended then there would be further fatalities. Sadly, that was prescient. It was correct. This was a warning from the experts, a warning made directly to the minister and a warning made both in public and in private. That warning was correct, it was profound and it was ignored. The consequences are real, important, human and can never be undone.

The fourth warning—and I left this until last because it is perhaps the most significant—is that the entire Minter Ellison risk report and risk register which were delivered to the government on 9 April 2009 contained a systemic dismantling of the program which was proposed. I have read that report, which we had to extract from the government through the Senate estimates program. I have read the risk register, which was buried when the minister made a statement one Friday afternoon which was never acknowledged. The risk register had to be drawn out of the Senate estimates process. The risk register set out the risk and the consequences of fire under the program as being five out of five—the risk was five out of five and the consequences were five out of five. It set out the risk of systemic fraud and the risk of departmental programmatic failure and the inability of the department to manage the program. In a high-calibre report it set out all of these risks in a way that was prescient. Most importantly it said the program’s commencement should be deferred by three months because it would simply not be possible to commence the program in a way which would deal adequately with these risks.

That report of itself should have been enough for the minister who formerly had responsibility for the program, who remains the minister for the environment, to lose his job—to do the honourable thing and withdraw. But that was the 21st of the warnings which we learned of. It is clear that there was a systemic failure in design, a complete ignorance of the risks and the warnings and a willingness to turn a blind eye.

What we then move to when we see this is not just that there were 21 warnings from official authorities but that the opposition called for an Auditor-General’s inquiry for the first time on 26 August. I wrote for the first time on 27 August. We called on seven occasions before the first of the fatalities for an Auditor-General’s inquiry into rorting and, in particular, into dangerous work practices. We then called on multiple occasions for an Auditor-General’s inquiry. I wrote for a second time on 18 November 2009 and for a third time last week, on 1 March, calling for an Auditor-General’s inquiry. I am pleased that the minister responded two days later to that letter and that finally the government acknowledged that the program was so rotten and corrupted in its design, its execution and its ignorance of the warnings that they could no longer resist an Auditor-General’s inquiry.

Having said that, we see that we called publicly for an inquiry and that the industry, the unions and the states and territories all warned the government. But we know that right at the heart of this was the Prime Minister’s project control group, which said at the outset, ‘Keep going.’ So we want to know what the project control group said, how they overrode the advice of the Department of the Environment, Heritage and the Arts, on whose instruction they overrode the advice
and on whose instruction they continued to drive forward.

What we also know is this: with the systemic design flaws, which had real human consequences, and with the continued pattern of ignoring the 21 warnings, we have brought ourselves to this situation where the program has been terminated because it was simply unsustainable. But the program was only terminated, and the minister was only reassigned in his duties, once the political heat, the opprobrium and the public criticism became too great for the Prime Minister. Only the day before he removed the minister, he was defending the minister in this House. He was defending the program, and he started to tally up the human losses to indicate that they were an acceptable statistic, as if they were acceptable collateral damage. It was not until the Leader of the Opposition asked whether the Prime Minister was really saying that these human beings and the loss of people’s homes were an acceptable price for the program that the penny seemed to drop that there are real human beings that have been the victims of this program.

What I want to say beyond that is: as we look forward, what do we see is fundamentally flawed and fundamentally missing? In terms of the future actions, there are five areas for future activity. The first, in terms of safety, is finding and fixing the 1,500 deadly roofs and the 240,000 dodgy installation jobs. In relation to the 1,500 potentially electrified foil roofs, I accept the proposals put forward by the minister today. They are appropriate, they are in line with what we believe should happen and we believe that that is a step forward today. However, there is no time frame as to how long homeowners will have to wait. The minister’s own department was advising a week or two ago that it would take up to five years to find and fix some of these roofs. So we want a time frame. In relation to the 240,000 dangerous and dodgy roofs out of the 1 million, there is no plan to ensure that all of those million are inspected. There is no plan to find, fix and replace the 240,000 dangerous and dodgy roofs, let alone a time frame.

The second of the major areas, after safety, is cost. There is no statement from the government as to what the cost of finding and fixing the consequences of this debacle is. The National Electrical Contractors Association told a Sunday paper just over a week and a half ago that it could be $450 million to carry out the job properly. We expect a full statement of costs when parliament resumes tomorrow. We want a full statement as to the likely costs.

The third area of future activity is small business, and this is not about restarting the program. I express my and the opposition’s deep reservations about restarting the program. We will keep an open mind, but we express our deep reservations about restarting a program which would simply inflame the problem of putting an industry on steroids and about which there are no adequate safeguards. But we will reserve our position. But right now there are numerous small businesses who have contacted the coalition. All of their messages have been passed on to the government, but those small businesses have no answer to the contracts they have struck in terms of stock held and insulation in bondage. We know about contracts for foam and transportation vehicles and all sorts of fixed costs from which they have no escape. So there is no plan for small business, and we expect an interim statement by the end of this week in relation to small business.

Fourth, there is no statement in relation to the training for those people who will be finding and fixing the 1,500 foil roofs. We have already heard stories of unscrupulous businesspeople trawling for business, going
through records and trying to pay for records of houses where foil was installed.

Fifth, there is a very interesting question here: who, in the new Department of Climate Change and Energy Efficiency, has the experience to carry this out? That is not a department with a history of interface with the public. It is the department that put together the renewable energy target, not to mention the emissions trading scheme. The renewable energy target is being redone as we speak, and we will work with the government to fix that up, but honestly! Does this mean that there will be a large number of people who will simply be transferred from the Department of the Environment, Heritage and the Arts to redo the same job under a different hat? How many people will be moved from the one department to the other and simply have their departmental masters changed?

I now turn to the inadequacies in the ministerial statement with regard to the past. There are four elements here. First, we have no statement in relation to warnings. When did the Prime Minister’s office receive the Minter Ellison report and risk register? We have asked that of the Prime Minister. We have no answer. We expect that to be part of the second statement. There must be a second statement brought before this House—and we would like it tomorrow—as to when the Prime Minister received the Minter Ellison risk report and register. When did his office receive that report?

The second of the areas in relation to the past is ministerial interference in the safeguards presented to the cabinet and to the project control group by the Department of the Environment, Water, Heritage and the Arts. We know from public reports that the department of the environment put forward a program which would have allowed for tenders by existing installers that would have made a massive difference in terms of safety and quality. Who overrode that decision and why? Was it the Prime Minister? Was it his office? Was it Minister Arbib? We want a full statement as to why the project control group overturned the safeguards proposed by the department of the environment.

The third of the issues in relation to the past is criminality. On the basis of the figures given by the minister, we know that the opposition have sent forward from our office alone at least 17 reports of potential criminal fraud. Three have been reported to the AFP, but we know that with a 0.5 per cent criminal fraud rate out of the 16,000 audits done to date that that should equate to about 80 potential frauds. Why have there only been three reports to the AFP, when that figure was in place before Christmas? There have been effectively no new referrals to the AFP.

Lastly, in relation to the past, there should be an apology. The Prime Minister and Minister Garrett should simply say the words ‘I am sorry’ to those who have been affected—the 105 homeowners; the people who live in uncertainty with regard to the potential 1,500 deadly electrified roofs; the 240,000 homeowners out of the one million who have dangerous or dodgy insulation; and, above all else, the families of those young men who are no longer with us.

This program has been a debacle from the start. This ministerial statement continues the failures. It does one thing, which is to provide a repair process for the foil insulation, and that is welcome, but it fails on every other front. There is no plan to find and fix the 240,000 dangerous or dodgy roofs. There is no plan to assist the small businesses which are under daily threat of liquidation. There is no transparency about the cost, about the issue of criminality, about the causes, which go right to the heart of this government—and there is no apology. The word ‘sorry’ has not been used, to the best of
my knowledge, by any senior member of the
government to express their concern.

This ministerial statement fails in its duty. The
government has failed. Minister Garrett
must go. The Prime Minister should make
the next statement and he should cover the
fundamental flaws which remain with the
program and the fundamental failure to ac-
knowledge the causes, the consequences, the
cost and the human issues that this program
has brought upon Australia.

AUSTRALIAN CENTRE FOR
RENEWABLE ENERGY BILL 2009
Returned from the Senate
Message received from the Senate return-
ing the bill without amendment or request.

ANTARCTIC TREATY
ENVIRONMENT PROTECTION)
AMENDMENT BILL 2010
Report from Main Committee
Bill returned from Main Committee with-
out amendment; certified copy of the bill
presented.

Ordered that this bill be considered imme-
diately.

Bill agreed to.

Third Reading

Mr SNOWDON (Lingiari—Minister for
Indigenous Health, Rural and Regional
Health and Regional Service Delivery) (5.51
pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

HOME INSULATION PROGRAM

Mr HUNT (Flinders) (5.51 pm)—Madam
Deputy Speaker, I seek leave to move a mo-
tion to refer the ministerial statement by the
Minister Assisting the Minister for Climate
Change and Energy Efficiency on the Home
Insulation Program to the Main Committee
for debate at the earliest possible occasion.

The DEPUTY SPEAKER (Ms JA Saff-
fin)—It is not in order to take note and refer
something to the Main Committee that has
not been presented by way of a report.

CRIMES AMENDMENT (WORKING
WITH CHILDREN—CRIMINAL
HISTORY) BILL 2009
Consideration of Senate Message
Consideration resumed.

Senate amendment—

(1) Schedule 1, item 6, page 5 (line 31) to page
6 (line 7), omit section 85ZZGG, substitute:

85ZZGG Reviews of operation of this
Subdivision

(1) The Minister must cause 2 reviews of
the operation of this Subdivision to be
conducted.

(2) The first review must:
(a) start not later than 30 June 2011;
and
(b) be completed within 3 months.

(3) The 2nd review must:
(a) start not later than 30 June 2013;
and
(b) be completed within 3 months.

(4) The Minister must cause a written re-
port about each review to be prepared.

(5) The Minister must cause a copy of each
report to be laid before each House of
the Parliament within 15 sitting days of
that House after the day on which the
Minister receives the report.

Mr BRENDAN O’CONNOR (Gorton—
Minister for Home Affairs) (5.52 pm)—I
move:

That the amendment be agreed to.

The amendment implements the only rec-
ommendation of the Senate Legal and Con-
stitutional Affairs Legislation Committee on
the bill, namely the Crimes Amendment
(Working With Children—Criminal History)
Bill 2009. The amendment will insert an additional provision for further review of the legislation, commencing no later than 30 June 2013. The review is in addition to a current provision for a review to commence no later than 30 June 2011. This amendment will ensure that the operation of the provision is subject to comprehensive review and will allow evidence about the legislation’s operation to be fully assessed.

Question agreed to.

TAX LAWS AMENDMENT (2010 MEASURES No. 1) BILL 2010

Second Reading

Mr KATTER (Kennedy) (5.54 pm)—The Tax Laws Amendment (2010 Measures No. 1) Bill 2010 is an extraordinary piece of legislation. I know this government is not a socialist government but it is a government to the left of the mob on the right here, and it is moving to protect tax deductions. The briefing paper actually says that the measures will protect tax deductions of 19,000 investors in forestry MIS from an unintended outcome. It is a most extraordinary statement—to come forward and say, ‘We are moving this legislation to protect tax dodgers.’ ‘Extraordinary’ is the only word that keeps leaping to my mind.

It behoves me to back up the statement I will make that there is no social, community, environmental or economic benefit in the MISs; in fact, the complete opposite is true. I opened an olive farm somewhere west of Warwick and, yes it was a new industry in Australia. We were importing a lot of olives from overseas, and it was providing industry in a western area in Queensland. It was, in all ways, a good operation. Since then, what was originally a good operation has metastasised into a most malignant phenomenon. I speak with authority because, in my homeland of Far North Queensland, the MISs have announced that they want 40,000 hectares of sugar cane land to convert it to growing trees. If they do that, I can assure you, Madam Acting Deputy Speaker Saffin—and you would know this as well as I—that we will close sugar mills. They will simply close. I do not know how the AWU justify their existence. There are 5,000 members in the sugar mills but we have not heard a single bleat from the union. I can tell you what: their own membership is going to start bleating about them very shortly. Far North Queensland has a very wicked record as far hitting the AWU goes. I am speaking with some vehemence on this. Quite literally, 2,000 or 3,000 people in Far North Queensland will lose their jobs when those mills close. We are battling to keep open three or four of those mills now—they are hanging by a thread—and taking 40,000 hectares of cane land away from them will seal their fate.

The government want to protect the people who are doing this, so let us have a look at some other aspects of this. We are going to replace sugar mills which, let us say, in Ingham employ 2,000 people, and we are going to replace them with forestry. As it turns out, we have a forestry operation in Ingham already, which was put in by the government many years ago—some 10,000 to 15,000 hectares of plantation timber—and it created 12 jobs; that is all. So we are going to replace 2,000 jobs in the sugar industry with 12 jobs in the forestry industry. The word ‘extraordinary’ keeps leaping to my mind. There are public servants here today—and they have no ability to defend themselves—and the government must be taking advice from somebody here. Not only must the government wear the opprobrium and the blame but also the public servants, if they have not gone to their minister and said: ‘Hold on a minute. Where’s the social benefit here?'
Where’s the economic benefit here? Where’s the environmental benefit here?

For those of you who have an interest in the environmental benefit, I most certainly always describe myself as antigreen, but the honourable Deputy Speaker will have great respect for her predecessor Mr Causley in this place. I asked him, ‘Don’t we want plantation timber?’—because I actually thought plantation timber was good from a range of viewpoints—and he said, ‘Have you driven north of Brisbane?’ I said, ‘Say no more.’ They call it the ‘pine desert’. I have been fascinated by it, and I have actually pulled up the car and walked around. There are no butterflies, there are no insects and there are no birds; it is just a silent, deathly chamber producing very few jobs now because we do not do the processing of wood in Australia, as it is sent overseas for that purpose. All we have is a big machine that goes along and cuts down the timber and puts it on a truck and it goes to the port and then overseas. We have 15,000 hectares in North Queensland that produce 12 jobs—and I can speak with authority.

The MISs and Timbercorp envisage monoculture on a vast scale, and remember that they are not going to the other side of the Great Dividing Range. All of Australia’s landmass is west of the Great Dividing Range. But, oh no, they are not putting trees in west of the great divide. They are putting the trees in east of the great divide, on the only little bit of country which we have left in Australia on which we can produce food. They are taking food production away and, in our case in Far North Queensland, they are taking sugar production away and replacing it with an absolutely disastrous monoculture. But that is not the end of this story.

In greening Australia we planted a million trees in North Queensland. I am reliably informed that we have somewhere between five and 15 per cent of them left. Trees need an awful lot of looking after. These fly-by-night tax-dodge merchants move the corporate money into their own pockets. There is no money left to look after the trees, and trees need a hell of a lot of looking after. White ants kill trees and they get choked off by grasses. Mr Geoff Bush, one of the biggest farmers in North Queensland, if not in Australia, gave us a look at some of the plantation timber opposite his farm, and the guinea grass was higher than the trees. What they were actually growing were weeds. I am not saying guinea grass is a weed, but there were plenty of other weeds in amongst the guinea grass. It did not even remotely resemble a plantation. There is no money being put into looking after trees at all: ‘We just grab the tax dodge and run away—that’s all.’

In Ingham they claim there are some 7,000 acres of trees put in. A very significant proportion of them went underwater in the floods there last year. I wanted to get out and embarrass the people that advised the government this was a good idea and also embarrass the minister because of his incompetence in this area and take a picture of all the trees that were not there, that were all gone. Seven thousand acres of trees had simply vanished. I was taken again to have a look at them and was shown the photographs. But within two weeks of the floodwaters receding they were out there replanting, because they were deadset terrified that someone like me was going to go out there and get those photographs and get national publicity for the sort of chicanery that is taking place with the MISs.

Let me detail another aspect of the MISs. A close member of my own family was advised by his accountants, because he had a big tax problem one year, to take a lot of money and invest it in the MISs. I said: ‘Don’t be ridiculous. You’ll never see that money again.’ He did not believe me and got
in touch with the retired head of a bank in Queensland. The retired head of the bank said: ‘I’m not aware of a single dollar of capital that has been returned to an investor. Never mind about paying any profits or any operating surplus; not a dollar of capital has been returned.’ So why are we doing this? Timbercorp were running around skiting that they were going to own 20,000 square kilometres of Australia, beating their chests and telling us all how marvellous, powerful and rich they were. Where are they now?

I went down to the Riverina recently, and Bill Shorten was there that day and gave one of the addresses. Every one of those speakers got up and said they are destroying our industries. They are paying huge amounts of money, double the market price for the land. They put the trees in, they take the water off farmers that are producing genuine product, there is no water left for the farmers and, of course, the trees are never going to be harvested. There is not a single person in North Queensland that believes that a single tree will ever be harvested. Carol MacKie showed me the photographs in Ingham of where the trees had been, and there are no trees because of the floods. At Cardwell Geoff Bush and Robbie Singh, and I am being very specific here, showed me the plantation where the guinea grass is higher than the trees. Don’t you realise that this is all a farce just to dodge tax? That is all it is about. But how stupid are the people who are investing in it? You do not want a tax dodge unless you are going to get some money back somewhere. You may as well give it to the government if you are going to give it to a bunch of charlatans who race off with the money. It will be interesting to see how much the people get back out of these corporations that have fallen over.

Where a sugar mill is closed down because of a very serious environmental issue, I and a lot of other people thought it would go back to native forest land, rainforest in our case. That is not what has occurred. On the last farm that I inspected that had gone out of sugarcane production, there were 230 acres of giant sensitive weed and singapore daisy. I could not believe it. I walked for about a kilometre around the place and I just could find no patch of it that was not singapore daisy or giant sensitive weed. When the government closed down the tobacco industry, again I thought it would go back to natural scrubland. There is no scrub there. It is all weeds. Weeds are the great competitor and they have choked out all of the natural scrubland. So we now have the situation that we are cultivating weeds where these sugar mills and other things have closed.

If the government said that you have to go west of the great divide and you have to put irrigation in, that would guarantee the growth of the trees and no competitors to the trees but never in a million years would you be able to cost out irrigating trees. There is just not enough money in the trees. Even if you cost it out over a 30-year life cycle, it is not going to happen. All over Far North Queensland there are giant pine trees, and I mean really giant pine trees that are 70- to 80-foot high. They were all planted because there was going to be a fortune in pine trees. Quite frankly the government’s pine tree plantations in north Queensland, which were very intelligently put in as small pods so that we did not have a monoculture type situation that we have with the MISs, have never been harvested nor will they ever be harvested. Most of them have been knocked down in a cyclone, broken off or something. We were told that it would be a good thing—it was a great investment and we would make a lot of money out of it over a 15- or 20-year time frame. That has not come to pass.

To be very specific one of the senior people associated with one of the sugar mills told me: ‘We are making 120 million gross
and our cost structure is 115 million. We
grow about 25,000 hectares of cane land in
the area’—it might have been a bit more. He
said: ‘They say they are going to take 40,000
hectares in north Queensland. That means we
have to lose at least 7,000 here but, if we
lose 7,000 of our 24,000 hectares, then we
will close the mill. Instead of grossing $120
million as we are at the present moment, we
will lose a fifth of that or whatever it is and
we will only be making $95 million. We’re
not going to be trading insolvent, so we will
close the mill. So you understand if your
friends in Canberra continue with the MISs
then they will close all of the mills in north
Queensland if they get their target amount of
40,000 hectares.’ Of the three companies up
there one of them wanted 15,000, one of
them wanted 12,000 and it added up to a tar-
get of 40,000 hectares in north Queensland.
The old-time Labor Party would be turning
in their graves if they saw a Labor govern-
ment moving legislation to protect tax dodg-
ers who are in many cases nothing more than
con merchants.

There is one last aspect of this which I
should address. These people say that they
are going to plant a tree, it is going to grow
into a big tree and it is going to yield a great
benefit for Australia when harvested. I point
out that that is an absolute myth. We do not
process trees in Australia anymore, they are
taken overseas to be processed and that ar-
rangement will increase rather than decrease.
When they plant the tree they are planting a
foreign item—these trees are Indian teak,
they are exotics. White ants, for example, do
not attack them if they are a foreign tree—so
we are bringing in a foreign culture into our
environment, which does very great damage
as well.

In wrapping up, the principle of defending
people who are dodging tax is the worst pos-
sible type of principle. In fact, just the oppo-
site should occur. They are taking good pro-
ductive land and turning it into nonproduc-
tive land. Even if it were productive, even if
they took this through to processing and we
accepted their argument that it was profit-
able, we already know that the outcome is
that 2,000 jobs will be replaced by 12 jobs.
We already know that. We have plantations
being harvested at this very moment and they
are worth 12 jobs. We know that we have
2,000 jobs in the sugar industry.

They announced the opening of a new
sugar mill in Ingham, which will be a won-
derful thing. It will be a mill be based on
ethanol and biofuel production rather than
sugar, which give a lot better return over a
long period of time and would use the ba-
gasse. There would be high-pressure boilers,
which hardly any of our sugar mills have, so
that all of the sugar cane fibre, which is left
over after you take the sugar out and convert
it into ethanol, would be transformed into
electricity. We can produce 2,000 megawatts
of electricity from these sugar mills with a
little bit of assistance from the government—
not a lot, but a little bit. There are 40,000
megawatts of electricity produced in Austra-
lia. We can give you 2,000 megawatts, which
is five per cent of Australia’s entire electric-
ity production, for virtually no cost at all
forever. The first mill that was supposed to
produce this has announced that it is not go-
ing to open as a result of your MISs. The
other issue is that the state government is
saying that they are not going to allow any
more licences to harvest water for the imme-
diate future. So the industry says that, under
those circumstances, they cannot open up
this mill. An extra 400 or 500 jobs in Ingham
have already gone up in smoke as a result of
this. I can say the same thing at Mareeba,
Gordonvale, Tully, Innisfail or any of the
towns in the far north.

Mr Deputy Speaker Scott, you would be
well aware of this—if there has ever been a
disaster, it has been the corporates going into
agriculture. There is hardly a single solitary corporate left in the cattle industry in Australia. That is, arguably, our biggest agricultural industry and there is hardly one left, one of them is in very serious trouble, there is another one and that is about it. What a failure. (Time expired)

Mr BOWEN (Prospect—Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services) (6.14 pm)—in reply—I thank all members who have spoken on this Tax Laws Amendment (2010 Measures No. 1) Bill 2010. The opposition have indicated that they support each of the schedules except for schedule 1, and so I will confine my remarks to schedule 1. Schedule 1 implements the government's superannuation clearing house proposal, which as well as being an election commitment, as the opposition have acknowledged, is an important contribution to reducing red tape and the business compliance burden for small business in particular. It is a very important initiative. It has been acknowledged as such. For example, the Association of Superannuation Funds of Australia said this measure was:

The most significant first step in lowering administration costs for employers ...

The House and the Australian people are entitled to ask: what has the business community done to deserve the treatment it has received from the opposition today and over recent days? Yesterday and the day before we saw the opposition proposing a great big new tax on Australian businesses—not just big business but right down to medium-sized businesses—to fund their thought bubble on parental leave, and today we see the so-called party of small business selling out small business and saying that they oppose this schedule. They oppose this initiative to reduce the compliance costs and burden of paperwork on small business in dealing with what can be a very significant issue of multiple superannuation payments to multiple funds on behalf of employees.

The opposition have indicated some reasons for their opposition. I will go through those in sequential order. Firstly, they are critical of Medicare. They are critical of Medicare’s ability to deliver this service. They are critical of Medicare’s expertise. They say Medicare has no expertise in delivering services in relation to superannuation. The fact of the matter is that Medicare deliver a range of services on behalf of the government. They did so under the former government, they do so under this government and no doubt they will do so under future governments. The service delivery mechanism of Medicare is not confined to health only. They deliver a range of government payments and services which range from irrigation matters, right across the spectrum of government services. To suggest that Medicare is not particularly qualified in service delivery, that Medicare is not able to deliver the service, with all due respect, is completely incorrect.

The opposition is critical of Medicare’s engagement with the industry. They say we have not had enough engagement between Medicare and the superannuation industry in relation to the development of Medicare services. The honourable member for Cowper at various points in his speech quoted evidence given before the Senate committee. He has taken some of that evidence and not taken other elements of that evidence. That is his right; that is his prerogative—just as it is my right and prerogative to correct the record. It is fair to say that Medicare has been very assiduous in its consultation with industry and is well developed in its plans to deliver this service on behalf of government. In fact, Mr O’Shaughnessy, on behalf of IFSA—the opposition was keen to quote IFSA but did not quote this part—said:
In regards to Medicare we believe that the manner in which Medicare have been formulating their approach will advance the development and uptake of much-needed improvements in electronic payments in the industry. The Medicare working group meetings which IFSA have sat on have been positive and constructive and have demonstrated that Medicare have, first of all, proven to be responsive to industry needs in building system requirements to facilitate contributions, acceptance and processing.

For the record of the House, Medicare has developed two working groups on the implementation of this very important issue—one for the superannuation industry and one for small business. Those have been very important in helping Medicare deliver this initiative on behalf of the government.

The opposition was critical of the use of Medicare and said we should be using the private sector to deliver this service. Importantly, the government made the decision, based on the advice of the Treasury, to adopt the model of Medicare for very good reasons. One was that Medicare was well qualified and experienced to deliver the service efficiently. In the view of the government, it was the most efficient. Secondly, a very important part of this initiative was the commitment by the Labor Party in opposition, which we retain in government, that when a small business makes a payment to the superannuation clearing house that employer has fulfilled their obligations and should not worry about what happens to the payment after it is made. They should not worry, for example, if the company that they have made the payment for goes out of business. They should not worry if the payment does not reach the employee, because they have fulfilled their obligations. It was the view of the government that if you were to do that—and it was a very important part of the initiative, because if you did give that commitment to small business they would be correctly very wary of making those payments—the best way of meeting that commitment to employers and employees would be to have the government deliver the service through its service delivery arm—Medicare.

The opposition may disagree. They have that perfect right. The opposition may say they would have a different approach. They have that perfect right. But they need to be cognisant of the facts. They cannot simply say, ‘Risk is part of life and we don’t care about the risk and we don’t care if you say to employers that they have fulfilled their obligation and therefore if something goes wrong employees will be denied their superannuation.’ They say that we are saying there is an element of risk already. But there is an essential difference. The essential difference is that this is a service provided on behalf of the Australian government, and the Australian government is saying to small business people, ‘You will have fulfilled your obligation to your employees once you have made a payment to a superannuation clearing house.’

The honourable member for Cowper said that in some way this may take away from the focus of Medicare at an important time of health reform and would endanger Medicare’s delivery of health services. This is again incorrect. As I said at the outset, Medicare already delivers a range of services on behalf of the government. They do so with no impact on the delivery of their core responsibilities when it comes to health. This is a measure which is fully funded from the budget. It is fully resourced. Medicare need not draw down on its existing resources. It is fully resourced by the appropriation from the budget, so that reason for complaint from the opposition is also nonexistent.

I accept that there are private sector operators who believe they could deliver this service. Of course I do. I accept that there are successful clearing houses in operation at the
moment. Of course there are. There are clearing houses which have been in operation for a long time which would like to deliver this service on behalf of the government. That is a fact. But we have a duty not to outsource our policy development. We have a duty to develop public policy in the best interests of all players—small business people and employees as well as the superannuation industry generally. It is not incumbent on the government to deliver a service which suits one particular segment of the superannuation industry—whether it be superannuation funds, small businesses or individual employees—but to deliver one which maximises the benefit for the entire superannuation sector. So, while I respect the views expressed by others, those views were considered, as the shadow minister himself acknowledged, through an extensive consultation process. However, the government has decided that the best way to deliver this service is through the government’s service delivery arm, in this case Medicare.

The opposition can express their concerns. They can move their amendments. They can say that, on that sorry day when they next form a government of Australia, they may do things differently. That would be perfectly appropriate. But I say to the opposition: you will have a choice when this goes to the other place. Are you for small business or are you against it? Are you for reducing small business compliance costs or are you against it? Will you pass this important policy to reduce costs for small business or will you oppose it? Will you stand in the way of the government implementing this election commitment or will you honour the government’s implementation of its election commitment to introduce a small business clearing house? That is the choice the opposition will face. They will need to decide whether they support this legislation or oppose it. The government will be pursuing it vigorously.

The opposition is perfectly entitled to express their views—that they would do things differently—but, at the end of the day, they will have a choice. It is not a choice I am going to relieve the opposition of making. Do they support small business or not? Otherwise we will know that the opposition does not support small business.

The opposition have raised concerns. They are not concerns which they raised with me. They are not concerns which they raised, I understand, in a briefing with the Treasury on this item. If they want more briefings from the Treasury or from Medicare, I am more than happy to make them available to the shadow minister so that he can reconsider his position. I am more than happy to make available to him whatever information it is reasonable and prudent for him to have, either through the House or through other mechanisms, because this is particularly important. We want to help small business. We want to reduce the compliance costs. When I go out and talk to chambers of commerce and when I have discussions with business, I hear from small business that one of their biggest compliance burdens is superannuation. One of their biggest compliance burdens is making payments to different funds on behalf of different businesses. They want this fixed. Get out of the way and let us fix it. Do not stand in the way of small business. If you want to take a different approach then do so, but do not stand in the way of this important initiative.

I know the opposition is in a particularly cranky mood these days. I know the opposition is particularly obstructionist. I know the opposition likes to take the ‘Dr No’ approach. I know that, if the government were to come in here tomorrow and move ‘that the sky is blue’, the opposition would find a reason to oppose it. Do not stand in the way of this important legislation if you want to be seriously regarded as a party which supports
small business. If you want to live up your to your rhetoric and your claims to be a party of small business, then the very least you can do is let us get on with the job of implementing this commitment to the small business community.

What does the small business community want? They simply want to be able to make their payments to one place. I dare say the small business community does not care if it is Medicare. They do not care if it is Centrelink, Australia Post or a private sector operator. They just want somewhere to make their payments. That is what we are prepared to give them. I invite the opposition to join us in giving it to them.

Question agreed to.

Bill read a second time.

Third Reading

Mr Bowen (Prospect—Minister for Financial Services, Superannuation and Corporate Law and Minister for Human Services) (6.28 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Business

Rearrangement

Mr Gray (Brand—Parliamentary Secretary for Western and Northern Australia) (6.28 pm)—I move:

That orders of the day Nos 4 and 5, government business, be postponed until a later hour this day.

Question agreed to.

Healthcare Identifiers Bill 2010

Cognate bill:

Healthcare Identifiers (Consequential Amendments) Bill 2010
statistics for 2007-08 indicate that more than half of the potentially preventable hospitalisations are from selected chronic conditions. Better management of these conditions and a more coordinated approach between healthcare providers could have a significant impact in decreasing these hospitalisations.

E-health offers an opportunity to improve health care in Australia but it is critical that it is introduced right from the outset. In contrast to countries like Great Britain, Germany and Canada, we lag well behind in the implementation of e-health measures. The systems that have been introduced in those countries allow for the sharing of diagnostic imagery between providers, e-prescription services and the ability to facilitate communications between providers—reducing the silo method of treating patients.

The Howard government took e-health seriously, and we had a commitment to providing leadership in e-health. The computerisation of GPs, which now sees very high rates of prescriptions prepared by general practitioners, was part of an incentive payments scheme introduced by the previous government to increase the uptake of these technologies and the use of them in general practice.

A national system will provide for greater consistency of health care for Australians. We need to ensure that accurate information is conveyed and that patients are not undergoing unnecessary procedures or unnecessary diagnostic tests as a result of duplicated services. We need to ensure that our medical practitioners are being provided with the best possible information about their patients, enabling them to make accurate diagnoses. E-health has benefits for rural and regional services. Particularly in Indigenous health care, where there is a significantly higher rate of chronic disease, coordinated health management would have a significant impact.

Studies in the United States have shown that a failure to utilise health IT has resulted in higher costs, medical errors, administrative inefficiencies and poor coordination, amongst other issues. This information is taken from the 2008 Booz & Company report into e-health. The Institute of Medicine estimated that between 44,000 and 98,000 Americans die each year as a result of medical error, and as much as $300 billion is spent each year on health care that does not improve patient outcomes.

When we deal with this legislation there are still a number of concerns that have not been addressed and, once again, the government appears intent on rolling out legislation without having done the appropriate groundwork. The National Health and Hospitals Reform Commission recommended a person-controlled electronic health record. That recommendation has not been taken up. This will not be a patient-controlled electronic health record. It is also not an opt-in system for patients. Anyone who has a Medicare number or a DVA number will be given the 16-digit number. It will be compulsory for patients to have an individual healthcare identifier. A number of stakeholders have raised concerns around the privacy controls. The opposition believe it is critical to address any concerns before the implementation of these identifiers. The government is yet to provide details of the regulatory framework to ensure security of individuals’ health information. The government has not provided the regulations which will govern the operation of this legislation. The National E-Health Transition Authority has admitted that it is yet to decide how access control would work.

One of the most serious allegations in the area of e-health is in an article in the Austra-
lian on 2 March, where allegations were raised against Medicare Australia staff, with a report showing that one in six staff have apparently looked at confidential patient records, without authority, in the past financial year. That is an alarming figure and it is a concerning figure, given that we are talking about Medicare Australia. It is subject of course to the privacy principles. But the issue here is that this legislation intends to give responsibility for the implementation and oversight of healthcare identifiers to Medicare. Medicare will be the identifier service for this e-health system. So it is absolutely critical that the safeguarding of private patient information is assured and it is absolutely critical that the chief executive officer of Medicare Australia, who will be responsible for operating and maintaining the healthcare identifier service, addresses these issues, which show that Medicare staff are inappropriately accessing confidential patient records.

I recognise that there has been a long consultation period, with a discussion paper in July last year, and release of the draft legislation in December. However, there was very limited time for stakeholders to respond to the draft legislation, with the one-month window of opportunity spanning the Christmas break. This matter was raised by a number of stakeholders who felt they did not have sufficient opportunity to voice their concerns. As a result, while the opposition do not oppose this legislation, we think it is important that stakeholders be given a further opportunity through the Senate Standing Committee on Community Affairs to examine this legislation. That committee has received a number of submissions and conducted hearings, both yesterday and today, and will be reporting back to the Senate next week.

Another concern that has been raised follows on from the lack of consultation time available to stakeholders. This system is due to commence on 1 July 2010. It defies belief that the government has delayed in providing software manufacturers and developers the specifications to enable them to design an appropriate IT framework or to integrate healthcare identifiers into existing software packages.

In its submission, the Law Council proposed to include a legislative declaration to ensure that the healthcare identifier number could be used only for the purpose of health management. I thought that was a sensible recommendation but it was not picked up by the government in moving from the draft legislation to the legislation that we currently have before us. The Minister for Health and Ageing has not adopted that recommendation.

Concerns have also been raised about the breadth of this legislation. As it currently stands, privacy laws are able to be overridden if the action is legal under any other law—that is, giving out a healthcare identifier number is not subject to privacy laws if that action is legal under any other law. That very broad definition is contained in this legislation.

As I said earlier, the coalition are not opposing this legislation but we have referred it to the Senate Standing Committee on Community Affairs. We do reserve the right to make any amendments, depending on the findings of that Senate committee. The committee provides a greater opportunity for stakeholders to raise their concerns, and I recognise that many have done that. As I said before, with the draft legislation very little time was afforded for stakeholders to submit their views and, to date, not all of their concerns have been addressed. For legislation as important as this, which is set to play such a crucial role in sharing very sensitive, very confidential healthcare information in the
future, it is absolutely vital that we get this right and the Senate committee will afford us that opportunity.

Ms HALL (Shortland) (6.41 pm)—I am a trifle confused after hearing the contribution of the previous speaker, the member for Boothby, on the Healthcare Identifiers Bill 2010 and the cognate bill. On the one hand, he said that the opposition will not oppose this legislation; on the other hand, he said it is being referred to the Senate Standing Committee on Community Affairs. Then he said that, when the committee reports back, the opposition reserve their right to make amendments, to oppose or to actually change their position. We on this side of the House know the one thing that those on the other side of the House are good at doing is obstructing, blocking and opposing any piece of legislation.

Despite the opposition saying they will support the legislation, I would not be surprised to come into this House and see the opposition voting against it. That is the one thing that they do—oppose, oppose and oppose. They are never constructive. They never look at things in a constructive way. They are not about improving health, health outcomes and access to health for Australians; rather, they are about opposing any change. Whilst the Rudd government is undertaking the most important overhaul of our health system, since the introduction of Medicare 25 years ago, the opposition are thinking of opposing any proposal that is put forward. This is vital legislation. Its roots were actually in the Howard era. At that particular time the opposition were very gung ho in supporting the introduction of healthcare identifiers. Unlike the Rudd government, they were prepared to race in without proper consultation, without looking at all the aspects and without looking at what the implication might be of the introduction of health identifiers.

The Healthcare Identifiers Bill 2010 will establish a national Healthcare Identifiers Service and set out arrangements for its operation and its function, which will be to assign, issue and maintain healthcare identifiers for individuals, healthcare providers and organisations. It is very vital. If we want to introduce a strong e-health system in Australia that caters for the needs of all Australians and all health professionals and ensures that all Australians get the kind of healthcare they deserve, then e-health is important. And to have a strong e-health system we need to have healthcare identifiers.

The key objective of the Healthcare Identifiers Service will be to provide a national capability to accurately and uniquely identify individuals and healthcare providers, enabling reliable healthcare-related communications between individuals, those people seeking medical treatment, those providing the treatment and the organisations that those providers are associated with. All Australians will be issued with the 16-digit number which will follow them throughout their lives. There are safeguards in place that I will discuss a little later that ensure the privacy of individuals.

A national approach to healthcare identifiers was agreed at COAG in February 2006. I want to emphasis the fact that the Howard government was in power in 2006. At that time, it was 100 per cent supportive of healthcare identifiers and could see the benefit. Now we have an opposition that has serious concerns about it. It may support the legislation but—as I have already indicated—I will not be surprised to see the Abbott opposition come back into this House and do what it always does: oppose, oppose, oppose. It is never constructive. COAG agreed to the universal assignment of identifiers to individuals and to provide $218 million in funding for the e-health work program. It was also agreed that public consulta-
tion on the national health privacy process should be conducted. That consultation hap-
pended and the outcome was reported to
COAG in December last year. This legisla-
tion before us today makes minor amend-
ments to the Privacy Act 1998 and the Health
Insurance Act 1973 to enable the functions
under the Healthcare Identifiers Bill 2010.

As I mentioned earlier, there has been
widespread consultation. I will just mention
some of the agencies that have been con-
sulted in drawing up this legislation: the De-
partment of the Prime Minister and Cabinet;
the Office of the Privacy Commissioner,
which should allay the fears that anyone has
about privacy; the Department of Human
Services; Medicare Australia, who will play
a vital role in the administration of this; the
Department of Veterans’ Affairs; the Attor-
ney-General’s Department; the Australian
Government Solicitor; the Department of
Defence; the Department of Broadband,
Communications and the Digital Economy;
the Department of Families, Housing, Com-
munity Services and Indigenous Affairs; the
Department of Finance and Deregulation; the
Department of Infrastructure, Transport, Re-
gional Development and Local Government;
the Department of Innovation, Industry, Sci-
ence and Research; and the Department of
the Treasury. In addition, there has been
widespread community consultation and
consultation with interest groups outside of
government.

When I was first elected to this parliament
I was a member of the House of Representa-
tives Standing Committee on Family and
Community Affairs and at that time they
were doing an inquiry into Indigenous
health. A report was brought down following
the conclusion of that inquiry titled, Health
is life. One of the issues that was apparent to
the members of that committee was the fact
that e-health was of vital importance if we
were to provide an excellent service to peo-
ple living in rural and remote areas, particu-
larly Indigenous Australians. Here we are, 10
years after that report was tabled in the par-
liament, and we are gradually moving to-
wards a stage where e-health will be up and
operational.

I thought I would just quickly summarise
what the Healthcare Identifiers Bill 2010 will
do. The bill will establish a Healthcare Iden-
tifiers Service to assign and issue unique
identifiers to individuals and, as I have said,
to all the providers and their organisations.
The bill will authorise the chief executive
officer of Medicare Australia to be the initial
HI Service operator. It will also authorise the
CEO of Medicare Australia to use personal
demographic information collected for the
purpose of administering Medicare Austra-
lia’s healthcare benefits program to generate
identifiers for the purpose of the HI Service
or to disclose the information to any subse-
quent HI Service operator for the same pur-
pose.

That enables all Australians to be issued
with a HI number, and that is going to be the
core feature of our e-health system. That
must be in place before we can have an e-
health system that we can be sure will oper-
ate effectively and so we can be sure that the
information will not be able to be questioned
and the service will be streamlined. The bill
will authorise the HI Service operator to col-
clect and use information provided from other
sources, such as the Department of Veterans’
Affairs, and to share that information for
professional registration and accreditation
purposes.

The bill will enable appropriately author-
ised individual healthcare providers to re-
trieve an individual identifier or individual
healthcare provider identifier. It will enable
appropriately authorised individual health-
care providers and provider organisations to
disclose certain information to the HI Ser-
vice operator. It will limit the adoption, use and disclosure of healthcare identifiers and establish penalties for the misuse of healthcare identifiers. In saying that, there are in place appropriate systems to ensure that misuse does not take place.

The bill will provide for the federal Privacy Commissioner to oversee the HI Service, use of identifiers and complaints handling in relation to Commonwealth agencies and the private sector. I am a person who always worries about privacy issues. With the federal Privacy Commissioner being involved and with the safeguards that will be in place, I feel that this system will work and the privacy of individuals will be protected.

The bill will provide for review of the role of the CEO of Medicare as service operator after two years and reporting within three years of the HI Service commencing operation. It will support the arrangements for healthcare organisations to participate in the HI Service. Going back to the point I was just talking about, the HI Service will be supported by robust privacy legislation to ensure protection of individual personal and health information that will continue to underpin quality health care. Ensuring that privacy of individuals is absolutely paramount.

Another important aspect is that a national partnership agreement has been signed by COAG setting out cooperative jurisdictional arrangements for e-health, including for the HI Service. This is the states and the Commonwealth working together to ensure that all Australians have access to e-health services. Underpinning this is the fact that people will be issued with healthcare identifiers.

This is a leap forward. This is moving into the future. This is ensuring that Australia is at the cutting edge of medicine. We have been a lot slower in getting to this stage than other countries have. A Personal Demographic Service, or PDS, with information on over 48 million health consumers has been in the process of implementation in the United Kingdom since July 2004. It will replace a number of locally held databases and put in place a unified scheme. Each person’s PDS card record will comprise demographic information very similar to the type of information that will be attached to the health identifiers as set out in this legislation.

There are a number of benefits in having a national e-health system. It will improve safety and quality of health care and increase involvement of consumers in their own health care. It will improve access for healthcare providers to reliable health information when and where it is needed. It will enhance shared care of complex medical problems and chronic diseases. I will just pause there and refer back to the Health is life report, which I mentioned earlier, brought down after an inquiry conducted by the House of Representatives Standing Committee on Family and Community Affairs. During that inquiry, we visited a number of remote Indigenous communities where many community members had complex medical problems and chronic diseases, and their access to on-the-ground services was limited. It was recognised that being able to use e-health and link into services elsewhere would really improve the health outcomes of people living in those communities. So it will be a real benefit to people living in remote areas.

An e-health system will reduce the burden on Australia’s health sector through better health management. I do not think there is anyone who works within any health system in Australia that would argue against e-health and the need for e-health. It will be a streamlined process that creates efficiencies and ensures that all Australians can get the best health care in the most efficient way. It will also ensure that the organisations providing the health care can share information. It is an
innovative way to improve health sector productivity, and we are always looking to improve health productivity.

As has already been noted, the third Intergenerational report and the final report of the National Health and Hospitals Reform Commission have recently been brought down. Both those reports state that we need to prepare our health system for the needs of the coming decades. There will be more people with complex medical needs. We cannot go on as we have in the past. It cannot be business as usual. We need to ensure that our health system is up to the task of caring for all Australians into the 21st century. We need to make sure that we are at the cutting edge. We need to make sure that we cut down on the duplications. We need to make sure that health care and health services are delivered efficiently, and that can only be done if we utilise e-health.

With the improved health care that e-health enables and by ensuring that resources are directed to where they are most needed, which will happen through the utilisation of e-health, we will get better outcomes. Lives will be saved through better decisions, better support, increased access to information and a reduction in adverse events. This is a win-win situation.

As I mentioned earlier, the only concern I had initially was about privacy. Having read the details and having been assured that there will be a proper framework in place to ensure the privacy of all Australians and penalties if anyone looks to breach those privacy requirements, I am quite comfortable with the legislation that we have before us. Putting in place the health identifier service is the starting point for an e-health system that is uniform throughout Australia. It is vitally important for the health of all Australians. I encourage the opposition not to change their position but to get behind the legislation and support it and not oppose it just so they can oppose legislation.

Mr LINDSAY (Herbert) (7.01 pm)—Over in the United States, the Americans are paranoid about any move whatsoever to change gun laws. The Americans say, ‘It is our right to carry arms,’ and it is not unusual, if you travel on a bus somewhere in the United States, to find that every third person probably has a gun in their pocket. It results in some terrible outcomes and is something that should be changed. America should follow Australia’s lead in relation to gun laws.

Here in Australia we have our own peculiar phenomenon, which relates to national ID issues and the paranoia that Australians seem to have about having national ID cards and the like. Just as the gun law situation in the United States is wrong, the paranoia in Australia about having national identifiers is wrong. It is such a pity that, whenever there is a proposal to establish a common identifier, the public are very ill at ease and edgy, and often it is opposed. A government will put up a policy to have some kind of national identifier and the opposition will oppose it, building on the fear of Australians that Big Brother is watching.

That happened under the last government when the Labor Party opposed the notion of a national health card which rolled into one card a whole range of possibilities. The card had a smart chip which had all sorts of Centrelink information, health information, taxation information and so on, but it was extraordinarily well protected. The security that was proposed for the card was second to none. The card also had the potential to carry people’s personal information—bank details and so on—and would have produced a situation where you only needed to have one card to carry everything that you used in your normal, day-to-day life. But the Labor Party opposed it and it did not fly. That is
such a pity, because it would have been so convenient to have it.

Of course, what we have now is the de facto national ID card, which is your drivers licence. How often is it that you have to present your drivers licence as a form of identification? Interestingly, I recently had to apply for a new ordinary passport. I went to the post office, as everybody does, and had to identify myself. I said: ‘Here is my current official passport. This is my identification.’ The people at the post office said, ‘No; you have to produce your drivers licence and your Medicare card.’ The official passport was not sufficient identification for me to get an ordinary passport. What a nonsense that is.

My point is that this legislation—the Healthcare Identifiers Bill 2010 and Healthcare Identifiers (Consequential Amendments) Bill 2010—seeks to establish a 16-digit identifier for healthcare purposes, and I do not think it goes far enough. I certainly support the legislation. I certainly support the notion that this is a safe, secure mechanism and that there are no privacy issues, and we should implement it. I am just disappointed that it does not go far enough. My message to the parliament tonight is that we should extend this proposal. We should have a practical national ID number for everything.

Other countries have it. I will give you an example. A country that you would think would be opposed to a national ID number is Sweden. It is basically a socialist country. But everybody in Sweden accepts the need for a national ID number. It is used in everything. You cannot go anywhere without quoting your national ID number. It does not lead to any fraud or misuse of the number. People’s privacy is respected. It is even used for the electoral roll. Incidentally, when I was looking at this issue, I discovered that in Sweden you can have two votes. If you cast your vote in an election and then decide that you want to change it, you can then go back and change your vote. But you can only do that because of this national ID number. So I appeal to the government to think about expanding the concept—effectively this is a narrow form that is being presented to the parliament tonight—to a truly national identifying number that can be used everywhere you go across all federal, state and local departments and that is securely protected for the convenience of Australians. These days, with the wonderful technology that we have access to, surely it makes sense that we can produce such a system for the benefit of all Australians.

So this is a positive step by the government. I support it. There are clear benefits for the e-health program, and it does help create a more unified and coordinated national healthcare system. The key aspect of this is that there will be, through increased communication and availability of healthcare information for both patients and doctors, clear benefits. As Australians have a propensity these days to move around the Commonwealth—lots of Australians move from state to state and from district to district—it is just so sensible to be able to arrange for whoever is the local doctor you are going to see to have access to the information in the e-health system.

I guess I do have a word of disappointment, though, in that it has taken the Rudd government 28 months to do anything on health care. Inaction has been Labor’s only solution for too long. When it comes to an issue as important as health care, taking the first small step is only the beginning. I draw parliament’s attention to Townsville Hospital in my electorate. It is one of the many hospitals around the country that are struggling. Townsville Hospital is under serious pressure. A Queensland Health report in September 2009 showed that, for that quarter, pa-
tients in Townsville spent an average of eight hours waiting for a ward bed—that is the highest state wide—and, in just one day in February 2010, last month, there were 26 patients in the emergency department waiting to be admitted to a ward. Labor knows that Townsville Hospital is struggling. The state government knows that Townsville Hospital is struggling. The Queensland health department released a report in January 2010 which predicted that there would be an extra 40 per cent of overnight hospital stays by 2016-2017 and the need for an additional 179 beds. But the report did not address many of the real concerns or propose actual solutions. There is no solution for the chronic workforce shortages of the hospital and no plan to boost the number of doctors and nurses to provide care for these extra beds. Bed shortages are a big issue for Townsville Hospital. In June 2009, the hospital had over 21,000 people on a waiting list to get on a waiting list. That is an extraordinary situation. It is unacceptable for patients in Townsville. But it is just one of the problems in health care in North Queensland. The e-health initiative in this legislation before us does help.

I come from regional Australia. Behind Townsville is the great north-west minerals province, where people work on a fly-in fly-out basis at the mines. As people come and go across the north-west minerals province, they may need to see a doctor in Townsville or Cloncurry or Mount Isa or Hughenden or Richmond and so on. So this e-health initiative helps with their medical records and this legislation provides an individual identifier which allows people to access their information and doctors to access this information no matter where they might be in this great land of ours. The Australian health system is facing increasing pressure. Can I just ask the member for Petrie: how much time do you want to use in your speech?

Mrs D’Ath—Twenty minutes.

Mr Lindsay—So I can conclude.

The Deputy Speaker (Hon. J. E. Moynihan)—The member for Herbert, I think, should continue.

Mr Lindsay—That is okay. I was just trying to assist the House. Thank you to the member for Petrie for assisting me. The whip asked me to talk on. Now I will not talk on—

Mr McClelland interjecting—

Mr Lindsay—The Attorney-General loves that. So I will wrap up and say to the House that I do not think we have gone far enough in this legislation. I would like to see the parliament really seriously look at a proper national identifier that can be used for everything, not only for health but for all facets of our identification requirements across all levels of government, and indeed across the private sector as well. I will be supporting these bills, and I thank the House for its attention.

Mrs D’Ath (Petrie) (7.15 pm)—I rise to speak in support of the Healthcare Identifiers Bill 2010 and the Healthcare Identifiers (Consequential Amendments) Bill 2010. The purpose of the Healthcare Identifiers Bill 2010 is to establish a national Healthcare Identifiers—HI—Service and set out arrangements for the operation of the service and its functions, which will be to assign, issue and maintain unique healthcare identifiers for individuals, healthcare providers and healthcare provider organisations. This bill will ensure establishing arrangements for their management. The bill will establish arrangements for operating and maintaining the Healthcare Identifiers Service, including the conferral of functions on the Chief Executive Officer of Medicare Australia. These functions include assigning, collecting and maintaining identifiers for individuals, individual healthcare providers and organisations by using information already held by Medi-
care Australia for its existing functions; collecting information from individuals and other data sources; developing and maintaining mechanisms for users to access their own records and to correct or update details; using and disclosing healthcare identifiers and associated personal information for the purposes of operating the Healthcare Identifiers Service; and disclosing healthcare identifiers for other purposes set out in the bills.

Importantly, the Federal Privacy Commissioner will provide independent regulation of how healthcare identifiers are handled and the operation of the Healthcare Identifiers Service. This will include handling complaints against Medicare Australia, as a service operator, and private sector healthcare providers. The Healthcare Identifiers (Consequential Amendments) Bill 2010 will ensure the Healthcare Identifiers Bill 2010 once enacted operates appropriately and effectively. This will be achieved by making minor amendments to the Health Insurance Act 1973 to authorise the Chief Executive Officer of Medicare Australia to delegate functions to officers to support the day-to-day running of the Healthcare Identifiers Service. In addition, minor amendments to the Privacy Act 1988 will provide for the Privacy Commissioner’s role as the independent regulator of the Healthcare Identifiers Service.

The establishment of the HI Service through these bills is an important step forward in health reform throughout Australia. The Rudd government has consistently argued that a national approach is needed to ensure the frameworks and key infrastructure components are coordinated and aligned across Australia. It is hoped that those on the other side of this chamber will support these bills. To do otherwise would fail their commitment made in February 2006 through COAG when funding was agreed towards the foundations for a national electronic health record system to allow for safe and secure communication between healthcare providers regarding their patients’ health information.

On 28 November 2008 COAG reaffirmed the earlier decision and agreed to universally allocate the individual healthcare identifier and to provide $218 million in funding to the e-health work program. In the National Partnership Agreement on E-Health it was agreed between the Commonwealth, states and territories that the key objective of the national Healthcare Identifiers Service, to be known as the HI Service, is to provide a national capability to accurately and uniquely identify individuals and healthcare providers to enable reliable, healthcare related communication between individual providers and provider organisations. The HI Service will underpin the development of a nationally consistent electronic health system by removing technological and organisational impediments to the effective sharing of health information resulting from poor patient and provider identification.

The identifiers are a fundamental key building block for a national e-health system. These bills not only will ensure the ability to meet the objective laid out in the National Partnership Agreement on E-Health but also start the process of adopting some of the key recommendations made in the final report of the National Health and Hospitals Reform Commission. In that report the commission identified actions that can be taken by governments to reform the health system under three reform goals: firstly, tackling major access and equity issues that affect health outcomes for people now; secondly, redesigning our health system so that it is better positioned to respond to emerging chal-
lenges; and, thirdly, creating an agile and self-improving health system for long-term sustainability. In achieving the third goal, the commission grouped the recommendations under five levers of reform to support a system adaptive and responsive to changing needs. The third lever to support an agile, self-improving system is a smart use of data, information and communication. The final report recommended a transforming e-health agenda to drive improved quality, safety and efficiency of health care. The report also stated that the introduction of a person controlled electronic health record for each Australian is one of the most important systematic opportunities to improve the quality and safety of health care, reduce waste and inefficiency and improve continuity and health outcomes for patients.

In fact, the final report of the National Health and Hospitals Reform Commission recommended the introduction of identifiers by July 2010. That is what this bill seeks to establish. E-health has the potential to improve patient safety and health outcomes. Such outcomes should be paramount in any consideration of health reform. If there was any doubt in this parliament or in the community about the necessity for this move, we need only look at the facts. It is estimated that 30 to 50 per cent of patients with chronic diseases are hospitalised because of inadequate care management. It is estimated that up to 18 per cent of medical errors are attributed to inadequate availability of patient information. Between nine and 17 per cent of pathology and diagnostic tests are unnecessary duplicates.

Putting aside the politics, the facts speak for themselves. COAG, both under the previous government and the Rudd Labor government, recognised the importance of a move to e-health. The National Health and Hospitals Reform Commission recognise the need for the implementation of e-health. The final report of the commission showed the stark reality if no action is taken to change the way health and hospitals are funded and administered throughout Australia. The report states that, if we continue to provide health services on the basis of ‘business as usual’ with no policy change, our health and aged-care costs are forecast to rise sharply from around nine per cent of GDP now to 12.4 per cent of GDP a little over two decades from now. In dollar terms, we are talking about a shift from $84 billion in 2003 to $246 billion in 2033.

The need to address the strain on the current health and hospital system in Australia and the future demand of the system was further emphasised in the Intergenerational report: Australia to 2050 - Future Challenges. This report highlighted the important issues of an ageing population, escalating pressures on the health system, and the environmental and economic challenges of climate change. The report noted that the proportion of Australia’s population aged 65 and over is projected to almost double over the next 40 years. The report stated that today there are five working-age people for every person aged 65 and over but by 2050 this will be almost cut in half—down to only 2.7 people. With a large ageing population within the electorate of Petrie, it is clear to many in my communities, including the health professionals, that we need to act. I am certainly pleased that the many health professionals in my electorate that I have spoken to recognise the need for and support the transition to e-health.

Kevin Rudd as leader of the Labor Party in 2007 and as the Prime Minister since the Rudd Labor government came into office has acknowledged the need for health reform and has committed to such reform. The member for Herbert was saying how he is disappointed, stating that he believes the government has taken 28 months to do nothing.
Upon coming into office, the Rudd government immediately set to work on its commitment to the Australian people to reform the health and hospital system across Australia. In the very month that the first parliament of the new Rudd government was formed, February 2008, the Prime Minister and the Minister for Health and Ageing announced the establishment of the National Health and Hospitals Reform Commission. The commission was established to develop a long-term health reform plan for a modern Australia. Dr Christine Bennett, Chief Medical Officer at MBF Australia Ltd, was appointed as the chair of the commission, with nine other commissioners being appointed to assist Dr Bennett.

The commission undertook 16 months of intense discussions, debate, consultation, research and deliberation in their dedication to the cause of strengthening and improving our health system for this and future generations of Australians. On 30 June 2009, the commission presented the Minister for Health and Ageing, the Hon. Nicola Roxon, with more than 100 recommendations to transform the Australian health system. As Dr Christine Bennett noted in her letter to the minister in delivering the report:

Health reform does not happen overnight. It takes time and patience, commitment and goodwill from all of us. But we also believe that there is a pressing need for action, and health reform must begin now.

In September 2009, the government, including the Prime Minister and the Minister for Health and Ageing, set about consulting widely through health and hospitals reform roundtables across the country to gauge the opinions of doctors, nurses and allied health professionals on the recommendations with the final report. In all, over approximately four months, the government held 103 consultations.

On 3 March 2010, the Rudd government announced major structural reforms to Australia’s health and hospital system. The government announced that we would deliver better health services and better hospitals by establishing a National Health and Hospitals Network. This new national network will be funded nationally and run locally. These reforms represent the biggest changes to Australia’s health and hospital system since the introduction of Medicare, and one of the most significant reforms to the federation in its history.

There will be a national network, to bring together eight disparate state run systems with one set of tough national standards to drive and deliver better hospital services. It will be funded nationally, and by taking over the dominant funding role in the entire public hospital system the Australian government will end the blame game, eliminate waste and shoulder the burden of funding to meet rapidly rising health costs. Systems will be run locally, through local hospital networks bringing together small groups of hospitals, where local professionals with local knowledge are given the necessary powers to deliver hospital services to their community.

The Commonwealth will achieve these changes through the following actions: taking 60 per cent of funding responsibility for public hospitals by investing one-third of GST revenue—currently paid to the states and territories—directly in health and hospitals; taking over responsibility for all GP and primary healthcare services; establishing local hospital networks run by health and financial professionals which will be responsible for running their local hospitals, rather than central bureaucracies; paying local hospital networks directly for each hospital service they deliver, rather than just handing over block funding grants to the states; and bringing fragmented health and hospital services together under a single National Health
These reforms will be put to the states and territories at the COAG meeting to be held in Canberra on 11 April. The Commonwealth wishes to work with the states and territories to reach agreement on these reforms. However, if agreement cannot be reached the Prime Minister has stated that the government will take this reform plan to the people at the next election—along with a referendum by or at that same election to give the Australian government the power it needs to reform the health system.

The new National Health and Hospitals Network will end blame shifting and cost shifting, and provide national leadership on health and hospitals with increased local control. Yet, the member for Herbert says we have been doing nothing for 28 months. Sweeping changes to the way hospitals are funded and run will also lead to less waste and duplication and a health system which is sustainable into the future. On the basis of these reforms, over the coming weeks and months the government will announce critical additional investments to train more doctors and nurses; increase the availability of hospital beds; improve GP services; and introduce personally-controlled electronic health records. The establishment of the National Health and Hospitals Network builds on record investments in health and hospitals made by the Rudd government over the last two years.

Already underway under the Federal Labor government in just two years is an agreement for health and hospitals funding over the next five years—a 50 per cent increase on funding under the Howard government—including training more doctors and nurses. This is the largest ever investment in the health workforce. This government has increased GP training places to over 800—a 35 per cent increase on the Abbott cap—and increased the number of places for junior doctors to experience working in a general practice setting by 10 per cent this year. We are also upgrading the emergency departments of 37 hospitals around the country. The Rudd government has already delivered more than 62,000 extra elective surgery procedures—64 per cent more than the target of 25,000 procedures.

The government is delivering new elective surgery equipment and operating theatres for 125 hospitals, and 36 GP superclinics are to be built across Australia, including a new superclinic in Redcliffe in my electorate. The government is already investing in our rural and remote workforce—an extra 500 communities and around 2,400 doctors in rural Australia will become eligible for financial support for the first time—and there will be 35 health infrastructure projects including improving 18 hospitals around the country and upgrading 12 medical research and clinical training facilities. Already underway are more residential aged-care places through providing low real interest rate loans.

In contrast the Liberals in government, under the stewardship of the Leader of the Opposition, as then health minister, slashed $1 billion from public hospitals, and they caused a national shortage in the medical workforce by freezing medical student places and capping GP training places, leading to a critical doctor shortage affecting 60 per cent of the population.

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER—Order! It being 7.30 pm, I propose the question:

That the House do now adjourn.

Youth Connect

Mr ROBB (Goldstein) (7.30 pm)—I rise tonight to speak about Youth Connect, a not-
for-profit community focused organisation that offers assistance to young people in the south-eastern suburbs of Melbourne. In particular, I want to highlight a new program that has recently been implemented called Right Step, a young offenders’ diversion and re-engagement program. Established in 2004 following the merger of the Moorabbin Oakleigh Springvale development group and various bayside organisations, Youth Connect is located in the Victorian suburb of Bentleigh. Youth Connect has established itself as an outstanding example of an organisation supporting young people who are disengaged or at risk of disengaging from education, training and employment. The organisation works with the local community to provide pathways for all young people through secondary education, further learning and employment. Danny Schwarz and his team do a terrific job. In my view they are truly inspiring in what they have done and are doing.

Youth Connect and its predecessors have, through the delivery of government funded initiatives including the Howard government’s Jobs Pathways Program, Youth Pathways, Local Community Partnerships and the Victorian government’s workforce participation programs, supported more than 5,000 young people to re-engage in education, training and employment. The Right Step program was born out of a need first identified by Victoria Police and has been developed through extensive collaboration with many community organisations, including the Moorabbin police and the Moorabbin Justice Centre, the Department of Human Services, the City of Bayside and the City of Kingston. The need for Right Step was verified by rising crime statistics in the Bayside area, which revealed that 1,625 young people between 10 and 18 years of age had been dealt with by local police in the 2008-09 financial year. What is even more disturbing is that nearly 50 per cent of these young adults had already been charged with multiple offences.

The Right Step program has been designed to keep these young offenders from the court system and to assist in identifying and addressing issues that may put the young person at risk of reoffending. The referral of the young offender is determined by the police member at the time of the charges being laid. The program involves counselling, guidance, coaching, education and career pathway planning. It also encourages the young person to set goals, steps and tasks to overcome the identified barriers that are causing them to reoffend. Right Step involves the young offender agreeing to participate in the program, and the young person is then obligated to attend and participate in at least eight sessions over an eight-week period. The assigned case manager will then determine whether it is necessary for the individual to attend additional appointments. Following the completion of the program, a report is written to the court for the magistrate to take into consideration when reaching a determination. At the discretion of the magistrate, the charges could be reduced or even dismissed. Youth Connect then maintains contact with the young person for a period of 12 months.

It has been remarkably successful already. Recently the Productivity Commission identified that the recurrent cost of an adult prisoner per year was over $75,000. Youth Connect estimates that to foster a young person through their program would only cost an average of $2,500 to $3,000, clearly a great investment. The sustainability of the Right Step program will rely heavily on government and community funding to establish sound evidence of its impact. However, due to lack of funding, the Right Step program has been established only as a three-year pilot, and currently Youth Connect is using
their own reserves, with a small philanthropic grant.

Through its dedicated work, Youth Connect is now providing an opportunity for the community through Right Step to see change in legislation that will allow magistrates and police to divert young people into programs that provide intervention and support. In turn, both federal and state governments will include diversion programs for young people in appropriate departmental budgets. Additional federal and state government funding to help young offenders get an opportunity to rehabilitate and avoid the court system is a very cost-effective investment, and I ask the Australian government to seriously consider such an investment. Without the support of Youth Connect, many of these young people will be forced to navigate the welfare system, and source support, on their own or, more likely, end up in jail. I applaud very strongly the efforts of Danny Schwarz and his colleagues.

**Iran: Persecution of Baha’i Faith**

**Fairtrade Certification**

Mr SYMON (Deakin) (7.34 pm)—Tonight I wish to highlight two separate issues in overseas countries that have been brought to me by groups of constituents in Deakin. Firstly, I would like to comment on the situation of the seven leaders of the Baha’i community who were detained in Iran. The persecution of the Baha’i in Iran has been a subject of comment in this House for at least three decades now, and unfortunately the situation does not appear to be improving. If anything, it is getting worse.

Representatives of the local Maroondah and Whitehorse Baha’i communities introduced themselves to me in early 2008 and at that meeting they explained that the Baha’i Faith is a worldwide religion with more than five million members around the globe and comprises people from all backgrounds and walks of life. At the heart of their region is a call to deal justly with people and a commitment to the causes of peace. The Baha’i Faith supports the idea of the unity of the human race, the promotion of equality between women and men and the need for economic justice and access to education for all.

The current situation in Iran was brought to my attention by several members of the Baha’i community who live in my electorate. They had written to me in the past and made personal representations a few weeks ago highlighting their grave fears for seven Baha’i leaders detained in Tehran, asking that I support their calls for a fair and transparent trial. The seven people are Mrs Fariba Kamalabadi, Mr Jamaloddin Khanjani, Mr Afif Naeimi, Mr Saeid Rezaie, Mrs Mahvash Sabet, Mr Behrouz Tavakkoli and Mr Vahid Tizfahm.

The first trial of these seven imprisoned Baha’i leaders was held on 12 January this year in Tehran and it was here that they first heard the charges that were being levelled against them, charges such as espionage, propaganda activities against the Islamic order, the establishment of an illegal administration, cooperation with Israel, sending secret documents outside the country, acting against the security of the country and the corruption of the earth. All of the accused have strenuously denied the charges.

These Baha’i leaders, arrested nearly two years ago, had their second court appearance a few weeks ago. Again, the sessions were closed and no family members were permitted to attend. I know our government has registered its strong concerns with Iran about the treatment of the Baha’i community, and I would like to add my voice to those concerned at the treatment of the seven arrested. I think it is right that I should call on Iran to follow the UN treaty, the International Covenant on Civil and Political Rights, a treaty to
which it is a signatory. Furthermore, I call on Iran to act humanely, and to either release the detained Baha’i or hold a fair and transparent trial with full access to legal representation and in accord with the rule of law.

The second issue that I wish to highlight is the issue of Fairtrade certification, which was raised with me just last week by two of my constituents, Catherine Williamson and Ceryss Lim. I briefly spoke about child slavery in the cocoa industry in this place in 2008, as have many others. Fairtrade certification and labelling of products is a very effective way of ensuring that Australian consumers are able to choose products that are produced ethically and in a sustainable manner. Products such as coffee, tea, chocolate, cotton and even sports balls are available with Fairtrade certification.

The Fairtrade label allows consumers to identify products that meet agreed environmental, labour and developmental standards. This certification ensures that producers in poor countries can get a fair deal for their product. Very briefly, this consists of: a fair price which covers the cost of production and guarantees a sustainable livelihood; long-term contracts which provide security of income; and a premium on top of the negotiated fair price which is used to fund local community projects, especially in the areas of health and education. The supply chain is also traceable for compliance and auditing purposes.

It is now possible to buy Fairtrade certified instant coffee in Australia. Although not always easy to find at the supermarket, it is certainly worth asking for. Cadbury dairy milk chocolate is produced in my electorate of Deakin and this is a very popular product. It is also changing its source this year so that it becomes Fairtrade certified. I commend Cadbury on their decision to switch to Fairtrade cocoa for the majority of their chocolate production in Ringwood and I hope that this move brings Australia’s other chocolate producers on board with the use of Fairtrade certified cocoa. I also commend Catherine Williamson and Ceryss Lim for raising this very important issue with me.

Gippsland Electorate: Lakes Entrance Surf Life Saving Club

Mr CHESTER (Gippsland) (7.39 pm)—Tonight I would like to pay tribute to the Lakes Entrance Surf Life Saving Club, Life Saving Victoria and surf-lifesavers across Australia more generally. Over the weekend, the Lakes Entrance club hosted the Victorian junior and senior titles. This was quite an historic occasion for Victoria. It was the first time that the titles had been held on the same beach over the same weekend, and I refer to the comments this week of Life Saving Victoria’s manager of aquatic sports, Drew Urlichs, who said:

…the 2010 Victorian Lifesaving Championships will go down in the history books as the biggest life-saving carnival the state has ever put on for its competitors.

Lakes was the perfect choice to turn this vision into a reality and the weekend lived up to expectations with explosive action in the sand and on the water—from both our junior and senior competitors …

It was a great honour for the club to be chosen to host the titles, but it is nothing new for the club. In 2009, Lakes Entrance was recognised as the Australian surf-lifesaving club of the year, which is an incredible achievement for a relatively small club representing a town of 5,000 to 6,000 people and given the fact that it was up against over 300 clubs from right around Australia.

It was a remarkable effort for the club also to host the event. There were more than 2,000 competitors from right across Victoria competing, as I said, in both junior and sen-
ior events. It took an outstanding community effort for the people of Lakes Entrance, from the local businesses that helped sponsor the event right through to the volunteers. On going to an event of this magnitude you get some sense of the effort being put in by the community when you have the officials and work crews setting up the beach in the first place; mums and dads catering behind the scenes preparing facilities in preparation for the crowds to arrive; the water safety officers making sure that everything goes smoothly, particularly for the junior athletes; and the team managers managing to run thousands of young children up and down the beach to get them to their events on time.

The culture of the Lakes Entrance Surf Life Saving Club is the culture of surf lifesaving more generally. It is the willingness of people to serve their community and to just get on with the job by everyone doing their fair share of the work at hand. The surf lifesaving movement across our nation is, I believe, one of the most important community service organisations we have. They provide a highly valued rescue service to keep our beaches safe throughout the year. But I am also most impressed with the junior development programs that are run through Surf Life Saving Victoria and through the lifesaving movement right across Australia. I have three children who are enrolled in the junior program at Lakes Entrance. My fourth child actually starts in the coming summer and he cannot wait to be a nipper and get on the beach.

There are 5,500 juniors in Victoria who are learning skills for life from first aid to resuscitation techniques to surf safety to a whole range of water rescue techniques and water craft skills. The competition and the youth development opportunities that are available to young people through this movement are quite incredible in terms of helping to build self-esteem and confidence in the water. It is also, in terms of their broader community life, an incredibly important organisation. Remarkably, at a time when we hear of the ageing nature of most of our volunteer organisations, it is a fact that 50 per cent of the Surf Life Saving Australia members are aged under 25. It is a very young movement in that regard and young people are demonstrating, through their willingness to get involved in surf-lifesaving, that they are also willing to serve their community.

From our perspective in Gippsland it is the end of the competition season. We have had carnivals throughout the season at Woodside, Seaspray and Lakes Entrance and I would like to pay tribute as well to the members from those other clubs at Woodside and Seaspray. It shows great community spirit that the kids can get on the beach and compete, and compete fiercely, but that the moment the events are over they are sharing a sausage sizzle or other refreshments. There are some wonderful people involved in all three of those clubs right throughout Gippsland.

It is impossible, I think, to really measure the importance of getting young people involved in community organisations at an early age. I believe it helps them to build respect for themselves and it also challenges them, allowing them by competing to demonstrate their courage and resilience. When you are involved in surf-lifesaving competition your courage is often tested, and the young people competing over the weekend demonstrated that on many occasions.

Most importantly, it also requires the competitors to demonstrate a respect for their fellow competitors and the officials involved. This building of respect, this sense of belonging and being part of community activity and this increasing of self-esteem through a healthy lifestyle are some of the real keys to
improving outcomes in later life for our young people. I believe that governments should be investing as much as possible in such community and sporting organisations in order to provide the facilities and to make it more affordable for our families to participate in the future. They really are the hub of community life. Finally, I would like to thank the many thousands of volunteers who have given up their time over the past summer months to help keep our beaches safe right throughout Australia. Without your dedication, Australia would be a poorer place. Surf-lifesavers in their red and yellow caps are one of the most iconic images of our nation. I urge them to continue to serve with pride and I thank them for the service they have given our country over more than a hundred years.

Middle East

Mr DANBY (Melbourne Ports) (7.44 pm)—There has been a lot of attention given recently to the assassination of senior Hamas operative Mahmoud al-Mabhouh in Dubai. I do not know who killed Mr Mahmoud. The only people who have been arrested so far in connection with the assassination are Ahmad Hasnin and Anwar Shekhaiber, who are both members of the Palestinian organisation Fatah. Frankly, I would have preferred him to have been brought to trial, just like the murderer of Australians who met his end today in Jakarta, Dulmatin, but, as the President of Indonesia and the Prime Minister indicated in the case of Dulmatin, the world is better off without him. If Australian passports were used by a friendly country like Israel, it was, as the Australian government says, wrong and a mistake. The relationship between Israel and Australia is too deep, too long-standing and too friendly for this one particular incident to disturb our friendship in the long term.

Mahmoud al-Mabhouh lived by violence, and his violent end, whoever was responsible for it, was not surprising. In 1989 he was responsible for the abduction and murder of two Israeli soldiers—Avi Sasportas and Ilan Sa’adon—whose murders he celebrated by standing on one of the corpses to be photographed. It is surprising that his interview on al-Jazeera boasting of these murders just two weeks before his death has not been reported by the Australian media. He was wanted for murder in Israel, Egypt and Jordan. He was Iran’s senior agent in Gaza and played a central role in linking Hamas with the Al Quds forces of the revolutionary guards in Iran.

However, like the Goldstone commission and all of the side issues brought up by people who want to denigrate Australia’s relationship with Israel, this is, in a sense, a side issue. We have seen much more important and very positive developments happening thanks to the tireless work of Secretary of State of the United States Hillary Clinton. Now proximity talks will take place between the Israelis and Palestinians, resuming after many months of stalemate. This is very encouraging, as Treasurer Wayne Swan noted last night at a big public meeting that he spoke at in Melbourne. I congratulate both Prime Minister Netanyahu of Israel and President Abbas of the Palestinian Authority for having the courage to resume talks without preconditions.

Of course, we have seen many false starts and false dawns in the Middle East before. In 2000, President Clinton and Labour Prime Minister Ehud Barak offered the Palestinians a state on 95 per cent of the West Bank, plus Gaza. Arafat turned it down, ostensibly on the issue of the so-called right of return but really because he feared the loss of his own status if a genuinely democratic Palestinian state was established. What a tragedy that was and what a golden opportunity for peace lost.
Since then we have had the so-called second intifada, with nearly 800 Israelis killed by suicide bombers, many of them launched by Mahmoud al-Mabhouh’s friends in Hamas. The derided Israeli security barrier halted that campaign last year. If you are an Israeli citizen you will have taken a lot of notice of the fact that not one single life has been lost to suicide bombers since the fence has been in place. Of course, this campaign achieved absolutely nothing for the Palestinian people. Not an inch of land was gained.

When I look at this map of 98 per cent of the West Bank which was offered by Prime Minister Olmert of Israel recently to Mr Abbas I think that sometimes the aphorism of the famous Israeli foreign minister Abba Eban—that the Palestinians never miss an opportunity to miss an opportunity—is true. But we always have to be rational and accommodating. We always have to encourage the parties to reach a solution to the Middle East problem. The solution, as we all know and as Australia has supported in the United Nations, is the partition of Palestine into two states—an Arab Palestinian state next to a Jewish state. I hope and pray this time in the negotiations we will see a more realistic attitude on all sides and a genuine and lasting peace attained for the people of the Middle East. Australians genuinely interested in peace will look forward to these negotiations producing a productive result. I seek leave to table a copy of the map of 98.5 per cent of the West Bank.

Leave granted.

**Rural and Regional Health Services**

Mr JOHN COBB (Calare) (7.49 pm)—Let us make no mistake about it: if the state of health care in the central west of New South Wales was given a check up, the findings would be far worse than a cough, a bump or a dodgy knee. The New South Wales health system clearly disregards those west of Penrith and is clearly the worst health system in Australia. I have spoken before about some of the stories that have come out of my electorate—babies being born on the side of the road, nursing staff borrowing medical equipment from local vets, doctors paying for patient procedures and war veterans waiting days in emergency for a bed. It is certainly a long list and it is not getting any better.

Back in August 2007—nearly three years ago now—Prime Minister Kevin Rudd said the buck would stop with him. He said he would put up his hand and take responsibility. Of course, back then everybody was willing to give the now Prime Minister the benefit of the doubt. But now we know differently. Whilst the details remain sketchy on the proposed healthcare system, there is one thing I and the people of central west New South Wales will not stand for, and that is further neglect and further closure of health facilities in regional New South Wales.

Whether it is out in the seat of Parkes, the seat of Calare or anywhere else in New South Wales, closure of health facilities in regional towns and cities also represents a partial closure of those towns themselves. Can you imagine the destruction if the 117 health facilities named in last Friday’s Daily Telegraph were to close? That list obviously came from the New South Wales government. These facilities, according to a senior New South Wales official, would be forced to close because they do not meet the efficient price standards laid out by the Minister for Health and Ageing.

I call on the Prime Minister to guarantee to the people of these regional towns and cities that their facilities will not close. He said that the buck stops with him. I call on him to guarantee it and I call on the health minister to do the same. No fewer than 17 of these facilities fall in the current electorate of
Calare, with two more in the new electorate of Calare—19 in total. That is 16 per cent of the total list which fall under my responsibility in New South Wales. These are communities of value to this country—places as big as Parkes, Portland, Cowra, Burke, Lithgow, Condobolin, Narromine and Forbes. It is unbelievable. On top of that, the pressure which will be lumped on the ones which are left, which will basically be Dubbo, Orange and Bathurst, will overload those already totally overloaded facilities to just a ridiculous degree. It is worrying that even the New South Wales government, responsible for what is currently the worst healthcare system in the country, is trying to get its fingers on the scheme.

I would also like to mention the community of Forbes—another community on the list of those threatened by the government’s new health system. Back in 2004, Forbes was promised funding for a new hospital by the then state Minister for Health, Morris Iemma. In 2008, planning finally commenced. It is now 2010 and this project is obviously going nowhere as far as the current state government is concerned. The only response that same government is giving is that the money will be given when it becomes available. A lot of things are going to happen in New South Wales before they can turn things around enough to have any money available. The people of Forbes want answers, they want control and they want a new hospital. They have been promised it and they deserve it—not only that, they need it and so do those people west of Forbes. The coalition’s plan gives them control—local representatives making local decisions and accountable members of the community, not another layer of bureaucrats or more broken Labor Party promises.

Blair Electorate: Ipswich Historical Society

Mr NEUMANN (Blair) (7.54 pm)—I speak tonight about the Ipswich Historical Society. On 6 March 2010, I had the privilege and pleasure of being at the Cooneana Heritage Centre open day. Present was the member for Oxley, Bernie Ripoll; Ipswich Mayor Paul Pisasale; and a number of other distinguished guests, including Peter Casa, the manager of Casa Engineering. We officially opened the Cribb and Foote memorial gates as a tribute to the central role played by that store in the development of Ipswich. In addition, Mr Andrew Vickers, the general secretary of the Construction, Forestry, Mining and Energy Union in Queensland, was present and I want to pay tribute to the CFMEU for their fantastic support in the restoration of the family home of Mr Jim Donald.

Who was Jim Donald? Jim Donald was an MLA in Queensland and a past secretary of the mines union in Queensland. The lounge and dining rooms are in their original state and will feature photographs of past presidents and secretaries of the miners union, including my old mate and a neighbour of mine, ‘Digger’ Murphy, who was the president of the miners union in Queensland for a long time—back in those days it was called the coalminers federation. The residence highlights the importance of the state coalmining industry to Ipswich, which is celebrating its 150th year as a municipality.

Coalmining is important to Ipswich and has been for a long time. Ipswich was first settled back in the convict era in 1827. Coal was required for the steam engines employed in boats, trains, mills and works. In the 1870s, Ipswich enjoyed a great boom time. Miners swelled the population of the Ipswich area. Indeed, on the Ipswich crest, the motto is ‘Be confident when doing right’, and the
implements of the coal industry are found on the crest. In fact, coalmining implements are also found on the crest of my old high school, Bundamba State Secondary College, which proudly displays the motto ‘Success with honour’. In 1949, the Moreton field, as it was known, was still the largest producer of coal in Queensland, with 67 small mines yielding 47 per cent of the state’s output. By 1960, the railway workshops at North Ipswich employed 2½ thousand people, while the coalmining industry engaged 3,000 and the woollen mills another thousand. To put this in context, there were 43,200 people living in Ipswich at the time—now it is a booming city, the fastest growing city in South-East Queensland, with 165,000 residents—and there were 3,000 people working in the coalmining industry out of that population.

Jim Donald is a very famous Ipswich resident. He was born at Redbank and the Cooneana Heritage Centre is located at Redbank Plains, just down Redbank Plains Road. Jim Donald was born in Redbank in Ipswich in 1895. He was first elected to the Queensland state parliament on 22 May 1946. He died on 4 May 1979. He served as the MLA for Bremer from May 1946 to May 1960 and continued as the Labor MLA for Ipswich East until his retirement on 17 May 1969. His 23-year career in politics was highlighted by his promotion to the illustrious position of Leader of the Opposition in Queensland in 1958. He received his primary education at Redbank in Ipswich state schools before becoming a cabinet-maker and later entering the mining industry as a winding engine driver. Donald became very active within the union movement during that time and became the state secretary of what was known in those days as the Queensland Colliery Employees Union, now known as the Mining and Energy Division of the CFMEU.

The state government named a public housing development in Central Ipswich after Jim in July 2006, so it is a very important monument for Ipswich. I pay tribute to the CFMEU and Andrew Vickers, whose father was also involved in coalmining. Coalmining has been an important part of the city of Ipswich for such a long period of time. I pay tribute to all those people in the historical society, which was created in 1966, particularly to Ian Wilson, the president of the historical society, and to the great workers at the Cooneana Heritage Centre. Congratulations to them, to the CFMEU and to the people of Ipswich on 150 years as a municipality.

(Time expired)

Question agreed to.

House adjourned at 7.59 pm

NOTICES

The following notices were given:

Mr Albanese to present a bill for an act to amend the law relating to the security of aviation and maritime transport and offshore facilities, and for related purposes.

Dr Kelly to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed fit-out of new leased premises for the Department of Climate Change and Energy Efficiency at the New Acton Nishi building, Edinburgh Avenue, Canberra City, ACT.

Mr John Cobb to present a bill for an act to reduce the risk of bovine spongiform encephalopathy being present in imported meat.
The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9.30 am.

CONSTITUENCY STATEMENTS

Swan Electorate: Brightwater Oats Street

Mr IRONS (Swan) (9.30 am)—Last week I met with the staff and graduates of the Brightwater Oats Street home in East Victoria Park in my electorate of Swan. Brightwater Oats Street provides a wide range of specialist services for people with brain injury and other neurological disorders. The care is focused on helping clients achieve their often difficult journey back to independent living after discharge from hospital. The program has been running since 1991 under the direction of its CEO, and 2009 Western Australian of the Year, Dr Penny Flett.

Last week it was fantastic to be able to meet three of the graduates of the program, and I would like to share some of their stories with you today, as they give a good idea of the inspirational work of Brightwater and the dedication of the patients. Stuart MacPherson sustained a brain injury 15 years prior to coming to Oats Street in 2008. When Stuart came to the centre, he was still suffering from the effects of his brain injury. He needed to relearn how to budget, how to plan and how to focus on tasks he was undertaking. Stuart also needed assistance to relearn general social skills, something that is commonly lost after a brain injury. I notice the member for Cowan, an ex-Defence Force person. Stuart was also ex-Army, so he had lost his job with the Army. But in July 2009 Stuart left Oats Street and he is now living independently in the community, although he still receives some support from Brightwater. I know he was going for a job interview on Monday, so I hope he was successful with that.

I also met June Litton, who arrived at Oats Street having spent the first four months of her recovery as a patient at Sir Charles Gairdner Hospital and the Shenton Park Rehabilitation Hospital. June was determined to return to the workforce, and commendably she secured a job as a cleaner at Oats Street while still a client there. Thanks to the support of Brightwater and June’s determination, she now lives independently whilst continuing to work for Brightwater.

The final story I want to read is that of Gail Pilton. In February 2008, Gail was found unconscious in her garden by her son. She had suffered a brain haemorrhage, and she spent seven months as a patient at Royal Perth Hospital before moving to Oats Street in September 2008. Undergoing brain surgery to prevent any further brain damage, Gail continued to have problems with her memory as well as planning and problem-solving skills. Gail’s progress at Brightwater means that she has now moved into her own unit in Manning.

I would like to congratulate all the staff and graduates at Brightwater Oats Street for their dedication and care and the professionalism that they show. I understand that the board and senior management team are looking to redevelop the site at Oats Street. According to the group, the facility and building are now more than 40 years old and are costly to maintain and operate. The group wants to create a modern purpose-built complex. A recent $277,000 grant announced by the state government should help it to get close to achieving that, and I implore the federal government to look at helping to fund them as well.
Gorton Electorate: Gorton Young Leaders Awards

Mr BRENDAN O’CONNOR (Gorton—Minister for Home Affairs) (9.33 am)—I think that we would all agree that it is important to encourage and support young people who demonstrate a commitment to their communities and to active public leadership. It is for this reason that last year I established the Gorton Young Leaders Awards. The Gorton Young Leaders Awards recognise local young people who have shown an exceptional commitment to public service, specifically through involvement in voluntary work, student leadership or community service.

I am extremely pleased to inform the House that the electorate of Gorton has produced some outstanding young leaders who have demonstrated a commendable level of commitment to their communities and to greater public life. The achievements of these leaders were diverse, ranging from sporting accolades and volunteer work for a refugee-tutoring program to charity work for the Victorian bushfires relief fund and the St Vincent de Paul Society.

Sixteen former year 12 students from across seven schools were awarded a Gorton Young Leaders Award for 2009. The winners are as follows: from Brimbank College, Yvonne Masaga and Konrad Sosnowski; from Catholic Regional College, Sydenham, Breanna Slattery, Justin Sepe, Steven Mazziol and David Szostak; from Copperfield College, Linda Sahakian and Daniel Viviers; from Deer Park Secondary College, Rosa Solomon and Rhys Lawler; from Keilor Downs Secondary College, Angela Pereira and Ryan Buhagiar; from Marian College, Adora Tran and Angela Lieu; and, from Taylors Lakes Secondary College, Michelle Pollacco and Thomas Yankos.

Last month I had the great pleasure and privilege of meeting these young leaders at a morning tea that was convened in my electorate office in Keilor. I would like to thank my electorate staff for providing that opportunity. It was a great event. It allowed us to discuss their efforts—not only what they do in the curricular area of school but also what they do in the extracurricular area: providing support in the community, as I said, and involving themselves in very important altruistic initiatives. I look forward to charting the progress of these young leaders in the years ahead. I am sure the House will join me in congratulating them on their efforts and wishing them well in the future. Indeed, if the Gorton voters allow me, I certainly look forward to acknowledging the 2010 Gorton Young Leaders Award recipients in about a year from now. It is a magnificent tribute to the efforts of those young people as well as a tribute to their parents and families. In the end, it is important that as local leaders we acknowledge such good work, and for that reason this type of award will continue, I hope, for many a year.

Indi Electorate: Home Insulation Program

Mrs MIRABELLA (Indi) (9.36 am)—I rise this morning to speak on the concerns and anxieties of some local constituents of mine. I am sure that to many others here today this will not be a surprise. I am sure they have had similar contact from concerned constituents. I received a call very recently from a local constituent of mine in Wodonga, Mr Colin Storey. He was calling on behalf of his wife. Until recently his wife, Nanette, was employed by a local insulation company, Albury Wodonga Total Insulation, but due to the government’s rushed and ill-devised scheme—and its subsequent panicked withdrawal, Nanette was put off, as were many other workers. She is now out of work. Of course, being a
reasonable woman living in a community, she understands the company’s decision to cease her employment, because she understands the practical reality for small business operators and the need to have a sustainable business and to be able to cover costs—unlike this government, which not only does not understand small business but also, obviously, does not understand how to manage budgets.

When the government pulled the rug out from beneath the insulation industry, the then minister, Mr Garrett, made an assurance that compensation would be delivered to those affected by the withdrawal of the program. The government assured those affected that the compensation would be fast tracked and made available immediately, but when Nanette went to Centrelink to access compensation payments she was told that it would be 13 weeks before she would receive any form of payment. Mr and Mrs Storey, who are both 61 years of age, are working as hard as they can to try to plan for their retirement—after all, they have been told that they have to work longer. They are responsible people who have been honest, hard workers for their whole lives. Nanette is now out of work and without any form of income for 13 weeks.

I have written to the new minister responsible seeking an explanation as to why it will take 13 weeks for Nanette to receive any payment and why it was claimed that these payments would be fast tracked if they would take more than three months to receive. When Mr Rudd and his ‘kitchen cabinet’ were thinking about ways to throw away as much money as possible, as quickly as possible, they neglected to think about the real impacts of a poorly thought out, poorly monitored and poorly implemented program on hard-working Australians. *(Time expired)*

**Werriwa Electorate: Hospitals**

*Mr Hayes (Werriwa) (9.39 am)—Last week the Prime Minister announced the biggest change to Australia’s health and hospitals system since the introduction of Medicare. This announcement was certainly welcome in my electorate, where local people had been saying for some time that the Australian government needed to take some responsibility for health and hospitals in our community and that they required real change. We have heard the concerns and now we are acting on those and attempting to deliver a better, more coordinated and targeted health system. It is important across south-west Sydney to know precisely what the Rudd government’s national health and hospital network will mean for local hospital and health services. The simple question in this situation must always be: do people want a better health system? It is simple. We know that no hospital system and no health system is ever going to deliver a perfect result all the time, but as a nation we can do better. Doctors and nurses in my local community are saying to me that they want us to provide funding certainty into the future so they can get on and do their job in delivering better health outcomes for their local communities. The important thing to remember is that this plan will be nationally funded, meaning that more money will be available to meet rising health costs. Significantly, and very importantly, services will be locally run. We will empower local doctors and nurses with local expertise to make important decisions about local health initiatives. They will become more efficient and operate with less waste, and that will help to free up the resources to deliver more services and beds.*
Doctors and nurses are backing these reforms. The Australian Nursing Federation and the AMA are publicly supporting the Prime Minister for taking responsibility for major health reform in this country. I note with some interest that both my local newspapers, the Campbell-town Macarthur Advertiser and the Macarthur Chronicle, are reporting that local doctors have broadly supported the federal government’s proposed takeover of hospitals. I also note the comments of the state MP for Macquarie Fields and local paediatrician, Dr Andrew McDonald. He said:

This has been a very positive move from Kevin Rudd …

This was also supported by the New South Wales pre-eminent paediatrician, Dr Michael Free-lander. Professor Brad Frankum from the University of Western Sydney medical school said:

I think most people believe a reform is long overdue so I’m supporting reform, in particular reform that attempts to break down the barriers between state and federal.

This was certainly borne out by the most recent Nielsen poll, which showed 79 per cent of voters were backing this system, whereas in New South Wales it was even stronger at 85 per cent. We are determined to take real action and make real changes to the hospital system for the better of all Australians. (Time expired)

Paterson Electorate: Hospitals

Mr BALDWIN (Paterson) (9.42 am)—Last Friday my constituents awoke to read the front page of the Daily Telegraph. The headline read ‘The hit list—Revealed: the 117 health services at risk of closing’. The article by Simon Benson read:

THIS is the list of 117 NSW hospitals senior health clinicians claim will struggle to survive under Kevin Rudd’s health reforms.

It went on to say:

All are currently block-funded and considered financially unviable under the Federal Government’s plans for a pay-for-service model.

They don’t perform enough medical procedures to fund their own existence.

In my electorate, the target hit list includes the Gloucester Soldiers Memorial Hospital, the Bulahdelah Community Hospital, the Nelson Bay District Hospital and the Dungog Community Hospital. The report by Simon Benson went on:

NSW Health officials, including some of the country’s leading surgeons, claimed more than 100 NSW hospitals were at risk of becoming financially unviable under what is known as a casemix—or activity-based—funding.

Professor Bob Farnsworth, chair of the Sydney Illawarra Area Health Service’s health advisory council, said Mr Rudd’s reforms were “appalling” and “potentially a disaster” for NSW.

“It is taking healthcare in NSW back 20 years,” he said.

It gets even worse. John Deeble, the co-architect of Medicare, was quoted in an article in the Sydney Morning Herald today as saying that the $50 billion reform package was ‘largely spin’. He went on:

Will all this reduce the blame game? Of course not. This policy document is full of it …

He went on to say:

With two tracks for funding and decision making on every issue … there is huge potential for blame-shifting …
I am very concerned. The hospitals in my electorate, those small regional hospitals, are important for the health benefit of our community. They are important for the employment and economic viability of those small communities, and they are the essence of community spirit. This Prime Minister and Premier Keneally need to come out and rule out any closure of hospitals in my electorate. What we will see is a consolidation into the John Hunter, Maitland and Mater hospitals and that will have a dire effect. I do not think that this Prime Minister nor the Premier of New South Wales understand what it is like to sit in an ambulance and travel for an hour and a half to the closest hospital—which is what could happen if they shut down these hospitals in my electorate. I am calling on the Prime Minister and the Premier to be strong.

If ever I saw evidence that they wanted to put more pressure on the major public hospitals, I saw it last night when, again, there was the push to push through the Senate the private health insurance rebate reduction scheme. What they should be doing is alleviating the pressure on public hospitals, and you will not do that by closing down the small regional and rural hospitals in areas such as my electorate.

(Time expired)

The DEPUTY SPEAKER (Ms AE Burke)—Before I call the parliamentary secretary, I do want to acknowledge and welcome into the gallery participants in the 2010 Inter-Parliamentary Study Program. I wish you very well with the program, and hope you learn the good things from our process and not the bad!

Blaxland Electorate: Urban Theatre Projects
Blaxland Electorate: Bankstown Arts Centre

Mr CLARE (Blaxland—Parliamentary Secretary for Employment) (9.46 am)—And here is a good news story! Bankstown has produced some of Australia’s greatest sporting champions: John and Ilsa Konrads, Steve and Mark Waugh, Ian Thorpe, Jeff Thomson and Len Pascoe. What is less well known is that it has produced some of Australia’s most talented artists: Bryan Brown, Human Nature and AC/DC are all Bankstown boys. It is also the home of Urban Theatre Projects, a first-class theatre company telling stories of the suburbs—gritty, real-life, outstanding work—and taking them to the world. Their latest production is called The Fence.

In November, the parliament came together to apologise to half a million Forgotten Australians—men and women who grew up in orphanages and institutions, abused, mistreated and forgotten. The Fence tells their story—the story of people who do not know how to love because no-one ever loved them; people who do not know how to be parents because they never had them. The title for the play was inspired by a man who went into an institution at the age of four. All he remembers of the next 12 years is the fence that kept him in. It is powerful, painful and compelling. I want to thank the artistic director, Alicia Talbot, and the executive producer, Michelle Kotevski, for bringing this important story to the stage. Their work will help ensure that the light that we have shone on a dark chapter of Australia’s history is not allowed to dim.

At this year’s Sydney Festival, The Fence played to near sell-out audiences. Now they are hoping to take it around Australia. The international arts community is also taking note. This year, during the Soccer World Cup, Urban Theatre Projects will stage its own production of The Football Diaries at the National Arts Festival in Grahamstown, South Africa. Later this year, they will take up residency in East London. They have been commissioned to create a
new work with the local community that will be staged in London as Olympic fever peaks in two years time. They have also been asked to make a new work for a Korean festival and, much closer to home, a new work here in Canberra. All of this has been achieved from a small office in Bankstown and a storeroom with no air conditioning that doubles as a rehearsal space. Fortunately, this is about to change.

Work is now underway on a $5.8 million Bankstown arts centre, and I am glad to say that half the funding for that project comes from the Rudd government’s economic stimulus plan. When it is completed in November the centre will house under one roof for the first time the Bankstown Arts Society, the Bankstown Theatrical Society, the Bankstown and District Lapidary Club, the Bankstown Youth Development Service and, of course, Urban Theatre Projects. The site of the arts centre used to be the Bankstown Olympic pool, where champions like John and Ilsa Konrads once trained. It is kind of fitting, then, that Urban Theatre Projects will be based here, producing world-class theatre and helping forge for Bankstown a reputation for excellence in the arts—something long overdue.

Greenway Electorate: Hospitals

Mrs MARKUS (Greenway) (9.49 am)—I rise today to speak on the threat to local hospitals in my community. My local community is deeply concerned that the Prime Minister’s announcement of last week could threaten services at Springwood Hospital, and the Sydney West Area Health Service. The Daily Telegraph last Friday exposed the threat to health services in the Blue Mountains. It singled out Springwood Hospital as one that would see major funding cuts and potential closure under the Rudd government’s so-called health reforms.

Under the proposed casemix funding model, the same fee will be paid for procedures performed in Springwood as in Sydney. This means that hospitals that are already underresourced and communities on the outskirts of cities, like Springwood and Katoomba, will struggle to make ends meet as they battle with uncertain projected income and with paying for more equipment and medical supplies.

Services at these hospitals are already overstretched, and access to services has been cut. We see it in Katoomba Hospital, which has no maternity unit. Women are having to travel to Penrith and, while travelling, are giving birth on the side of the road. This is unacceptable in the 21st century in Greater Western Sydney and particularly in the Blue Mountains. People living on the outskirts of large cities travel far enough already. They should not be forced to travel further for essential health services.

These grave weaknesses have already been proven by other states that tried this funding model and turned their backs on it 10 years ago. It is not viable. It was not a viable option then and it is still not a viable option for many hospitals now. It is severely disappointing to see that there is only one line in an 82-page document with detail about the impact Labor’s proposal will have on hospitals such as Springwood and Katoomba, proving that they are still a city-centric government and have spared no thought for people and residents living on the outskirts of large cities and for regional and rural communities that already have underresourced hospitals and less access to services. In the case of emergencies—for example, a quick birth—somebody giving birth to a baby that is going to be very rapid has no access to such a service in the Blue Mountains.

I call on the Prime Minister to rule out any closure or cut to services at Springwood Hospital or in the Blue Mountains and to give a guarantee that funding to already underresourced
hospitals in this region will not further decline and that the funding model developed will enable services at hospitals that need to expand to meet existing needs to be looked at and met.

Bishop Kevin Manning

Bishop Anthony Fisher OP

Mr BRADBURY (Lindsay) (9.51 am)—I rise to take note of the retirement of Bishop Kevin Manning and the installation of Anthony Fisher OP as the third bishop of the Diocese of Parramatta. Kevin Manning served as bishop of the diocese for the past 13 years. As one of seven children growing up in Coolah, his devotion to the Catholic faith and his calling to the priesthood manifested themselves early in his life. Bishop Manning left school at the age of 14 to work and help support his family, and it was these early experiences of hardship and the desire to share what little one had with those who had nothing that informed Bishop Manning’s deep sense of social justice. Having entered the priesthood and trained at St Columba’s at Springwood, Bishop Manning was selected to complete his training in Rome and was ordained there in 1961. As Bishop of Parramatta, he helped to shepherd the diocese to an era of continued growth at a time when religious worship nationally has trended downward.

In my own community, I was pleased to recently attend the blessing of a new church at Glenmore Park, Padre Pio, one of the last official ceremonies Bishop Manning presided over in his role. He also made clear statements about the moral trajectories of public policies like Work Choices, which he famously characterised as ‘an inherent affront to human dignity’, and he sought to outstretch a hand of friendship to other faiths, particularly the Muslim community, saying, ‘All people have a single origin; we are all children of God.’ He also oversaw the construction and dedication of the new St Patrick’s Cathedral in Parramatta after the old cathedral was gutted by fire in 1996, and it stands as a testament to the strength of the diocese during his tenure and hopefully for decades to come. I would like to thank Bishop Manning for his decades of tireless dedication to his flock, and I wish him well as he retires to Glenbrook.

Bishop Anthony Fisher OP was installed as the third Bishop of Parramatta, and I had the honour of attending his installation mass last week at St Patrick’s Cathedral. Bishop Fisher comes to the role with a wide range of life experience. A former lawyer with Clayton Utz and dux of St Ignatius Riverview, Bishop Fisher answered his calling after backpacking around Europe and through the Holy Land in 1984. He joined the Dominicans and was later ordained in 1991. An author and academic, Bishop Fisher completed a doctorate of philosophy at Oxford University and lectured at the Australian Catholic University. As well as serving as a parish priest, Bishop Fisher has taken on important roles in the church’s activities, coordinating the World Youth Day celebrations in Sydney in 2008. Just as famous, I am told, for his cooking as for his scholarship, Bishop Fisher is the youngest bishop in Australia and will preside over one of the youngest, largest and fastest growing dioceses in the country. I know that all Catholics in the diocese welcome Bishop Fisher to his new leadership role, and we look forward to the important contribution he will no doubt make over the coming years. (Time expired)

Cowan Electorate: Whitfords Volunteer Sea Rescue Group

Mr SIMPKINS (Cowan) (9.54 am)—I recently visited Whitfords Volunteer Sea Rescue Group at their headquarters at the Ocean Reef Marina. Whitfords Volunteer Sea Rescue Group
is one of three volunteer groups, together with Sea Search Fremantle and Cockburn Volunteer Sea Search and Rescue, that are contracted to provide first-responder rescue services off the coast of the greater Perth area. With almost 100 members, the group is the largest and one of the busiest volunteer sea rescue groups in WA, performing approximately 300 rescues each year. Of those members, not one is in a paid position, yet they undertake regular weekend duties and are often on call.

The volunteers of the group perform their duties as crew on the boats, radio operators, support and administration personnel as well as trainers. Apart from their core task of being first responders for rescue, in a related task they also keep track of boats that have logged on with them to check that they all return as planned. This task keeps the radio operators in their operations centre very busy. The Whitfords Volunteer Sea Rescue Group also conducts training courses including the obligatory recreational skippers licence and coastal navigation courses.

The Whitfords Volunteer Sea Rescue Group is something of an institution in the northern suburbs of Perth. Many a boat owner has come to appreciate their dedicated service to the community, and I know they are highly regarded. It was recently reported that there was almost a 50 per cent increase in the number of call-outs for the Whitfords Volunteer Sea Rescue Group during the first part of the summer boat season. This demonstrates the need for a professional and highly effective rescue service, and this is provided in the northern suburbs by the Whitfords sea rescue group.

These increases in call-outs also underline the need for such services to be sought only in true emergency situations and never as a hoax. Unfortunately, Scott Bradley Pike, a hoax caller in October 2009, cost the general community and sea rescue services a great deal of time, effort and money by pretending to be a boat owner in distress. He was found by the police and in January he was sentenced to six months jail and a fine of over $50,000. This will be a warning to those who may be tempted in the future to endanger lives and waste resources by diverting emergency services from their duties when there is no emergency.

The Whitfords group is run on a very tight budget, receiving some funding from the state government, but it also generates revenue for operating expenses from the conduct of sausage sizzles, the sale of radio call sign memberships and other activities such as running training courses. It should be remembered that the fuel for the boats and other overheads have to be paid for out of the funding grant and these sorts of fundraisers.

In my visit I met the commander, Geoff Sparrow; Joss Dwyer, the OIC of Operations; and a number of the volunteers. I would also particularly like to thank Roger Howell for organising my visit and a demonstration on one of the boats. The Whitfords Volunteer Sea Rescue Group is a highly dedicated and committed team. On behalf of my constituents I thank them and I honour them for the great job they do.

**Bass Electorate: Australian Youth Forum**

Ms CAMPBELL (Bass) (9.57 am)—I wish to speak today in relation to the Australian Youth Forum. The AYF is run by the Rudd Labor government as a communication channel between the government and young people aged between 15 and 24 years as well as the organisations that work with, for and on behalf of young people. I had the pleasure of having Minister Kate Ellis in Launceston on 1 March to hold the second Youth Forum in the country within my electorate of Bass. The Launceston forum engaged young people and the youth...
sector in an ongoing public debate and opened the floor to getting input on important local issues and practical solutions that will affect young people’s lives now and into the future within the electorate. The AYF engages young people through the AYF website, and also in person at forums of this type within the community and through community activities. It brings young people, the youth sector and the Australian government closer together and gives young people the opportunity to be heard.

On this note, I would particularly like to mention Emma Malouf, a participant at the forum from St Michael’s Association. Emma is an amazing young woman who at this particular forum had the courage of her convictions to stand before a room of her peers and fellow youths and admit to once being a bully to her sister. Furthermore, she said that from her own experience of bullying at school due to her disability she realised what her sister must have gone through. This was a reflective moment in the forum where a lot of those present were extremely proud and open about their experiences.

In closing, I would like to thank Minister Ellis for coming to Bass at my request for a second time and hosting the Youth Forum. I would like to thank those present for their input and contribution on the day and I would also like to thank Rick Martin, who ran the event absolutely amazingly. The youth of today are indeed our future and I believe we as elected representatives need to continually engage and encourage them to voice their concerns and opinions. The AYF is effective in doing this and I commend the forum to all members of parliament and recommend the AYF as a real opportunity for everyone in this House to engage with young people so that young people and their voices can be heard.

The DEPUTY SPEAKER (Ms AE Burke)—In accordance with standing order 193, the time for members’ constituency statements has concluded.

ANTARCTIC TREATY (ENVIRONMENT PROTECTION) AMENDMENT BILL 2010

Second Reading

Debate resumed from 10 February, on motion by Mr Garrett:

That this bill be now read a second time.

Mr HUNT (Flinders) (10.00 am)—It gives me great pleasure to rise to speak on the Antarctic Treaty (Environment Protection) Amendment Bill 2010. The coalition supports this bill. It builds on measures that we put in place in government to ensure that Australian Antarctic Territory is protected, that it is guaranteed not just for the present generations but for generations many decades and centuries down the track. Antarctica is a place of majestic beauty, and it is a joint responsibility of all sides of this House to take steps to protect it, to ensure and to guarantee that Antarctica will remain a pristine wilderness for generations and centuries hence.

This particular bill does a number of basic, simple things. It is not an enormous bill in and of itself, but it aims to amend the Antarctic Treaty (Environment Protection) Act 1980, a Fraser government bill, to broaden the definitions of flora and fauna protected and not permitted to be brought into Antarctica. In essence the key amendments are these: firstly, to give authority to the minister to include invertebrates as specially protected species, and it prohibits invertebrates being taken from Antarctica; secondly, it broadens the definition of certain natural organisms; thirdly, it increases the safeguards of specially protected species—for example, the amendments tighten the permit system for introducing organisms into Antarctica; and,
fourthly, it strengthens offences relating to accidental introduction of non-native organisms by visitors to Antarctica. This adds a layer of additional protection to those already in place under the original Fraser government legislation.

The broader context is this: the Antarctic Treaty and the Madrid protocol set out the fundamental basis for an international cooperative regime for the preservation, maintenance and long-term protections for the great Antarctic continent and the waters around it. Australia is one of 12 original signatories to the Antarctic Treaty. It was signed in Washington on 1 December 1959; it came into effect on 23 June 1961. Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, the UK, the US and the USSR were all signatories. The aim of the treaty was to protect Antarctica from environmental harm and not allow the continent to be the object of international discord, and those objectives have largely been achieved. The governing body of the treaty, the Antarctic Treaty Consultative Meeting, meets annually. It continues to sign new parties with 47 parties now signed on, which includes the 12 original signatories and 35 acceding states. Only 28 of these signatories are permitted to participate in decision making.

Against that background, I want to make it clear that we believe that the system has been working well. We are proud that the original international program was signed by a coalition government—the Menzies government—and that the legislation was brought in by the Fraser government and we are happy to add to and support the measures outlined in this bill. However, I would note that there is one element of discord—that is, prior to the 2007 federal election the Labor Party’s policy was:

… Labor … will support World Heritage listing—
for Antarctica—
working with other nations to give Antarctica the environmental status it deserves.

Questions were raised at the time as to whether or not there was serious intent behind that proposal. On 1 May 2006 Anthony Albanese, then shadow minister for the environment, issued a statement entitled ‘Make Antarctica a World Heritage Area, not a mine’. The statement said:

A Federal Labor Government will support World Heritage listing …

Not long after the election the policy was changed on the Labor Party website to:

… Labor will work to further strengthen the Antarctic treaty system, with particular emphasis on enhancing environmental protection.

The express, clear and absolute election promise was dropped. That sounds and feels like what has occurred with the more high-profile issue of whaling. The policy exists there in name—but the intention has been abandoned, the delivery has been abandoned and it will never occur.

In June 2009 Senator Wong, representing the minister for the environment, stated in response to questions from Senator Bob Brown:

… the benefits of a World Heritage listing have already been achieved or exceeded in Antarctica through the international agreement that comprises the Antarctic treaty system.

Nothing had changed since prior to the election. The policy was a fraud upon the Australian people. It was not the reason the election was won or lost but it was part of an ongoing and systemic pattern of misleading in relation to environmental issues. We have seen the collapse
of the Home Insulation Program, with enormous human consequences; the collapse of the
Green Loans Program; the termination of the solar rebate program, in direct breach of an elec-
tion promise; and the express, clear and absolute breach of the election promise over whaling.
It is important to point out to the House—this issue has not been widely known—that the La-
bor Party, prior to the election, promised that it would support World Heritage listing. It did so
largely in response to the work of Geoff Mosley, a former head of the Australian Conservation
Foundation, a person who is passionately committed to the long-term future of the Antarctic
Treaty as well as the Antarctic wilderness area. The Labor Party made a promise that it never
intended to keep. It broke that promise after the election. The very least that could happen is
that it could apologise to Geoff Mosley.

I note that in June 2009 there was a Senate motion calling on the Australian government to
‘pursue the lead role towards inscribing Antarctica on the World Cultural and Natural Heri-
tage list’. The coalition supported the motion. The Labor Party opposed the motion. It was the
very thing that they demanded and promised prior to the election; it was the very promise that
was broken after the election. That is simply to put in context the pattern of misleading and
deceptive conduct. However, this bill is a positive bill. We support it. I commend it to the
House.

Ms PARKE (Fremantle) (10.08 am)—I rise to support the Antarctic Treaty (Environment
Protection) Amendment Bill 2010, which is designed to ensure that Australia’s legislation
conforms to the revised international obligations contained under Annex II to the Protocol on
Environmental Protection to the Antarctic Treaty. The protocol deals with the conservation of
Antarctic flora and fauna.

Essentially, this bill imports into Australian domestic law the more stringent protective ar-
rangements contained in the international agreement known as the Madrid protocol. It is
worth noting and celebrating the fact that Australia was the principal architect of this agree-
ment, which significantly improves the protection afforded to Antarctic biodiversity. As the
minister has indicated in relation to this bill, the important amendments it contains have the
effect of adding a new provision that enables the minister to declare invertebrates as specially
protected species and to set restrictions on the taking of native invertebrates; strengthening
the existing protections for specially protected species; making the existing permit system more
robust in order to tightly control any authorised introduction of organisms into the Antarctic;
and updating and sharpening the offences that exist to ensure people take even greater precau-
tions against the inadvertent introduction of exotic organisms into the Antarctic. This includes
creating several new offences such as the offence of the accidental introduction of micro-
organisms, or indeed any organism brought to the Antarctic other than as food.

Australia has long regarded the Antarctic as a region with which we have a special connec-
tion and therefore a special relationship and duty of care. There continues to be a strong sense
in the community that Australia has a natural stewardship role when it comes to the Antarctic
and that we exercise this role both on our own behalf and as a nation acting cooperatively in
the best interests of all people and all living things. That is what a universal commitment to
biodiversity conservation is all about.

Australia’s modern role as one of the chief protectors of the Antarctic dates back to the
middle of last century, by which stage several nations had established permanent research sta-
tions on the icy continent. The Antarctic Treaty was developed out of the International Geo-
physical Year 1958-59 project, a multination research initiative focused on Antarctica and binding together the work of those national research stations. The treaty itself was signed on 1 December 1959 by 12 nations that had been active in that effort: Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, the United Kingdom, the United States and the USSR.

The agreement covers everything south of 60 degrees latitude, and it is one of those documents remarkable now for its clarity, brevity and durability. In six pages and 14 articles the treaty requires, among other things: that Antarctica should be used exclusively for peaceful purposes; that there be a guaranteed freedom to conduct scientific research on a cooperative basis, including the exchange of scientific personnel and the free dissemination of research data; that there be no nuclear explosions or disposal of radioactive waste in Antarctica; that there be an observer and inspection regime to ensure treaty compliance; that parties give advance notice to one another of all expeditions; that signatory nations meet periodically to discuss measures to further the objectives of the treaty; and that parties observe both the stipulated settlement procedure and the established mechanism by which the treaty can be modified.

This agreement, which entered into force on 23 June 1961, can be acceded to by any United Nations member state, and it currently has 47 signatories. Its potency as an international instrument is demonstrated by the nearly 40 years of cooperative consensus decision making that have evolved from the treaty and through the work undertaken in the annual Antarctic Treaty consultative meetings. From both the treaty and this meeting process have flowed a range of further agreements and a set of related organisations, which together are referred to as the Antarctic Treaty System. Those subsidiary agreements themselves include the Agreed Measures for the Conservation of Antarctic Fauna and Flora, adopted in 1964 to protect native animals and plants, to restrict the taking of birds and seals by the application of a permit system and to prevent the introduction of non-indigenous organisms; the Convention for the Conservation of Antarctic Seals, an agreement which establishes conservation standards for any hunting of seals, which thankfully did not resume in the 20th century and does not occur there now; and the Convention on the Conservation of Antarctic Marine Living Resources, adopted in 1980 in response to the unregulated fishing of krill, a key species within the Antarctic marine food chain.

Importantly, this convention relied upon an ecosystem approach to rightly consider the Southern Ocean as a biosphere, consisting of an integrated set of species and marine environment conditions. This agreement continues to govern the sustainable fishing of wholly marine species in the Southern Ocean. The last component of the treaty system is the Protocol on Environmental Protection to the Antarctic Treaty. This was adopted in 1991 to ensure that the full range of Antarctic protections was brought together in a consolidated, comprehensive and legally binding form. The protocol designates the Antarctic as a natural reserve devoted to peace and science. It prohibits mining, it requires that all proposed activities be subject to prior assessment for their environmental impacts and it requires that contingency plans for use in responding to environmental emergencies be developed. It is in the annexes to this protocol to the original Antarctic Treaty that detailed provisions for the protection and conservation of the Antarctic are contained. Annex II updates the rules specific to the protection of flora and fauna, and it is from annex II that the amendments in this bill derive their substance.
All that taken together is probably not the most fascinating narrative ever heard in this place, but such is the painstaking form and plain substance of human agreement at the international level. It is important stuff. It may not sing off the page, but agreements like the Antarctic Treaty constitute the black-and-white, multilateral commitment to clear and enforceable conservation standards. You would be hard pressed to find a better method and means of achieving international observance of agreed environmental management and preservation practices. This bill and these amendments are therefore a further important instalment of Australia’s participation in a very successful protection of the continent of Antarctica and of the Antarctic region as a whole. It is a conservation system that we have been a part of since the beginning and in which we have been an active and effective advocate. I commend the Minister for Environment Protection, Heritage and the Arts and his department for their excellent work in advancing the cause of Antarctic environmental protection.

In this context a number of achievements from the reported year 2008-09 are worth noting—namely, the fact that through the International Polar Year cooperative research structure Australian scientists participated in 72 of the 228 endorsed research projects; that as the current conveners of three of the four working groups established by the advisory committee on the conservation of albatrosses and petrels, the department continued the work to address taxonomy issues and the gathering of seabird data in relation to population status and trends; that Australia secured an update to the Antarctic protected area management plans for Mawson’s Huts; and, finally and most significantly in relation to this debate, that it was at the April 2009 annual Antarctic Treaty Consultative Meeting that, in addition to tabling eight working papers and four information papers, Australia led and saw the resolution of the revision of Annex II to the Madrid protocol, which is the basis for the enhanced flora and fauna protections contained in this bill. It was the end of an eight-year process and it was an achievement that we should all recognise and celebrate.

There is no doubt that we are living in a time when the pressure of human life on the environment that sustains us is taking a serious toll on the natural resources and biodiversity of planet earth. The growing human population is matched by an increasing draw on resources per head of population, and this inevitably spells danger for forests, for wetlands and for coastal and marine environments, and so it puts at risk all life that depends on those environmental systems. This includes human life.

In recent decades the global community has come to focus more keenly on those things that we cannot help but share—the atmosphere, the oceans, the climate—as our growth as a species reaches a point where we test the limits of those commonly shared environmental conditions. As we particularly test the capacity of our oceans, our atmosphere and our climate to absorb our demands and our impact without detrimental consequence for life on earth, human and non-human alike, we confront the need to overcome an attitude which we have heard expressed in this place, an attitude that says we should not compromise our own consumption or seek to lessen our own impact unless other nations do so first. It is a recipe for inaction; it is not a recipe for the status quo because there is no status quo. There is only a steepening decline in the quality of our environment and in the biodiversity of our planet. It is a recipe for disaster.

I have said before that I believe we as a civilisation are moving to an era that will be characterised by how we transcend the limitations inherent in a system defined by the autonomy
and primacy of the nation-state and by the rising and falling hegemonic balance between so-called superpower groups. It may be that coming to regard one’s own time as the tipping point or knife edge of some critical point in human history is a conceit that every generation tends to form. Yet I think it can be said without exaggeration that we are living in a period in which citizens and their governments will need to find the means to further overcome the current intrinsic resistance to global cooperation. It is one thing to say that multilateral institutions and processes are imperfect, a proposition nobody would dispute; it is another thing to say that the improvement of these institutions and processes is unnecessary and that our engagement and the effort to improve them to give them strength is unimportant.

Next year in June the Antarctic Treaty will mark its 40th birthday. In the knowledge that international agreements are fragile things, the treaty allowed at the outset for any party to institute a review of the agreement at the end of 30 years. Yet in 1991, rather than revising or weakening the treaty as it was, the parties instead reaffirmed the strength and necessity of the agreement by adopting a declaration that recorded the shared intention to maintain and further develop the operation of the Antarctic Treaty System.

Few agreements have functioned as consistently well as this treaty in terms of promoting its objectives and presenting a model of this kind of multilateral cooperation. It has been noted by others that the Antarctic Treaty System represents one of the most effective sets of international agreements in operation today. Thanks to this system of cooperation, Antarctic research and monitoring has allowed the international scientific community to see and anticipate certain key atmospheric and climate trends. The ozone layer deterioration is an example, and our response to that problem would not have been as timely and effective without that science. Thanks to this system of conservation, Antarctica, one of the seven continents on earth, remains a fundamentally pristine natural environment and an environment free from both military hardware and territorial conflict. This bill is a relatively small and incremental piece of the Antarctic conservation mosaic, yet with its passage, which I strongly endorse, we will put in place another well-calibrated set of provisions to protect this crucial and beautiful part of the planet.

Before I finish, I would like to pay tribute to Phillip Garth Law, a man known as ‘Mr Antarctica’, who died on 28 February 2010 in his ninety-eighth year. As described in the obituary in today’s Canberra Times, Mr Law was:

… lecturing in physics at Melbourne University in 1947 [when he] became aware that the Australian Government, egged on by Sir Douglas Mawson, had established the Australian National Antarctic Research Exhibition to build meteorological and scientific stations on Heard and Macquarie islands in the sub-Antarctic and to reconnoitre the site for a permanent station on the Antarctic mainland.

The government was looking for a chief scientific officer. He instinctively grasped that this mix of high adventure and science was tailor made for him.

By 1949 [Phillip Law] became the acting officer in charge of the Antarctic Division … and directed its operations for the next 17 years, personally leading 28 voyages to Antarctica during which he … chose the sites and established bases at Mawson, David and Casey on … ice-free locations.

Astonishingly, he also:

… used the annual resupply voyages (despite being chronically seasick on every voyage) to explore 5000km of unknown coastline, and a million square kilometres of Greater Antarctica.
Mr Law used to say that he was ‘one of the last people in the world who’s had the joy of new exploration’.

Phillip Law took a great interest in the living conditions of [people] on the Antarctic stations … [ensuring] there was a comprehensive library of … literature and popular novels, a gramophone and … records … [and] a formal dinner held every Sunday night [with wine].

He never stopped pushing the Australian government to properly resource Antarctic programs. He also wrote a number of books, including *Antarctic Odyssey*.

Phillip Law remained interested in the Antarctic all of his life. His wife, Nel, who died in 1990, was a teacher, artist and writer. She was the first Australian woman to set foot on Antarctica when Mr Law took her, amid some controversy, in 1961 and she took the opportunity to do some paintings while down there. Phillip Law was decorated for his life’s work with a Commander of the Order of the British Empire in 1961, the Polar Medal in 1969, Officer of the Order of Australia in 1975 and Companion of the Order of Australia in 1995. He said about Antarctica:

I think anyone who’s been to Antarctica becomes absolutely obsessed with the beauty and grandeur and magnitude of it all … and those rare moments of discovery when I landed on quite unknown shores and raised the Australian flag, and said ‘Here we are for the first time.’

I am grateful to the Canberra Times for providing this very lovely story about Mr Law. Australia and indeed the world owe a great deal to Phillip Law and his love of the Antarctic. He certainly deserves the title ‘Mr Antarctica’.

Dr WASHER (Moore) (10.22 am)—I rise to support the Antarctic Treaty (Environment Protection) Amendment Bill 2010. I have had a long-held interest in the Antarctic and had the privilege to visit there, at Minister Garrett’s invitation, in early 2009. The minister is in the chamber and I would like to thank him for that invitation. It was the end of what was a polar year—it was actually two years, so it should have been called a bipolar year—where Antarctic and Arctic scientists cooperated to do a lot of research. I was horrified to find the extent of acidification of the oceans of Antarctica among the problems of climate change.

Australia claims 42 per cent of the Antarctic as its own territory. This claim constitutes six million square kilometres of the land mass. We also lay claim to—

*A division having been called in the House of Representatives—*

Sitting suspended from 10.24 am to 10.40 am

Dr WASHER—We also lay claim to 2.9 million square kilometres of the Southern Ocean which constitute 21 per cent of Australia’s marine jurisdiction. With these claims Australia has a serious commitment to its responsibility in ensuring the sustainable management of that territory. I believe that this is an important piece of legislation which gives effect to our newly revised obligations under annex II to the Madrid protocol as outlined in Measure 16 (2009) of which Australia was a principal architect. The bill amends the Antarctic Treaty (Environment Protection) Act 1980 to give the minister the authority to include invertebrates as specially protected species and prohibits the taking of invertebrates from Antarctica. It also broadens the definitions of organisms and increases safeguards for specially protected species.

In support of these powers there is a strengthening of offences relating to accidental introduction of non-native organisms into Antarctica by visitors to Antarctica. This is increasingly critical as the impact of tourism to Antarctica needs to be managed in such a way as to limit
the damage to this important continent. Australia has a proud history in the support of the broader Antarctic treaty system. It was one of the original 12 signatories to the 1961 Antarctic Treaty and has long supported the protection of that natural environment. Australia has had a continuing commitment to the strength and effectiveness of this treaty which aimed to protect Antarctica from environmental harm and to ensure that the continent did not become an object of international discord. This treaty is one of the world’s most successful disarmament agreements and is still supported by 75 per cent of the world’s population. Antarctica was reserved for peaceful purposes, scientific research and international scientific cooperation, and we can be proud of the part we have played in the ongoing development of legislation supporting the original ideals. As a result of our being a signatory to and supporting this treaty the Antarctic Treaty (Environment Protection) Act 1980 was enacted to strengthen scientific cooperation, to ensure environmental protection, to support the conservation of plants and animals and to preserve historic sites, to participate in information exchange and to assist in the conduct of appropriate tourism activities.

Australia has been a world leader in science and research in Antarctica for nearly 100 years since Sir Douglas Mawson, one of Australia’s greatest explorers, led expeditions south. Australia will be gearing up to celebrate the centenary of his exploration of Antarctica between 1911 and 1914 and our resulting claims of territorial ownership. This bill further demonstrates our commitment to be at the forefront of international efforts to ensure the protection of this critical natural environment. As we see the effects of climate change it will be even more important that we legislate to ensure the greatest possible protection of this significant territory. The continent is significant to discovering climate change knowledge through the icesheets which can provide information critical to contemporary research.

This bill under consideration is another step in ensuring the continued health of Antarctica’s flora and fauna. Through this bill Australia continues to support the stability and security of this significant area of our global environment. I commend this bill to the House.

Mr GARRETT (Kingsford Smith—Minister for Environment Protection, Heritage and the Arts) (10.44 am)—in reply—I thank the member for Moore for his comments and also acknowledge the remarks of my colleague, the member for Fremantle, identifying the long and proud history that Australia has had in relation to the Antarctic. It is this government’s profound conviction that it is important to hold the comprehensive protection of the Antarctic environment as one of our highest priorities. The Antarctic Treaty (Environment Protection) Amendment Bill 2010 before us now implements in law Australia’s obligations which have resulted from the review of annex II of the Protocol on Environmental Protection to the Antarctic Treaty, the Madrid protocol, which this government and previous Labor governments in particular have provided significant support and input to.

The fact is that Australia was the principal architect of the Madrid protocol, which established Antarctica as a region which would be subject to comprehensive environmental protection—a natural reserve devoted to peace and science. It is a considerable and significant achievement in our international political history. Successive Australian governments have recognised the importance for the protection of the environment to have that comprehensive component. I am particularly pleased that the opposition has commended this legislation. It is a reflection of our strong view that it is appropriate for us to continue with the existing regula-
tory framework in relation to both our domestic and our international obligations in respect of the Antarctic generally.

I just make some final observations as I conclude. It is my very strong conviction that as more countries take an active interest in the Antarctic it is important for Australia to continue to play a leading role in efforts to realise both the global benefits of Antarctic science and also the urgency of continued environmental protection. We have a number of countries increasing research activities in the Antarctic in recent years. Additionally, the number of tourist visitors landing in Antarctica has expanded from some 12,000 in 2000-01 to around 33,000 in the 2007-08 Antarctic summer season. So clearly there is increasing interest and increasing pressure on the Antarctic continent and as a consequence our desire to see its adequate protection is strong and great.

Whilst the purpose of this bill is to extend protection of Antarctic native flora and fauna, it remains the case that we are committed to advancing Australia’s strong interest there through continued funding of the intercontinental air link; developing our logistics capability to work more closely with those who are active in the Antarctic territory, including undertaking things like medivacs during this season on behalf of other countries; an inspection program under way whereby under the treaty itself Australia has and will continue to inspect the stations and activities of other countries in East Antarctica; and finally the development of a 10-year science strategic plan which seeks to encourage, guide and focus Antarctic and Southern Ocean research, delivering the maximum benefits to Australia and the international community as we seek to meet the global challenge of climate change, ocean acidification, population growth in the area and population pressures on the Antarctic generally, and the demands that the world has for food and energy security—the increasing human footprint on the Antarctic continent itself.

This bill represents a necessary and important step in our ongoing protection of the Antarctic, and I commended to the House.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

Main Committee adjourned at 10.50 am
QUESTIONS IN WRITING

Air Weapons Ranges
(Question No. 1185)

Mr Baldwin asked the Minister for Defence Personnel, Materiel and Science, in writing, on 4 February 2010:

(1) Have any studies or reviews been conducted in the 10 years from 1 January 2000 investigating the ongoing viability and usefulness of Defence (a) air weapons ranges, (b) training areas, and (c) practice areas, including the Salt Ash Air Weapons Range (SAAWR).

(2) Have alternatives to Defence weapons ranges, training areas and practice areas, including the SAAWR, been investigated or identified, and under what grounds and circumstances were the alternatives accepted or rejected.

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

(1) Yes.

(2) The Defence Strategic Training Area and Ranges Review is the most recent and significant review of ranges. However, this document is classified and details of the findings cannot be publicly released.

Air Weapons Ranges
(Question No. 1186)

Mr Baldwin asked the Minister for Defence Personnel, Materiel and Science, in writing, on 4 February 2010:

What considerations are made with respect to the selection of land for use as an air weapons range.

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

Selection of an air weapons range needs to consider the following criteria as a minimum:

- Operational constraints such as characteristics of aircraft, training requirements, target requirements, noise, operating costs, range from the mother base, air safety requirements and air corridor requirements.

- Physical and environmental constraints such as topography, infrastructure, general land use (mining, forestry etc), population centres and environmentally sensitive areas.

Australian Defence Force: Cadets Scheme
(Question No. 1208)

Mr Robert asked the Minister for Defence Personnel, Materiel and Science, in writing, on 9 February 2010:

What has been the Government’s response to the 'Review of the Australian Defence Force Cadets (ADFC) Scheme' (Defence Force Review Panel, Canberra, 20 November 2008), and what action is being taken concerning paragraphs 2.8.7 and 2.8.8.

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

The Government commissioned a review of the Australian Defence Force Cadets Scheme in June 2008 to make recommendations on actions required to improve the scheme to ensure that it is achieving its specific objectives in an efficient and effective manner.

In May 2009, the Government accepted the Defence response to the review, agreeing to 30 of the 48 recommendations. The Review findings referred to in paragraphs 2.8.7 and 2.8.8 of the report; to es-
establish a single Commander of the ADF Cadet Scheme, was not agreed. Instead, an alternative model was adopted which sees the intent of this recommendation preserved through changes to formalise and enhance the governance and accountability structure for the Cadet Scheme while preserving the administrative responsibilities vested in the Service Chiefs.

The Vice Chief of the Defence Force, through the Cadet, Reserve and Employer Support Division, is responsible for coordinating implementation of the Review recommendations relating to governance, compliance, assurance, reporting and audit, development of joint policy and a shared services approach to areas such as IT, administration and business processes. Significant progress has been achieved in establishing a cadet governance framework through the creation of a hierarchy of strategic guidance committees and several crucial single issue working groups.

Defence’s Management Audit Branch is to conduct an audit of aspects of the ADF Cadet Scheme commencing this financial year, including financial compliance, the adequacy of the processes of allocating funding to Cadets, the effectiveness of Cadet information technology systems and Occupational Health and Safety issues related to Cadets, including facilities and firearms.

Australian Defence Force: Army Reserve Approved Future Force
(Question No. 1209)

Mr Robert asked the Minister representing the Minister for Defence, in writing, on 9 February 2010:

What progress has been made on the development of the Army Reserve Approved Future Force.

Mr Combet—The Minister for Defence has provided the following answer to the honourable member’s question:

The Army has completed its report into the ‘Army Reserve Approved Future Force’ which is in the process of submission to Government for consideration as part of the ‘Rebalancing Army’ initiative. The review examined the Reserve Force Structure required to meet the ‘unique to Reserve’ tasks outlined in Defence White Paper 2009. The review is not related to Strategic Reform Program outcomes and initiatives and is a discrete activity arising from the Defence White Paper 2009. Once approved, details will be publicised as part of a wider communications plan explaining to the Army, Defence and the Australian community the proposed changes and how they relate to the Defence White Paper.