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SITTING DAYS—2010

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

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

Minister for Veterans’ Affairs and Minister for Defence Personnel
Minister for Housing and Minister for the Status of Women
Minister for Home Affairs
Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery
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
Assistant Treasurer
Minister for Ageing
Minister for Early Childhood Education, Childcare and Youth and Minister for Sport
Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency
Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery
Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government
Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water
Parliamentary Secretary for Western and Northern Australia
Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction
Parliamentary Secretary for International Development Assistance
Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade
Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for Voluntary Sector
Parliamentary Secretary for Multicultural Affairs and Settlement Services
Parliamentary Secretary for Employment
Parliamentary Secretary for Health
Parliamentary Secretary for Innovation and Industry

Hon. Alan Griffin MP
Hon. Tanya Plibersek MP
Hon. Brendan O’Connor MP
Hon. Warren Snowdon MP
Hon. Dr Craig Emerson MP
Senator Hon. Nick Sherry
Hon. Justine Elliot MP
Hon. Kate Ellis MP
Hon. Greg Combet AM, MP
Senator Hon. Mark Arbib
Hon. Maxine McKew MP
Hon. Dr Mike Kelly AM, MP
Hon. Gary Gray AO, MP
Hon. Bill Shorten MP
Hon. Bob McMullan MP
Hon. Anthony Byrne MP
Senator Hon. Ursula Stephens
Hon. Laurie Ferguson MP
Hon. Jason Clare MP
Hon. Mark Butler MP
Hon. Richard Marles MP
SHADOW MINISTRY

Leader of the Opposition Hon. Tony Abbott MP
Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition Hon. Julie Bishop MP
Shadow Minister for Trade, Transport and Local Government and Leader of The Nationals Hon. Warren Truss MP
Shadow Minister for Energy and Resources Hon. Ian Macfarlane MP
Shadow Minister for Employment and Workplace Relations and Leader of the Opposition in the Senate Senator Hon. Eric Abetz
Shadow Treasurer Hon. Joe Hockey MP
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House Hon. Christopher Pyne MP
Shadow Attorney-General and Deputy Leader of the Opposition in the Senate Senator Hon. George Brandis SC
Shadow Minister for Defence Senator Hon. David Johnston
Shadow Minister for Health and Ageing Hon. Peter Dutton MP
Shadow Minister for Families, Housing and Human Services Hon. Kevin Andrews MP
Shadow Minister for Climate Action, Environment and Heritage Hon. Greg Hunt MP
Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals Senator Hon. Nigel Scullion
Shadow Minister for Regional Development and Water and Leader of the Nationals in the Senate Senator Barnaby Joyce
Shadow Minister for Agriculture, Food Security, Fisheries and Forestry Hon. John Cobb MP
Shadow Minister for Small Business, Deregulation, Competition Policy and Sustainable Cities Hon. Bruce Billson MP
Shadow Minister for Broadband, Communications and the Digital Economy Hon. Tony Smith MP
Shadow Minister for Immigration and Citizenship Mr Scott Morrison MP
Shadow Minister for Innovation, Industry, Science and Research Mrs Sophie Mirabella MP
Shadow Minister for Finance and Debt Reduction and Chairman of the Coalition Policy Development Committee Hon. Andrew Robb AO MP

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

Shadow Minister for Tourism and the Arts and Shadow Minister for Youth and Sport
Mr Steven Ciobo MP

Shadow Minister for Employment Participation, Apprenticeships and Training
Senator Mathias Cormann

Shadow Minister for Consumer Affairs, Financial Services, Superannuation and Corporate Law and Deputy Manager of Opposition Business in the House
Mr Luke Hartsuyker MP

Shadow Assistant Treasurer
Hon. Sussan Ley MP

Shadow Minister for COAG and Modernising the Federation
Senator Marise Payne

Shadow Minister for Early Childhood Education and Childcare and Shadow Minister for the Status of Women
Hon. Dr Sharman Stone MP

Shadow Minister for Justice, Customs and Border Protection
Mr Michael Keenan MP

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

Shadow Minister for Veterans Affairs
Mrs Louise Markus MP

Shadow Minister for Ageing
Senator Concetta Fierravanti-Wells

Shadow Minister for Seniors
Hon. Bronwyn Bishop MP

Shadow Special Minister of State and Scrutiny of Government Waste
Senator Hon. Michael Ronaldson

Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Parliamentary Secretary for Infrastructure and Population Policy
Senator Cory Bernardi

Shadow Parliamentary Secretary for Northern and Remote Australia
Senator Hon. Ian Macdonald

Shadow Parliamentary Secretary for Roads and Transport
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development and Emerging Trade Markets
Mr Mark Coulton MP

Shadow Parliamentary Secretary for Tourism
Mrs Jo Gash MP

Shadow Parliamentary Secretary for Education and School Curriculum Standards
Senator Hon. Brett Mason

Shadow Parliamentary Secretary for the Murray Darling Basin and Shadow Parliamentary Secretary for Climate Action
Senator Simon Birmingham

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

Shadow Parliamentary Secretary for Defence
Mr Stuart Robert MP

Shadow Parliamentary Secretary for Regional Health Services, Health and Wellbeing
Dr Andrew Southcott MP

Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector and Deputy Manager of Opposition Business in the Senate
Senator Mitch Fifield

Shadow Parliamentary Secretary for Families, Housing and Human Services and Shadow Parliamentary Secretary for Citizenship
Senator Gary Humphries

Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry and Shadow Parliamentary Secretary for Innovation, Industry, Science and Research
Senator Hon. Richard Colbeck
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Tuesday, 25 May 2010

The SPEAKER (Mr Harry Jenkins) took the chair at 2 pm and read prayers.

MINISTERIAL ARRANGEMENTS

Mr RUDD (Griffith—Prime Minister) (2.00 pm)—I inform the House that the Minister for Veterans’ Affairs and the Minister for Defence Personnel will be absent from question time today as he is addressing the RSL New South Wales State Congress. The Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Budget

Mr ABBOTT (2.00 pm)—My question is to the Prime Minister. Is the Prime Minister aware that Kevin Markle, author of the University of North Carolina report used to accuse the mining sector of being tax avoiders, has told the Australian online that the data was dumped from a subsequent version because the sample was too small and could have involved as few as four companies? Will the Prime Minister now apologise to Australia’s 4,290 resource companies for attacking their reputation? Does he now accept that sending out the Treasurer and Deputy Prime Minister with such flimsy evidence has made the government look foolish and irresponsible, and will he now release all Treasury and ATO modelling or is he afraid that the real evidence will fatally undermine his great big new tax on mining?

Mr RUDD—I welcome the question from the Leader of the Opposition. It goes to the fundamental need to reform the tax system for the Australian mining industry and to use the revenues which would come from that reform to fund better super for all Australians, better tax cuts for all Australian businesses and, on top of that, better investment in Australian infrastructure for the future.

The Leader of the Opposition refers to the effective tax rates for particular mining companies and the industry at large. I draw his attention to a Treasury Roundup article released today which says that Treasury’s analysis shows that the resources sector faces an average company tax rate about 12 per cent lower than the average tax rate across all industries. This is because of the very generous tax concessions that the mining sector enjoys, which reduces their headline rate of company tax. A separate Treasury minute to the Treasurer notes that the average company tax rate for the mining sector was 17 per cent in the decade of 2004-05, compared with 19 per cent for construction, 27 per cent for transport and 29 per cent for finance. The Treasury minute notes that the findings in the Roundup article for mining are similar to those in the Markle and Shackelford 2009 paper. I suggest that the Leader of the Opposition acquaint himself with economic fact rather than simply act as the puppet of the MCA in this place.

Foreign Affairs: Australian Passports

Mr CRAIG THOMSON (2.04 pm)—My question is to the Minister for Foreign Affairs. How has the government responded to the fraudulent use of Australian passports? Are there any ongoing risks to the integrity of Australia’s passport system and to Australia’s national security interests?

Mr ALBANESE—Mr Speaker, I would ask that the member withdraw that comment.

Mr Lindsay—It was not a comment; it was a question.
The SPEAKER—The Leader of the House will know that that was outside the standing orders because it was an interjection. I have to decide whether it was unparliamentary. It was not helpful, but I will not seek its withdrawal. Certainly, the particular member involved and other members should learn that the tolerance that is given to them and that can be disguised as robustness can cause this chamber to disintegrate very quickly. Having had a concern raised with me about the comment, I will certainly be listening very carefully to the continuing actions by way of interjection that do not assist the chamber.

Mr STEPHEN SMITH—I did not hear the interjection, so it is of no moment to me. The question was about the fraudulent use of Australian passports, the risks to the integrity of the Australian passport system and the risks to Australia’s national interest, as my statement to the House yesterday refers. The government is in no doubt that Israel was responsible for the fraud involving Australian passports connected with the assassination in Dubai of Mahmoud al-Mabhouh. While Israel is and was a firm friend of Australia, this action was not the act of a friend, and I have made that point consistently. Regrettably, this was not the first time that Israel has misused Australian passports. That occurred previously. As a consequence of that breach, an understanding was reached between Australian and Israeli agencies that this would not be repeated. So what has occurred is in express and direct breach of an understanding reached between Australian and Israeli agencies during the period of the previous government.

The government’s decision and judgment in this matter have been based at all times on national security considerations and, importantly, on the advice of relevant national security agencies—the Australian Federal Police, ASIO, ASIS and the Department of Foreign Affairs and Trade. Both the government’s consideration and those agencies’ considerations have involved very careful, exhaustive investigations and assessments, careful consideration and the weighting of the importance to Australia’s national security of the integrity of our passport system.

No government can guarantee that any passport system is foolproof but, equally, no government can stand idly by and turn a blind eye when anyone, including a foreign government, another country, fraudulently abuses the integrity of our passport system and abuses our trust and our confidence.

The advice that was given to me and to the National Security Committee of the Cabinet yesterday was in substance the same advice given to the Deputy Leader of the Opposition and shadow minister for foreign affairs. She received a briefing yesterday. It is the second briefing that she has received on this matter; she received a briefing from agencies when the matter first came to public attention.

I was surprised in March when the Leader of the Opposition in response to a newspaper interview, before the completion of the AFP inquiry and before, as I understand it, any briefing he had, made the public comment that he did not believe the government should take any action in this matter. I thought that was unwise. In these matters I think that you are always best off carefully considering, acting on advice, weighing that advice, and weighing up the heavy responsibility and often difficult judgments about national security considerations.

If I was surprised by the Leader of the Opposition, I must say that I was shocked by the Deputy Leader of the Opposition’s response yesterday—absolutely shocked. As I said, yesterday before I got to my feet in the parliament she had received a briefing from relevant security agencies—the Australian
Federal Police, ASIO, ASIS and the Department of Foreign Affairs and Trade—and the substance of the briefing was exactly the same as the substance of the briefing which the government itself received.

I am asked about risks to these matters. The Deputy Leader of the Opposition has said that the government’s decision was wrong because it was based on political considerations, that it was done for United Nations Security Council purposes, that there is no evidence or proof that Israel was responsible for these matters, and that the government’s decision in asking Israel to remove one of its officials from the embassy was an ‘overreaction’.

I choose my words carefully. The Deputy Leader of the Opposition makes a point about evidence. She is aware as a result of the briefing that she received yesterday that, while the decision was not based on evidence of a kind which could lead to law enforcement action before a criminal court, it was a decision based on a considered judgment shared by relevant Australian security agencies. It was also a decision which, she well knows, included reasons and information which, for reasons of national security, I could not share with the Australian public, but which were shared with her by our security agencies. That is why I was absolutely shocked when she conducted herself in the manner in which she did. The decision and the judgment which the Australian government have made have at all times taken into account the national security considerations of the Commonwealth.

Mr STEPHEN SMITH—She is now complaining that I am asserting that she breached the confidentiality of the briefing. I am not saying that. In the face of a briefing, you went out and said that the reasons the government has made this decision are, firstly, for political considerations and, secondly, for United Nations Security Council considerations. Thirdly, you said it was an overreaction. Let me make this point to the Deputy Leader of the Opposition: when she received the briefing from the national security agencies, as did the government, none of those national security agencies had in their minds when they were carefully weighting their advice to the government what she would describe as ‘political considerations’ or the United Nations Security Council.

They had in their minds, as did the government, the integrity of our passport system, the protection of our national security interest, and what you have done in your response yesterday and today has shown that you are not fit to occupy a position of trust in the national security environment.

Mr STEPHEN SMITH—I have also seen the assertion that somehow this was the first occasion in which an Australian government has asked the Israeli embassy to remove an officer. This is not true.

Ms Julie Bishop—I didn’t say that.

Mr STEPHEN SMITH—I am not saying that you said it. I have seen the assertion. The assertion was made to me on television. In 2004 when the Leader of the Opposition and the Deputy Leader of the Opposition were cabinet ministers, the previous gov-
ernment on the advice of the national security agencies asked the Israeli embassy to remove an officer for national security reasons of which, for example, the member for Berowra is well aware. On that occasion there was no assertion from anyone that somehow this was done for political considerations or other motivations.

Historically in this place people have understood the framework of national security considerations within which we work. I do not like to see national security considerations become a political football, but that is what the Deputy Leader of the Opposition has done. That is not the context in which the Labor Party when in opposition responded when for national security considerations on the basis of national security agency advice the previous government asked the Israeli embassy to remove an officer. We did not turn that into a political football—and the examples are comparable. When governments seriously, sensibly, carefully make national security considerations they do so after carefully weighing up the advice from the national security agencies and that is what we did.

I am asked about risks. There is a substantial and significant risk to the national security interests of the Commonwealth. There is a substantial and significant risk to the integrity of our passport system. If what we have seen and if what we have considered is not enough for the Leader of the Opposition or the Deputy Leader of the Opposition to regard appropriate action being taken, action more than an expression of concern, what is required in their view? What do we need to see to destroy the integrity of our passport system? What do we need to see to destroy our national security interest? What do we need to see to have an attack upon our sovereignty before they would act? The Deputy Leader of the Opposition has shown by her response to this matter that she is not fit to occupy a position sitting around the National Security Committee of the Cabinet.

**DISTINGUISHED VISITORS**

The SPEAKER (2.15 pm)—I inform the House that we have present in the gallery this afternoon members of a delegation led by Dr Joseph Muscat, Leader of the Opposition of the Republic of Malta. On behalf of the House, I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Budget**

Mr ROBB (2.15 pm)—My question is to the Prime Minister. Prime Minister, I refer to the facts in the Treasury paper upon which you relied in your previous answer, a report which concludes that the mining industry has paid less tax than any other sector over the past decade. Can the Prime Minister explain why the report relied on data that was six years old? When the latest data from 2007-08 is used, it shows that the mining sector represents just over seven per cent of income generated by all companies but accounts for 14 per cent of all company tax paid.

Mr RUDD—I welcome the question from the opposition on tax reform and the benefits to which that reform would be put—better super for working Australians, less tax for Australian companies, tax breaks for small business and investment in infrastructure.

Mr Pyne—Mr Speaker, I rise on a point of order. I am sure you listened to the question. You would be well aware that the answer that the Prime Minister is giving could not possibly be relevant to a specific question about company tax receipts versus the income that they generate. He is answering a question about the apparent benefits for which the tax would be used. Please bring him back to the question.
The SPEAKER—I did listen to the question. I was trying to listen to the answer, but there was so much hubbub that it was very difficult. I will listen to the Prime Minister’s response. He understands the requirement to be relevant to the question. The Prime Minister has the call. He will be heard in silence.

Mr RUDD—The member for Goldstein refers to a paper entitled *Disparities in average rates of company tax across industries*. The authors are as specified earlier. I recall a question yesterday from the member for North Sydney, the shadow Treasurer, asking for the government to bring forward substantiating material concerning the government’s position on current tax arrangements for the mining industry. In response to that request yesterday, the Treasury brought forward a Treasury note. And in response to that the member for Goldstein stands up and objects to its contents because it concludes that the average company tax rate of the mining sector was 17 per cent in the decade to 2004-05. That is precisely what I said before. It compares that to construction, at 19 per cent; transport, at 27 per cent; and finance, at 29 per cent. I suggest that the Leader of the Opposition read the paper from the Treasury, digest its contents and stop simply acting as the mouthpiece of the MCA. I suggest he undertake some independent research, which might be in the national economic interest.

Budget

Mr SYMON (2.18 pm)—My question is to the Prime Minister. Why is reform of the tax system important for Australian families? How have recent proposals been received?

Mr RUDD—I thank the member for Deakin very much for his question. This government believes in a strong economy. It is a government which believes in ensuring that the strength of our economy underpins a fair go for all Australians and enables us to protect Australian jobs.

Mr Laming—Like insulation workers.

The SPEAKER—The member for Bowman is warned!

Mr RUDD—The government has kept the Australian economy strong during the global economic recession by preventing it from going into recession. The opposition said, ‘Do nothing.’ The opposition said that it was better in effect for the Australian economy to stand unprotected from the ravages of the global recession. The Leader of the Opposition said that his prescription for the future was to do what New Zealand did. What New Zealand did was to go into recession for 1¼ years.

Secondly, the Australian government is keeping the Australian economy strong, as underpinned by the delivery of the government’s budget, which halves net peak debt, which brings back the budget to surplus in three years time, three years ahead of time. This is a core achievement in keeping the economy strong. Despite all we saw with the three-ring circus last week from those opposite, masquerading as a budget reply, those opposite still cannot nominate the year in which they would return the budget to surplus.

Thirdly, the government is keeping the economy strong by continuing its program of implementing long-term reforms in the economy. That means reforms through the education revolution, reforms in nation-building infrastructure and reforms also in creating a seamless national economy—all of which are designed to lift productivity growth. That includes also the reform of the taxation system.

There is one core fact about our proposed reform of the tax system—that is, it asks mining companies to pay a fairer share to the Australian people for the resource which the Australian people ultimately own. Furthermore, it says that the revenue derived from
that fairer share will then be used to fund better super for working families. It will also be used to fund tax cuts for all Australian businesses—for small business in particular—and will be used for investing in our future infrastructure needs.

For the economy at large, what this means is boosting our global competitiveness by bringing the Australian company tax rate down, boosting our national savings—a very big buffer in times of global economic crisis—and, on top of that, ensuring that we have a consistent national taxation regime for the mining industry, as opposed to the patchwork of royalties regimes which are based on volumes rather than profits, and that assists the mining industry to grow over time.

Mention has already been made in question time today of the contribution to our national interest of the Deputy Leader of the Opposition. I also refer to further comments she has made in the national economic interest, in this case, when it comes to this debate on tax. Yesterday she said the mining industry did not need to pay more tax. Contrary to what the WA Liberal Premier has said, which is that the mining industry is getting away with blue murder, and contrary to the fact that we have even the CEO of Woodside saying that mining companies can pay more tax, instead what we have is the Deputy Leader of the Opposition saying that, in effect—

Ms Julie Bishop—In effect!

Mr Rudd—I notice the interjection from the Deputy Leader of the Opposition. She contests the accuracy of what I have just said. I draw the attention of the House to the following:

Question: Given their profits and the fact that these are our resources, they are not renewable, are they paying enough tax?

Deputy Leader of the Opposition: I believe that they are paying a fair amount of tax.

Any suggestion that that is misleading or misrepresenting the Deputy Leader of the Opposition suggests to me that the Deputy Leader of the Opposition is having a casual relationship with the truth.

I go back to the core position which she advances. Despite what the Liberal Premier of WA says and despite what everyone else says, she has said on behalf of the opposition that the mining industry is paying enough tax. Well, there is a new development, and I turn to no-one other than Senator Barnaby Joyce. Let’s hear it for Barnaby! Barnaby entered the debate today as the shadow minister for infrastructure—onya, Barnaby!

Question to Barnaby:

So you believe that the mining industry shouldn’t have to pay more tax than it is at the moment? I just want to clarify that point.

Senator Joyce: I’m prepared for people to look at the mining sector to pay more tax.

So in the space of 24 hours we have the Deputy Leader of the Opposition saying they pay enough tax and we have the shadow minister for infrastructure saying that in fact they can pay more tax, and should pay more tax. Two contradictory positions within 24 hours. Of course, there is the third position on tax. It is the Leader of the Opposition’s position on tax, which is that he is going to tax the mining companies anyway through his great new big tax on everybody in order to fund his PPL. Three different tax positions. Coalition tax policy No. 1: the Julie policy, which says they should not have to pay any more tax.

The Speaker—Order! The Prime Minister will refer to members by their parliamentary titles.

Mr Rudd—Coalition tax policy No. 2: the Senator Barnaby Joyce policy, which says the mining companies should pay more tax. Coalition tax policy No. 3: the Leader of the Opposition’s policy, which says they will
be paying more tax, it is just that they are going to be paying it through the PPL.

What we have seen is complete shambles and chaos on the part of those opposite, not just last week in delivering their budget reply but also in the coherence of their tax policy. With each policy they have outlined—1, 2 and 3—it fundamentally contradicts the others; it cancels out the one that had been delivered just before. I say to those opposite: if you are serious about managing a budget, you have got to have a budget reply right; if you are serious about a tax policy, you have got to have one policy not three policies; if you are serious about managing an economy, you have got to demonstrate some interest in the economy; and if you cannot even manage your party on tax policy, what hope have you got of managing the country?

DISTINGUISHED VISITORS

The SPEAKER (2.26 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the European Parliament. On behalf of the House, I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Budget

Mr HOCKEY (2.26 pm)—My question is to the Prime Minister. I refer the Prime Minister to the paper he has referred to from Treasury officials which states, ‘The electricity, gas and water industry contributed a mere 0.2 per cent of corporate tax collections in 2004-05,’ which is obviously far less than the mining industry. Prime Minister, given the below average tax rates of the electricity, gas and water industry, according to the paper you referred to, is this sector next in line for a great big new tax?

Mr Crean interjecting—

The SPEAKER—Order! The Minister for Trade!

Mr Crean interjecting—

The SPEAKER—The Minister for Trade is warned!

Mr RUDD—We would hope in this parliament that the man who puts himself forward as the alternative Treasurer of Australia would actually sit down and do some economic work. In the course of the last week we have not seen an economic team at work; we have seen a three-ring circus. The member for Goldstein said that the Leader of the Opposition would answer all questions on the budget and return to surplus. He did not do it. The Leader of the Opposition said that the member for North Sydney would do it. He did not do it. The member for North Sydney said the member for Goldstein would do it. Then the member for Goldstein eventually did it, until his press secretary told him to stop. We welcome a special media award being established in the name of Robbie’s press secretary, because I believe he is a man of direct action, to paraphrase—

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

Mr RUDD—a comment used by the Leader of the Opposition before. The member for North Sydney asked a question about the taxation treatment of utilities in this country. He knows full well that, because of the nature of utilities and the accelerated depreciation on large assets within that sector, it has a particular set of taxation arrangements—anyone knows that—because of the fundamental role utilities provide in the economy for the provision of basic services. The member for North Sydney should listen carefully to what people like Peter Costello have said before, when he said in response to the PRRT that that is the sort of tax on profits we need for this country for the future. That
is why he kept it in place, for the entire pe-
riod that he was Treasurer of the Common-
wealth, as a resource rent tax based on prof-
its, not based on volume. Not only did he say
that but the former Leader of the National
Party, Tim Fischer, said that as well. In fact,
those of a reformist bent of mind responsible
for economic policy on the benches opposite
in times past have stood behind that principle
as it goes to the PRRT. John Hewson, a pre-
vious Leader of the Liberal Party, has come
out in support of the RSPT concept as a new
resource tax as it relates to onshore re-
sources, as has John Brogden, the former
Liberal Party leader in New South Wales.

It is very easy for the member for North
Sydney to stand up and just deliver a scare
campaign. That is what they seem to do. But
when it comes to core economic reform, the
serious contributions of the likes of Peter
Costello and others in the past, and the
commentary by John Hewson and others
formerly associated with the Liberal Party on
the proposal now before the nation, it is time
that the member for North Sydney actually
sat down and did a bit of work rather than
just engage in populist low-rent politics.

Mr Hockey—Mr Speaker, I seek leave to
table the paper titled Disparities in average
rates of company tax across industries,
which has at the bottom:
The views in this article are those of the authors
and not necessarily those of the Australian Treas-
ury.

Leave not granted.

Budget

Mr MURPHY (2.30 pm)—My question
is to the Minister for Finance and Deregula-
tion. Why is accurate accounting of proposed
budget savings vital to returning the budget
to surplus?

Mr TANNER—I thank the member for
Lowe for his question. It is certainly true that
accurate accounting for proposals for savings
is critical to returning the budget to surplus.
Members will be aware that over some
months I have been asking the opposition to
put forward its savings proposals that would
back up its claims to returning the budget to
surplus more quickly than the government
proposes to do.

Last week, in a highly entertaining three-
ring circus, as the Prime Minister described
it, we finally got an outcome after the mem-
ber for Goldstein indicated that the savings
would be in the Leader of the Opposition’s
budget reply. The Leader of the Opposition
then indicated in his budget reply that they
would be in the shadow Treasurer’s speech
to the National Press Club. Then the shadow
Treasurer, at his speech to the Press Club,
said they would be in a subsequent press
conference from the member for Goldstein.
We finally got a statement on proposed
budget savings from the opposition.

At first light it had a very big number on
it. It had a very big headline number of $46.7
billion. Initially, I was almost impressed by
this. I thought, ‘Gee, they have done all right
here.’ But, unfortunately, I then started to
read the savings proposals and, sadly, they
did not stand up to much scrutiny. In fact, if
you took that $46.7 billion and rubbed out
the ‘4’ then you would still have an over-
statement of the net impact on the budget
bottom line. You could take out the digit
‘4’ and you would still have an overstate-
ment on the beneficial impact on the budget bot-
tom line of the proposed savings of the op-
position.

Let me run through a few examples.
First—and most egregiously—they quote
their proposal to not proceed with the gov-
ernment’s resource super profits tax as a sav-
ing. A small bit of news for the opposition
and their economic gurus: when you cancel
out tax revenue, that is not a saving to the
budget; that is a loss to the budget. So $12
billion straight off the top has gone—dead. Next, we have capital savings. They do concede in the fine print that these do not hit the budget bottom line, so there is a total of $22 billion. These are simply figures that the opposition have made up. There is no substantiation for their proposed sale price for Medibank Private and there is no substantiation for the $18 billion they claim would be removed from the budget by not proceeding with the capital item for the National Broadband Network.

Then we have $3.5 billion worth of proposed savings that have a little asterisk beside them. It is a very small asterisk: it would be about four point. There is a very small note at the bottom that says, ‘These items may be used to finance coalition commitments in the same area.’ In other words, they will not really be savings; they are going to spend the money by rebadging these things or in a different way. Then there is $2.4 billion of claimed savings on interest from the refusal to proceed with the National Broadband Network. This is a figure that has simply been plucked out of thin air—created, fictitious and has no substantiation or reflection in any budget items.

Then we have the proposed freeze on the Australian Public Service. That has morphed around a bit. A few things have been added here and there that would not be subject to the freeze but, allegedly, that saves $3.8 billion. Unfortunately, the opposition neglected to note that when you freeze Public Service numbers in enforcement agencies—for example, people in the Australian Taxation Office chasing tax avoidance activities—you lose revenue. The estimate of the equivalent loss of revenue as a result of cutting back on staff chasing people like tax avoiders and welfare rorters is $2.1 billion in lost revenue. Finally, there are a few classic proposals, a few absolutely sensational proposals, supposedly cutting back on Public Service travel, government advertising and consultancies.

The interesting thing about all these proposals, which add up to about $800 million, is that they are all areas where spending has been cut back very substantially by this government after the massive explosion in spending by the Howard government. The same people who let spending blow out are now claiming that they will be able to reduce spending below the level to which it has already been cut by the Rudd government. The savings package is totally phoney.

I note that I am not the only person who was less than impressed by the performance of the member for Goldstein in presenting this savings package at his press conference. In fact, his own media adviser, who I think is named Nicholas Troja, did not seem to like the proposition much either because he spent most of his time doing this or doing this and turning away. It is on YouTube and it is really worth a look. I am delighted that the member for Goldstein is employing people who are obviously concerned about fiscal responsibility. It is just a pity he is not taking their advice. If the opposition want to be treated seriously on these matters, they have got a lot more work to do.

Mr Tuckey—Mr Speaker, on a point of order: I ask that the Minister for Finance and Deregulation table that illuminating document, which without doubt could not have a ‘confidential’ sticker on it.

Ms Macklin—It’s on YouTube!

The SPEAKER—The member for O’Connor will resume his seat. The usual form for me is to ask whether the minister was quoting from a public document.

Mr TANNER—I think if the member for O’Connor types in ‘Andrew Robb’s staffer’ he would be able to view the video.

Mr Tuckey interjecting—
Honourable members interjecting—

The SPEAKER—Order! The member for O’Connor will resume his seat. The member for North Sydney will get the call when the House comes to order. Not that I wish to set a precedent, but the Minister for Finance and Deregulation was yet again, as he always does, reading from handwritten notes which I take to be private.

An opposition member—Are you going to ask him?

The SPEAKER—If you want me to ask him. Was the minister reading from a public document?

Mr TANNER—No.

Mr Andrews—Mr Speaker—

The SPEAKER—If the member for Menzies has some guiding light he would like to share with me, I invite him to come to the dispatch box and share his wisdom.

Mr Melham interjecting—

Mr Symon interjecting—

The SPEAKER—The member for Banks is not assisting and the member for Deakin, I believe, is being chronic today. The member for Menzies.

Mr Andrews—Mr Speaker, on a point of order: ever since I have been in this place, the convention under each Speaker has been to ask if the minister was reading from a document and if it was confidential.

The SPEAKER—Yes, all right. Thank you. We will now go through it. Was the minister reading from a document?

Mr TANNER—No.

The SPEAKER—Was what he was reading confidential?

Mr TANNER—Yes.

The SPEAKER—This is the difficulty we get into if people believe that handwritten notes that the minister writes for himself are a document, yes or no. That is the problem with the procedure that we have used in the past, and that is all I was trying to illustrate, because under no precedent could that document have been tabled.

Mr Shorten—Except for Ian McLaughlin’s notes.

The SPEAKER—Order! The parliamentary secretary has no right. He should read standing order 65(b).

Mr Dutton interjecting—

The SPEAKER—If the member for Dickson would contain himself, the member for North Sydney might get the call.

Budget

Mr HOCKEY (2.40 pm)—My question is to the Prime Minister. I refer the Prime Minister to a report by one of the world’s largest investment advisers, Citigroup, and I quote:

The mining industry has one of the lowest dividend yields amongst the Australian industries. Over the last 10 years, mining companies have reinvested around 75 per cent of their cash generation back in country through royalties, taxes or capital investment. Miners reinvest in growth, creating jobs and wealth creation for a country. We believe the proposed resources super profits tax will likely limit their abilities to reinvest.

On what basis does the Prime Minister still believe that this big new tax on mining will create more jobs and more investment?

Mr RUDD—I welcome the question on the resources super profits tax, because it is a core element of the government’s tax reform plans for better super for working families, lower tax for small business and, of course, investing in infrastructure. The member for North Sydney referred to a research paper; I think it was from Citigroup—is that right, Joe?

Mr Hockey—Yes.
The SPEAKER—Order! The Prime Minister will refer to members by their titles.

Mr RUDD—I am just checking whether it was. As the member for North Sydney would know, there would be a range of opinions on the impact of the government’s proposed taxation arrangements when it comes to the mining sector in particular and the economy in general. I draw the honourable member’s attention to a note released today by Macquarie Research Strategy, by Rory Robertson, which says:

So Canberra’s objective today is not so much to increase taxes on the resources sector as simply to return payments to the public purse from mining company profits to the sorts of shares observed less than a decade ago.

The bottom line is this: when it comes to the return to the Australian taxpayer from the mining sector, 10 years ago one dollar in every three in profits came back to the taxpayer through royalties; 10 years later, one dollar in seven comes back to the taxpayer through royalties. The Leader of the Opposition asked a question about corporate tax—well, come in, spinner!—because if you add the royalties to resource taxes and the company tax rate, in 1999-2000 to 2003-04, you will have royalties, resource taxes and company tax representing 55 per cent in profits and, in 2008-09, you will have royalties, resource taxes and company tax representing 27 per cent of profits.

This is the data contained in this research note from Macquarie Research, which was just put out today. The bottom line is that the total tax take of these companies, including all forms of tax, when measured against profits has halved over the last decade. What we stand for as a government, therefore, is to get a fair share back for the Australian people from a resource which is owned by the Australian people. Miners do deserve a fair share for their investment, and the Australian people deserve a fair share because the resource is also owned by them.

But, given that the member for North Sydney has asked this question about clarity concerning our tax policy and its impact, it is only fair for me to conclude by asking: what actually is the tax policy of those opposite? Is it Julie’s policy? Is it Barnaby’s policy? Is it Julie’s policy, which says that the mining industry is paying enough tax, or Barnaby’s policy, which says that they should be paying more tax? Maybe what we should do, given this lack of clarity, is get it in writing from the Leader of the Opposition, because we then know it will be the full, gospel truth as to what the tax policy of those opposite is. At present, it is chaos and confusion.

Budget

Mr CHEESEMAN (2.44 pm)—My question is to the Treasurer. How does the average tax paid by mining companies compare with that paid by other sectors of our economy?

Mr SWAN—I thank the member for Corangamite for that very important question because we have been having a discussion about this in various ways through question time today. Of course what the government has done is outlined a plan to modernise our taxation system particularly as it applies to non-renewable mineral resources.

Those opposite do not seem to have the most basic understanding of why a resource superprofits tax should be replacing royalties. They do not seem to understand to begin with that royalties are there as a charge for non-renewable mineral resources. That is, they are 100 per cent owned by the Australian people. That is what is different about royalties; they are 100 per cent owned by the Australian people and they are, of course, a non-renewable resource. Once they are dug up they are gone forever. That is why mining companies must pay royalties. But royalties
do not give to the Australian people the value they deserve and they have not been giving to the Australian people the value they are due in recent years.

Even the mining industry accepts that there is a case to increase the charge for the underlying value of those resources that are 100 per cent owned by the Australian people. Even the most extreme elements of the mining industry are acknowledging there is a case for a profits based tax. Even the Minerals Council of Australia acknowledges that. The only people who do not acknowledge that are the Liberal and National parties in this House.

The shadow Treasurer came in before and talked about effective rates across various industries. He does not seem to understand that the only industry in the country that gets access to a non-renewable resource that is 100 per cent publicly owned is the mining industry. It is not the transport industry and it is not the finance industry. None of those industries get their input for nothing and they do not get land for nothing. The shadow Treasurer is so ignorant he does not seem to understand that there needs to be a special charge, which is separate from company tax, that gives the Australian people the value of those resources that they 100 per cent own. Those opposite do not even understand this most basic fact. If they do not understand that fact how could they run an economy or a country? They could not even be held in respect by the mining industry. We know what disrespect they have for themselves because they have sold out to the mining industry on this very question.

The Prime Minister before was talking about Mr Rory Robertson from Macquarie Bank. He has put out a report today which I think is very illustrative, so we might just go through it for a while. This is what he has to say:

Only the most naive investor could have imagined that the final prices the mining sector receives from world markets for publicly owned resources could increase by multiples over a decade. And yet governments effectively would keep selling those same resources to mining companies at the same low prices, at effective prices, that were generally set a decade ago.

So those people opposite want to continue charging the same price that is a decade old because they are not prepared to stand up to mining companies and say the Australian people deserve fair value for their mineral resources which are 100 per cent owned by them and are non renewable.

What this reform is about is economic reform for the future to create prosperity for all Australians—Australians in small business; Australians elsewhere in large business; Australians who want to save for their retirement and Australians who want investment in infrastructure. That is what this reform is about. It is the big economic reform that Australia needs to go forward so we can prosper in the Asian century. But, of course, those opposite do not understand any of that. Then they buy the line that has been given to them by the mining industry; the line that somehow effective rates on the mining industry are as high as the rest of the effective rates across other sectors.

Everybody in industry knows this one basic fact: that the mining industry does get access to generous concessions. We on this side of the House do not contest that but the mining industry should not claim they do not so that they can run around the country and claim that our RSPT produces tax rates as high as 58 per cent, which it clearly does not. It is true that very profitable companies will pay more and many companies will pay less under our proposal. We have a fair proposal here which will deliver fair value to the Australian people. But those opposite, who have sold out to sections of the mining industry,
have yet again demonstrated how they do not understand Australia’s national interest.

Budget

Mr HOCKEY (2.50 pm)—My question is to the Prime Minister. I refer the Prime Minister to criticism of his big new tax on mining from Mr John Ralph AC, formerly chief executive of CRA, director of BHP, chairman of the Commonwealth Bank, former president of the Business Council of Australia and chairman of the Ralph report into corporate tax reform. Mr Ralph says:

A decision to impose a 40 per cent tax rate on earnings above the bond rate will reduce future investment …

He goes on to say:

Only those projects with a very high projected return would proceed. A suggestion that an increase in taxation would result in an increase in investment could only be made by somebody not living in the real world.

Does the Prime Minister agree with his Treasurer who said yesterday that critics of the mining tax are ‘either lying to you or they are ignorant’. Prime Minister, is Mr Ralph lying or is he ignorant?

Mr RUDD—I again thank the member for North Sydney for his question on the resource super profits tax, because we all know how important tax reform is for the future strength of the Australian economy and, on top of that, for ensuring that working Australians get better super in the future and small businesses get a tax cut as opposed to a tax rise. Mr Speaker, can I say to the member for North Sydney as he continues in this debate: it follows as night follows day that there are going to be a range of opinions from leaders from both within the mining sector and beyond the mining sector in corporate Australia and, depending upon the branch of corporate Australia, their individual views on this will vary. You have seen comments in recent times by a range of individuals like Bernie Fraser, who is the former Governor of the Reserve Bank and the former Secretary to the Treasury. You have seen a range of comments from all sorts of people engaged in this debate.

But what I would go back to is this: the underlining rationale for a resource rent tax of this nature is to provide an incentive for those companies, particularly those who are less profitable in their early years, to expand the basis of the industry by ensuring that they have appropriate forms of tax write-off for the way in which their investments are handled. That is what the rationale is for a tax based on profits rather than a tax based on volumes. That is why the former Treasurer, Peter Costello, supported the PRRT. Those opposite, led by the member for Groom yesterday, stood up in this place and said that the PRRT was somehow no longer supported by those opposite. They had 12 years to change that tax.

Dr Emerson interjecting—

The SPEAKER—Order! The Minister for Small Business.

Dr Emerson—I needed that.

The SPEAKER—I could highlight the minister’s presence to an even greater extent, so I would not wish him to express gratitude.

Mr Pyne—Mr Speaker, I rise on a point of order. The Prime Minister was asked whether he agreed with his Treasurer or not. Is he standing by Swan or isn’t he?

The SPEAKER—Order! Incidental to the point of order, if people on my left wish members to be referred to by their parliamentary titles, we should remember that at all stages. The question had a fairly lengthy preamble. It contained argument—I make that by way of observation—which I have allowed because I have been allowing it. The precedent has been allowed. The Prime Min-
ister is responding to the question. He shall relate his material to the question.

Mr Rudd—Mr Speaker, the question raised by the member for North Sydney went directly to the impact of the proposed tax arrangements on future investment in the industry, and he cited one particular former mining executive, Mr Ralph, as his authority. Various mining executives will express a range of views on this matter. Mr Don Voelte, the CEO of Woodside, has expressed a view in recent times. He indicated that in fact mining companies could pay more. There are a range of opinions within the mining industry; there are a range of opinions within the general business community. But I go back to the former proposition. The first point is: should mining companies be paying more tax? The Deputy Leader of the Opposition says no. The shadow minister for infrastructure says yes. What does the Leader of the Opposition say? We do not know, because their policy flips and flops in between.

Ms Julie Bishop—We oppose your tax.

Mr Rudd—The Deputy Leader of the Opposition may be against our tax. I am not sure that the shadow minister for infrastructure is necessarily of the view that the mining industry should not be paying more. Look at his statements from earlier today. The second point I would make in response to the member for North Sydney’s question is—and he knows this infinitely well—that the whole point of a profits based tax as opposed to a volume based tax is to encourage the expansion of the industry. That is why, if he bothered to search the record of an illustrious predecessor of his—that is, the former Treasurer of the Commonwealth, Peter Costello—and looked at his remarks on the architecture of the petroleum resource rent tax, he would see that the former Treasurer understands and grasps the core significance of ensuring that it assists industry to expand. Let me quote what Peter Costello had to say:

The idea of the PRRT, when it was introduced—I think it was actually introduced by the Labor Party … from memory—

He is right on that—

it was certainly introduced by the Labor Party … that the petroleum extractors would be taxed on their profits, except to the degree that they used it for new production or other exploration. In fact, that is a good policy aim.

In other words, Mr Costello, the then Treasurer of the Commonwealth, was saying that a tax on profits is in fact a more rational approach and a more efficient approach to the taxation of the sector—that is, a tax on volume. That leads me to the third point: the modelling produced through Econtech contained in the Treasury’s report on the day that the tax policy was released was of a type which concluded that the overall activity in the mining sector would increase by 5.5 per cent over time as a consequence of the total tax package which is being introduced. No. 1: we have a clear tax policy. The opposition currently have three tax policies on the run at once. No. 2: we believe the mining industry should pay more. We do not know where those opposite stand on that particular question. No. 3: we believe that the best way of taxing the mining industry is on profits rather than volumes because it is the best way to generate future growth and expansion in what has been and what will be a great industry for Australia.

Mr Hockey—Mr Speaker, I seek leave to table the article by Mr Ralph titled ‘Retro-spective tax a risk to national sovereignty’.

Leave not granted.

Budget

Mr FitzGibbon (2.58 pm)—My question is to the Minister for Resources and Energy. Minister, how does the proposed resource super profits tax ensure that Austra-
lians get a fairer return from the resources industry and how does this differ from existing royalty regimes?

Mr MARTIN FERGUSON—I thank the member for Hunter for the question. His question goes to the heart of this debate. It is about how we as a nation put in place a modern resources tax system for a modern nation. The real debate, as I said yesterday, is about how much tax we collect, who collects it and under what system it is collected. The Australian community—unlike the opposition—understands that the time has come for this debate. The Minerals Council of Australia is also, as I have indicated to the House previously, up for this debate—unlike the opposition. It argued in its submission to the Henry tax review that, ‘There is a strong argument to reform the basis of determining royalty regimes to a profit based criteria from a revenue based system.’ I say that because it is well understood that the existing type of royalty scheme as applied currently in the mining sector creates a lose-lose situation for industry and for the Australian community. The royalties framework is bad for business and potentially worse for the Australian community.

During difficult times—and let us be frank—it has and could continue to send companies to the wall. In good times such as over recent years when prices were high, the community missed out on the benefits of the boom because royalties remained fixed and stuck in the past—just like the opposition led by Tony Abbott is stuck in the past and unable to front up to the hard and tough debate on tax reform.

The SPEAKER—The minister will refer to members by their parliamentary titles.

Mr MARTIN FERGUSON—The government is simply proposing to put in place a stable fiscal regime, a regime that is much fairer to industry and certainly much fairer to the Australian community. I ask the House to think about the operation of this royalty regime in past years. Let us think back to the start of this century, when we had a royalties regime in place—

Mr Hunt interjecting—

Mr MARTIN FERGUSON—It is not that long ago in terms of the time horizons of the member for Flinders. Let us go to the application of state royalties across a range of state and territory boundaries. Time and time again we had resource companies approaching state and territory governments for holidays from payment of royalties or potentially time for them to pay off their royalties because times were tough. One example that springs to mind is a project that Andrew Forrest was once involved with, the Murrin Murrin project. They approached the Western Australian government for royalty relief. I have no doubt that a profit based system would have been beneficial to that project. The industry has acknowledged that it is time for reform. They want a profit based system. They have had enough of the royalty based system. And that is not just my view; it is also the view of the broader Australian community.

Ms Julie Bishop interjecting—

Mr MARTIN FERGUSON—The industry also appreciates that they have a capacity to pay more tax. That is not just my view—I notice that the member for Curtin has a little bit to say, and I will come to her in a minute—but also the view of the Western Australian Premier. Perhaps next Saturday when she drops into Peppermint Grove for a cup of coffee she should talk to the Western Australian Premier about his view. I am well informed that the Western Australian Premier proposes to take from Rio and BHP in the next financial year something in the order of $800 million in increases in royalties. That amounts to about $3.2 billion over the for-
ward estimates. But what is the opposition’s view? The Western Australian Premier has pretty fixed views. I will take the House to the Hansard of the Western Australian parliament of 25 February. He said:

As members are aware, I have put it to both BHP Billiton and Rio Tinto that I believe time is now overdue and that they should be paying full mining royalties on the many hundreds of millions of tonnes of iron ore that they produce.

He then went on to say:

I have to say that a few people who work around the mining industry came up to me over the summer and said: ‘By the way, Colin, the mining companies are getting away with murder; they are not paying enough.’ A number of people who work in the mining industry have said that.

That is what the Premier of Western Australia said. That takes me to where the opposition are. What a mess; what a dog’s breakfast we have on the other side of the House at the moment with respect to this complex and important debate. Let me start with the Deputy Leader of the Opposition, who once held the exalted position of shadow Treasurer. Opposition representatives like the member for Flinders and the member for Dickson soon saw her off. I refer to what the member for Curtin said last night. She said, ‘I believe they are paying a fair amount of tax.’ Perhaps she should convey that to the state member for the seat in which she lives, the Western Australian Premier and Treasurer, Colin Barnett.

Then we have yet another position, that of my dear friend the member for Groom. What did he have to say yesterday and today? He said, ‘If there needs to be a royalty change, it should be done by the states.’ So he is up for higher tax, unlike the member for Curtin. That is exactly what the Western Australian Premier and Treasurer is arguing and exactly what the current government is arguing: the mining companies have a capacity to pay more tax and the Australian community need to get a fair return for the development of their resources. But it gets better. Perhaps Colin Barnett has been listening to Senator Joyce, someone who the member for Goldstein likes to ridicule on a regular basis. Let us go to what Senator Barnaby Joyce had to say on Sky television at lunch-time.

Mr Pyne—Mr Speaker, I rise on a point of order on relevance. This answer has now been going for over seven minutes, which seems completely excessive. How could it still be relevant? If the minister cannot answer a question in four minutes, he needs to get out of his—

The SPEAKER—Order! The member for Sturt will resume his seat. In a general sense, if there were less interjecting perhaps the minister would ignore the interjections and the answer would not be as long. On the matter of relevance, he is responding to the question, but I am sure that he is bringing his answer to a conclusion. The minister has the call.

Mr MARTIN FERGUSON—Absolutely, Mr Speaker. It actually takes some time to go through all the different policy positions on the other side of the House. But let us go to Senator Barnaby Joyce: ‘I’m prepared for the people to look at the mining sector to pay more tax.’ I must say I am starting to try and think through what is the opposition’s real position. What is the gospel truth? Do these views all represent considered views drafted by the Leader of the Opposition, as he stands there checking the weather vane to assess where to jump from day to day on what is a complex tax debate.

Clearly, the opposition is totally focused not on a policy debate that we have to have. It is unprepared to accept the view of the government that there should be a reasonable super profits tax put in place. The headline will be 40 per cent. The tax will also ensure
Australia gets a fair return on our precious non-renewable resources and that we put in place a tax system that further encourages investment. I simply say in conclusion: what we have is an opposition that has sold out lock, stock and barrel to some sections of the mining industry because it is more focused on a return to its own pockets in the form of donations than a complex debate.

The SPEAKER—Order! The minister will resume his seat. The minister has resumed his seat. Whether he decided to do that himself or as a result of my asking him to is debatable.

Mr Ian Macfarlane—Mr Speaker, on a point of order: yesterday you ruled the minister’s concluding comment out of order and asked him to withdraw it. It is offensive and I ask him to withdraw it.

The SPEAKER—I understand that. I remember that and, as much as I could through the hubbub, I attempted to listen carefully to the concluding remarks that I then decided I would shut down. But I think I would allow the words that were used on this occasion to go through as a debating point rather than something that was over the top.

Mr Ian Macfarlane—Mr Speaker, on a point of order: the precedent for this was set by your predecessor. When I made a comment in regard to the unions having their hands in the pockets of the then trade minister, I was asked by the Speaker to withdraw it. This is the same type of comment.

The SPEAKER—Order! I have noted the submission to me by the member for Groom, but I am not changing my position.

Budget

Mr TRUSS (3.10 pm)—My question is to the Prime Minister. I refer the Prime Minister to criticism of his great big new tax on mining from former Queensland Labor Treasurer Mr Keith De Lacy, a man well known to the Prime Minister from his former life. Mr De Lacy has stated that the Treasurer’s claims that the mining sector currently only pays 17 per cent tax are ‘plain wrong’ and, ‘I don’t know where Mr Swan gets his figures from but they don’t bear any resemblance to reality.’ Does the Prime Minister agree with the Treasurer, who said yesterday that critics of the mining tax are ‘either lying to you or they are ignorant’? Is Mr De Lacy lying or is he ignorant?

Mr RUDD—I thank the Leader of the National Party for his question. As far as Mr De Lacy is concerned, my recollection is that he is Chairman of Macarthur Coal. I seem to recall that, when the Queensland government last increased coal royalties, the Chairman of Macarthur Coal objected to that as well. You would expect the chairman of any resource company like that to have a problem with an increase in tax because he would be out there arguing the interest of his particular view and people in industry are doing that at the moment.

The other part of the Leader of the National Party’s question goes to the overall incidence of taxation. I draw to his attention the contents of the Treasury minute to the Treasurer which notes that the average company tax rate in the mining sector was 17 per cent in the decade of 2004-05, comparing it to construction at 19 per cent, transport at 27 per cent and finance at 29 per cent. One of the reasons—I say this to the member of the National Party in particular—why he should be getting behind this proposal is that a tax on profits is in fact the right way to go. In fact, he could reflect on some of the observations of one of his illustrious predecessors, Tim Fischer, a former Leader of the National Party, in the debate on the resources rent tax back in the nineties. Tim Fischer announced that a coalition would not be opposing the RRT legislation. He went on to say:
The clear advantage of an RRT over the old exercise and royalties system must be carefully weighed but it is nevertheless an advantage which allows investment decisions to be based more on the quality of the resource.

So said Tim Fischer about the RRT back then; so said Peter Costello about the PRRT back then. I say to the Leader of the National Party that when he embraces this position of opposition to an RSPT he is standing in the way of tax breaks for small business, he is standing in the way of better super for the working people in his electorate and he is standing in the way of funding infrastructure.

I know how keen the Leader of the National Party is on infrastructure because the Minister for Education, the Deputy Prime Minister, has just given me some happy snaps of the Leader of the National Party—

Mr Pyne—Mr Speaker, a point of order on relevance: the Prime Minister was asked a question about whether Mr De Lacy was a liar or whether he was ignorant. These photographs he wants to wave around in his juvenile and pathetic props display should not be relevant to the question.

The SPEAKER—Order! The member for Sturt will resume his seat. The Manager of Opposition Business has not helped his case. The Prime Minister has the call.

Mr Rudd—Thank you very much, Mr Speaker—

Mr Truss—Mr Speaker, on a point order: the Prime Minister’s photographs have nothing whatever to do with the mining tax. They are irrelevant.

The SPEAKER—Order! The Leader of the Nationals will resume his seat. With the House now having come to order, I will observe what use is made of props in this answer. I would suggest to some people that the banter they have is just not helpful at all. The Prime Minister has the call. He understands the requirement to relate the material in his answer to the question.

Mr Rudd—The Leader of the National Party’s question went to Macarthur Coal, it went to comments by Mr De Lacy, it went to the whole question of the RSPT as proposed by the government and therefore the purposes to which the revenue obtained by the RSPT would be put. I would simply say to the Leader of the National Party: it is important to be consistent in public policy. You either stand for the proper funding of future infrastructure or you say one thing in Canberra, which is to oppose infrastructure investments of the type contained here at the St Helens primary school in his electorate, and then go back to the electorate and show up bright eyed and bushy tailed for the school opening. I think the Australian public would expect better of the Leader of the National Party on a policy approach to a resource rent tax based on profits rather than volume. I would draw his attention to one of his predecessors, the previous leader of the National Party, Tim Fischer. Can I suggest again that those opposite should actually engage in the policy of this debate, rather than engage in what they are now doing, which is yet another re-run of an ancient fear and scare campaign, which they are highly accomplished at.

Workplace Relations

Ms Rea (3.17 pm)—My question is to the Minister for Education, Employment and Workplace Relations. Minister, why is the award safety net important for Australian workers and what are the implications of statutory individual agreements? What other threats are there to working Australians’ pay and conditions?

Ms Gillard—I thank the member very much for her question. I know that she celebrated along with other members of this House on the day that we introduced the leg-
islation that ended the making of award-stripping Work Choices Australian workplace agreements. That was a day to be celebrated because it meant that from then on Australians had the benefit of a safety net that they could rely on. Of course, that was necessary because Australians in 2007 spoke long and loud and said that they did not want Australian workplace agreements that could strip the safety net away.

As we stand here with the Fair Work system in operation as a replacement for Work Choices, there are no individual statutory employment agreements that can be made under the Fair Work system. The Fair Work system does not permit the making of any individual statutory employment agreements, a fact that has been continuously misrepresented by those opposite. Of course, under the new Fair Work system it has been a great relief to working Australians that they do not have to fear that today is the day they will go to work and have a basic condition like penalty rates ripped away. Many working Australians hoped that this fear was gone from their lives forever. Unfortunately, because of the extreme policies of the Leader of the Opposition, this fear is back.

The Leader of the Opposition says he should only be believed when he issues carefully scripted remarks. Presumably there could be no more carefully scripted remarks than his own book, *Battlelines*, in which he said, ‘Work Choices wasn’t all bad.’ Presumably he was making carefully scripted remarks to a business meeting when he said:

> At four elections running we had a mandate to introduce statutory non-union contracts and we will seek to renew that mandate.

Presumably he was making carefully scripted remarks when he said—and this one is truly remarkable:

> If we’re honest, most of us would accept that a bad boss is a little bit like a bad father or a bad husband. Notwithstanding all his or her faults, you find that he tends to do more good than harm.

That was none other than the Leader of the Opposition. I do not know who should be more insulted by that remark, working Australians or every Australian woman or all of them. ‘A bad boss is bit like a bad father or a bad husband. Notwithstanding all of his faults, you find he tends to do more good than harm.’

In his budget reply speech, which we also assume was carefully scripted, though given what later happened with the budget reply process maybe that is a big assumption, the Leader of the Opposition said that he wanted to reintroduce Work Choices in the language of flexibility. Of course, we know that the word ‘flexibility’ when used by those opposite is a code word for Work Choices. It was the language that the former member for Flinders spoke in when he introduced the Work Choices legislation. Just in case we are in any doubt, the member for Curtin helpfully defined flexibility for us on radio recently. She said:

> The fact is that there are workers now who are suffering under the new awards system. Because it’s bringing back penalty rates on weekends …

It is pretty clear what the member of Curtin means by flexibility. It is the flexibility to lose your penalty rates without a dollar of compensation.

I believe that there are some questions that the Australian people are entitled to get an answer to from the Leader of the Opposition. Obviously that answer will have to be in writing and carefully scripted. We ask for the answer to be produced that way. I think the Leader of the Opposition should give us an answer to the following questions. Under the Liberal Party, can an employer require you to sign a so-called flexible statutory individual employment agreement as a condition of getting a job? Under the Liberal Party, will
you be able to terminate your so-called flexible individual statutory employment agreement at any time and go back to the award or collective agreement that would otherwise apply? These are important questions about the degree of risk that the Leader of the Opposition poses to the pay packets of working Australians.

We want the answer in writing because we know that, when the Leader of the Opposition speaks, he tries to use code to explain his intention about Work Choices. He tries to hide behind the word ‘flexibility’. On this, Australians are entitled to the gospel truth. Of course, the whole concept of flexibility for the Leader of the Opposition is not just about a codename for Work Choices. He is a man who believes in flexibility when it comes to the concept of telling the truth. This is a man that goes on the 7.30 Report and asks you to believe he is an honest man because he fesses up about his dishonesty under pressure. It is a curious definition of honesty. This is a man who wants you to believe that it is okay to say anything if you are cracking up under pressure. He does frequently. He does not believe that there is a problem with being such a phoney. Even for a man with such a flexible attachment to the truth, there is one gospel truth about the Leader of the Opposition and that is that he stands for the reintroduction of Work Choices. He is a risk to the pay packet of every working Australian.

Budget

Ms LEY (3.24 pm)—My question is to the Prime Minister. I refer the Prime Minister to criticism of his great big new tax on mining from respected financial commentator, Mr Terry McCrann. Mr McCrann has stated that:

The so-called resource super profits tax is a case study of the Rudd Government in action. Of spin and outright deception, shameless and recklessly dangerous politicisation, and fiscal fiddling …

Does the Prime Minister agree with his Treasurer, who said yesterday—

The SPEAKER—Order! The Manager of Opposition Business does not help anything, any bright idea that he has, by that behaviour. The member for Farrer has the call. She will be listened to in silence.

Ms LEY—Does the Prime Minister agree with his Treasurer, who said yesterday that critics of the mining tax are:

… either lying to you or they are ignorant …

Is Mr McCrann lying or is he ignorant?

Mr RUDD—Where is the member for Goldstein’s press secretary when you need him? Up there behind the member for Farrer, doing this, doing this. Stop, for goodness sake!’

Terry McCrann criticises Australian government economic policy’? Well, hold the phone! ‘Piers Akerman is a great fan of Kevin Rudd’. For God’s sake, let us just get real about this.

On the question of the debate about the resources super profits tax, there will be a range of views expressed out there in the community, in the commentariat, on the part of industry and on the part of mining companies. We have all sides of the argument participating in it. However, what we have on the part of those opposite is an entire policy briefing run out of the MCA. For the Deputy Leader of the Opposition to stand up yesterday and say that the mining industry should
pay no more tax is an extraordinary statement. She is in effect saying exactly what the MCA want her to say. That is what is occurring here.

I think it is high time the Leader of the Opposition clarified what their policy is on this matter. Is the mining industry paying enough tax? Is it not paying enough tax? Until we have clarity about their alternative position, this debate is fundamentally hampered. Our plan is clear: funding better super for working families, funding tax cuts for Australian businesses, funding smaller tax for small business and funding the future infrastructure needs of the nation. That is where we stand. We do not know where you stand at all.

Ms Ley—Mr Speaker, I seek leave to table the article ‘Rudd’s lost any claim to our trust’.

Leave granted.

Budget

Mr TURNOUR (3.28 pm)—My question is to the Minister for Human Services and Minister for Financial Services, Superannuation and Corporate Law.

Honourable members interjecting—

The SPEAKER—The Minister for Trade is reminded of his status. The member for Leichhardt has the right to ask his question in silence.

Mr TURNOUR—What will be the impact of the resource super profits tax on Australia’s retirement incomes and are there any threats to Australia’s getting a fair share from our natural resources?

Mr BOWEN—I thank the honourable member for Leichhardt for his question, because it does provide an opportunity to correct several statements from members opposite. The government’s superannuation reforms are crucial to boosting the retirement incomes of Australians, and these reforms are funded by the resource super profits tax. There are 8.4 million Australians relying on these reforms to boost their retirement incomes. A 30-year-old on average weekly earnings would have their retirement income boosted by $108,000 on their retirement.

There has been some commentary by members opposite about the effects of the resource super profits tax on people’s retirement incomes. The shadow minister against superannuation has made some comments. His commentary did not go to why the opposition is standing in the way of the boost to retirement incomes of Australians. The comments did not go to why the opposition is standing in the way of giving low-income earners their superannuation tax back. They went to a scare campaign. The shadow minister against superannuation—the member for Cowper—said this to the Coffs Coast Advocate:

We also must remember the collapse in mining share investment is having a domino effect right through the economy that will drive down super returns even further.

He is not the only one. The member for Goldstein said it, the member for North Sydney said it and the Leader of the Opposition said it. Now it is time for some facts which will show that the opposition’s scare campaign is simply sophistry. It is true that the value of Australian mining stocks has fallen since 2 May. It is also true that the value of stocks generally in Australia has fallen. It is also true that mining stocks around the world have fallen in value. The Australian materials index covering mining stocks has fallen by eight per cent since 30 April, the ASX 200 has fallen by 8.6 per cent and the financials index has fallen by 10.57 per cent. The resource super profits tax has had a big impact on the financial services index.

It is also interesting to look around the world. As I said, the ASX 200 has fallen by
8.6 per cent, the FTSE has fallen by 8.7 per cent, Standard and Poor’s has fallen by 9.5 per cent and the Nikkei has fallen by 11.7 per cent. So the superprofits tax has really hit Japan hard. I have heard a lot of outlandish claims from the opposition over the past fortnight. I do not think I have heard the opposition claim yet that the resource super profits tax has caused the Greek debt crisis. I might have missed it. It would be about as outlandish as most of their claims. That crisis, which has caused stock market falls around the world, has not been caused by the RSPT.

The opposition say that the resource super profits tax is affecting superannuation returns. Let us see what the superannuation industry has to say to their claims. David Whiteley, the Chief Executive of the Industry Super Network—

Ms Julie Bishop interjecting—

Mr BOWEN—Said:

Asserting mining stocks have plunged as a direct result of the tax when all stocks have fallen to a similar if not greater degree is plainly deceitful.

The Deputy Leader of the Opposition says Mr Whiteley is a Labor hack.

Ms Julie Bishop interjecting—

Mr BOWEN—She said he is a union hack. Let us see what that other union hack, John Brogden, had to say. John Brogden says of the argument that the mining tax is having an impact on superannuation returns:

It doesn’t hold up in the short term, and it won’t hold up in the long term. I am very strongly of the view that it is quite erroneous to link a negative outcome on mining to a negative outcome on superannuation.

That is what John Brogden said of the arguments that are being put by those opposite. I wonder if he is a Labor hack as well. The Deputy Leader of the Opposition appears to have gone quiet.

Mr Tuckey—Mr Speaker, on a point of order: I refer you to page 48 of Practice and, more particularly, to the 1976 report of the Royal Commission on Australian Government Administration and the statement therein that the responsibility of ministers individually to parliament is not a mere fiction. Would the minister consequently tell the House the different dates when the mining industry crashed and the rest did?

The SPEAKER—Order! That is not a point of order.

Mr BOWEN—I referred to the various indexes, but this analysis is also borne out if you look at individual share prices. Let us take, for example, for the sake of argument, BHP. Since 30 April, BHP has fallen by 7.24 per cent. In other words, BHP has outperformed the market in the past three weeks. Perhaps that is why so many analysts are recommending a buy on BHP—advice that at least one opposition frontbencher has taken to heart.

Opposition members interjecting—

Mr BOWEN—Our old friend the member for Dickson. He has been out there giving hypocrites a bad name again.

The SPEAKER—Order! The minister will withdraw.

Mr BOWEN—I withdraw. The Leader of the Opposition says that you can only believe something he says if it is in writing. Perhaps you can only believe something the opposition say if it is written in the pecuniary interest return to the House of Representatives, because what they say is worth less than what they do. If I tried to desert my seat I would probably try to make investments to improve my retirement income as well. But we actually care more about the retirement incomes of all Australians. If the opposition want to be taken seriously, they should stop crying crocodile tears about the price of mining shares and should support our efforts to
improve the retirement incomes of all Australians, to give all Australians a secure and dignified retirement.

**Budget**

**Mrs MOYLAN** (3.36 pm)—My question is to the Prime Minister. I refer the Prime Minister to 778,000 self-funded retirees who depend on the returns from their superannuation. Did the government do any analysis on how the new tax on mining would affect investments of self-funded retirees and its impact on their standard of living and, if so, will the Prime Minister release that analysis?

**Mr RUDD**—I thank the member for Pearce for her question. It goes to the impact of the proposed RSPT on the superannuation earnings of Australians. The first thing I would say in response to the honourable member’s question is that the way in which you boost the superannuation earnings of Australians is to increase the SGL from nine per cent to 12 per cent. That is the first thing you do because superannuation adequacy for working families is, frankly, not sufficient.

**Mr Hockey**—Mr Speaker, I rise on a point of order on relevancy. The question was about modelling and analysis, not the Prime Minister’s reinterpretation of the question.

**The SPEAKER**—Order! The member for North Sydney will resume his seat. I will listen carefully to the response from the Prime Minister. He knows the requirement for his response to be relevant. The Prime Minister has the call.

**Mr RUDD**—Thank you very much, Mr Speaker. My recollection of the question from the member for Pearce is that it went to the impact of the government’s proposed tax on superannuation and, furthermore, it went to a range of other matters as well, including those analyses taken into account by the Treasury.
The SPEAKER—Order! The member for Pearce will resume her seat. The fuller explanation, which is necessary for my critics outside, is: I have asked her to resume her seat because a point of order is not an opportunity for her to debate a case. The question has now been repeated on several occasions. The Prime Minister is only a fraction of time into the answer.

Mr Rudd—Furthermore, in the Treasury’s analysis of the impact on the economy, that is what underpins what is returned to the superannuation industry through investments over time for both the mining industry and the general economy. If you look at the Econtech modelling contained in the Treasury report, it projects ahead a 0.7 per cent increase in economic growth over time.

Mr Hockey—Give us the inputs.

The SPEAKER—Order, the member for North Sydney!

Mr Rudd—Secondly—and I say this for the honourable member—it also projects ahead a 5.5 per cent increase in overall mining activity. It follows as a consequence that the overall impact of these reforms on the broad economy will lead to greater growth in general, and for the mining sector in particular and therefore for superannuation funds invested in those sectors into the future.

Furthermore, I draw the honourable member’s attention to the response just given by the Minister for Finance and Deregulation. The minister for finance in particular emphasised the recent performance of resource stocks as against non-resource stocks within this country and abroad. The member for Pearce, as she said, reflecting on the concerns of her constituents should have listened carefully to what the minister for finance said. He said that the changes over the last month in resource stocks have been less, by and large, than those in the financial services sector.

Mr Pyne interjecting—

Mr Rudd—If you want examples, BHP Billiton is down nine per cent, CBA down 12 per cent, NAB down 15 per cent, WBC down 18 per cent, ANZ down 13 per cent—

Opposition members interjecting—

The SPEAKER—Order, those on my left!

Mr Rudd—I know that these are uncomfortable facts for the political argument being advanced by those opposite.

Mr Pyne interjecting—

The SPEAKER—Order! The member for Sturt is warned!

Mr Rudd—When those opposite—and, as we know, they are such a crack economic team made up of the Leader of the Opposition, the member for North Sydney and the member for Goldstein, aided and abetted from time to time by Senator Barnaby Joyce—actually look at what is happening in the global economy and the performance of all stock markets at present, they will see that it is directly impacted by events in Greece and in Europe. That is why we have seen such massive changes in stock market indices across most Western economies in recent times, including those within our own region.

Therefore, in response to the honourable member’s question, we are proud of the fact that we are using the proceeds from the RSPT to increase the retirement income of working families. The impact on the overall economy and on mining in particular is assessed by the Treasury analysis as being positive and therefore the earnings of the industry will be so underpinned into the future.

Health

Mr Perrett—My question is to the Minister for Health and Ageing. Will the minister advise the House on the latest
developments in building a national e-health system? Are there any alternative proposals?

Ms ROXON—I thank the member for Moreton for his question. He has a particular interest in the establishment of a national e-health system, because the division of GPs in his electorate has been leading the way across the country with a very advanced system. But it operates only within their smaller area and they have hopes of expanding it.

GPs in the member for Moreton’s electorate and across the country do understand that an e-health system will help revolutionise the delivery of health care in Australia. It is why the budget includes $467 million to roll out personally controlled electronic health records for all Australians from 2012-13. Patients will for the first time be able to access their key health information when and where they need it. Patients will no longer have to remember every detail of their care history, medications or test results, and they will not have to retell it to every health professional that they see.

It is estimated that two to three per cent of hospital admissions in Australia are linked to medication errors. This equates to 190,000 admissions each year and costs our health system a staggering $660 million. On top of that, about eight per cent of medical errors are because of inadequate patient information. So it is not a stretch to say that this investment in e-health will help to save lives, reduce medical errors, keep people out of hospital and save money for the taxpayer. Given all of this, it is unsurprising that patients, clinicians and stakeholders have all supported this reform. The AMA, the AGPN, the ANF, the Consumer Health Forum and many more have all said that the e-health system is a key building block to create a 21st-century health system. Everyone, it seems, except for the two people in furious discussion across the table, thinks that this is a long-overdue investment.

I must emphasise to you that it is only today’s Liberal Party who are against e-health. Unfortunately, the Liberal Party announced last week that they would slash funding for this initiative. We see them mimicking their time in government. A billion dollars was slashed from public hospitals when the Leader of the Opposition was the Minister for Health and Ageing. Now nearly another billion dollars would be slashed from the health system, affecting GPs and e-health, under the opposition’s plan.

The reason I emphasise that it is today’s Liberal Party that oppose e-health is that not very long ago there were people on the other side of the chamber who thought that it was very important. I thought the chamber might like to know that in the Leader of the Opposition’s very first speech as health minister he chose to address the topic of e-health. In fact, in 2003, when he gave his first speech as the new health minister, he gave his government five years to implement a national scheme. He said that failure to do it in five years ‘would be an indictment against everyone in the health system, including the government’. Indeed, it is an indictment of the former government. We can just add it to the list of other indictments—a billion dollars out of hospitals, a cap on GP training places and now the failure to deliver an e-health system.

I think that the chamber deserves to hear just a little bit more. In August 2007, the then health minister gave another speech. He referred to his first speech as health minister. He said:

In November 2003, my first scripted speech as Health Minister concerned e-health. I stated that an electronic health record, communicated electronically among health care providers, would mean safer, better, more convenient and more efficient health care.
I could not agree more. He went on:

For doctors and other professionals, it meant less repetitive taking of histories; for governments and other funders, it meant less duplication of diagnostic tests; for patients, it meant more access to their health records and more capacity to manage their own health; for everyone, it meant fewer potentially disastrous mistakes because of avoidable ignorance.

These were carefully scripted speeches, so we know that Mr Abbott absolutely believed every word of them. The only problem was that ‘Phoney Tony’ did not act on that belief. He did not deliver any e-health records—

The SPEAKER—Order! The minister will withdraw that remark.

Ms ROXON—I withdraw it.

The SPEAKER—The minister will refer to members by their parliamentary titles.

Ms ROXON—The only problem was that the Leader of the Opposition, as the health minister, said all of these things about electronic health records and failed to deliver one iota.

I can tell you that the member for Dickson is also on the record as offering bipartisan support for e-health. He even had a swipe at his own leader. Last September he said that the lack of e-health was ‘a very poor reflection of the last decade of discussion’. I wonder who was in government for the last decade? The member for Dickson also said in March:

… Nicola Roxon and I don’t always have a perfect made in heaven relationship, but nonetheless, when I first sat down with Nicola coming into this portfolio only six months ago I gave her an undertaking that we would—on the issue of e-health—provide bipartisan support …

There goes that offer! How erratic are they, in that year after year they could commit to e-health, when they got into opposition they could commit to e-health and then, last week, they slashed half a billion dollars from their budget for this necessary revolutionary change to our healthcare system? One day they are for e-health; one day they are against it. It is pretty hard to know what the Leader of the Opposition thinks, but we certainly know what he did about e-health—absolutely nothing.

The SPEAKER—I indicate to the House that in the upper galleries on my left and right we have grades 5 and 6 from Wattle Park Primary School. A proud parent, the Deputy Speaker, the member for Chisholm, has indicated this to me. I welcome them to the House.

Budget

Mr BRIGGS (3.51 pm)—My question is to the Prime Minister. I refer the Prime Minister to this letter from Mr Paul Pike, the Managing Director of Mulgundawa Salt mine, who wrote to the Treasurer last Friday in relation to the government’s great big new tax on mining. He said:

This threatens the viability of the business, the employment of 18 people and would impact on regional suppliers and contractors who support our business.

Can the Prime Minister guarantee that businesses like Mr Pike’s will not close down as a consequence of his great big new tax on mining?

Mr RUDD—I thank the member for Mayo for his question because, when it comes to all businesses, what this government stands for is lower tax as opposed to higher tax. We are bringing the company tax rate down two per cent. You are taking it up two per cent. That is what you are doing by virtue of Mr Abbott’s great big new tax on everything. On the matter that the member for Mayo raises, I simply say to him that companies from various sectors of the economy are currently consulting the Treasury panel on the impact of the proposed RSPT on them and, as far as his constituents are con-
cerned, I strongly encourage them to do so, as many others are across the country—more than 80 companies altogether.

The third point I would make in response to the member for Mayo, and more broadly in this debate on tax, is that this is about how we reform the country for the future. This is about how we set Australia up for the next level of economic growth. This is how we take the benefits from the mining boom and invest them in Australia’s productive potential in the future. This is a serious program of economic reform.

What we have seen today is a stark contrast between what we stand for on a reform proposal and what they stand for in terms of simple scare campaigning on the basis of lowest common denominator politics. It is writ large right across the board. We stand for better super; they stand for less super. We stand for less tax on business; you stand for more tax on business. We stand for less tax on small business; you stand for more tax on small business. We stand for investing in health; as the Minister for Health and Ageing has just said, you stand for health cuts. We stand for investments in education; you stand for cuts to education. We stand for investments in renewable energy; you stand for cuts to renewable energy. We stand for investing in infrastructure; you stand for cutting infrastructure.

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

Mr RUDD—Mr Speaker, I say to those opposite as they engage in the politics of the lowest common denominator: have a very clear eye upon where this debate goes for our future productive potential as an economy. We stand for boosting Australia’s long-term productivity and our global economic competitiveness. I say to the member for Mayo, as a person who I thought was literate on questions of policy, that he should engage in the detail of this debate rather than simply take the script delivered to him by the Leader of the Opposition and the member for Sturt.

We will deal with each business on its merits, with each sector that they are engaged in. They are currently discussing these matters with the Treasury panel. This is a fundamental exercise in long-term economic reform, to which this government is committed.

Mr Briggs—Mr Speaker, I seek leave to table the letter from the salt company to the Treasurer last Friday, which they have not had a response to yet.

Leave not granted.

Budget

Mr NEUMANN (3.55 pm)—My question is to the Minister for Competition Policy and Consumer Affairs and Minister for Small Business, Independent Contractors and the Service Economy. What are the benefits of the government’s stimulus package and tax breaks for small businesses and independent contractors and what support is there for the package and tax breaks?

Dr EMERSON—I thank the member for Blair for his question and for his invitation to engage with him in a very productive small business breakfast just last week. It was very well attended too. The government supported Australia’s small businesses and our tradies during the global recession through our economic stimulus plan. During the recovery we want to support our small businesses again through small business tax breaks. In fact, the government’s economic stimulus plan is right now supporting small businesses right around Australia, including our tradies in thousands of construction projects across the nation.

I remind members of the chamber that the opposition voted against and continues to oppose the fiscal stimulus package which is
supporting our small businesses and our trades. But not all members of the Liberal-National Party feel that way. George Christensen is the Liberal-National Party candidate for Dawson and a councillor on the Mackay council. At the council’s meeting on 16 December last year, Councillor Christensen moved a motion that the council accept $4½ million from the Rudd government’s Social Housing Initiative, which is being organised and provided through the good auspices of the member for Sydney. Councillor Christiansen clearly supports the government’s economic stimulus plan, but he is not alone. The LNP’s candidate for Wright, also in Queensland, is Hajnal Ban. She is a councillor on Logan City Council, in my own area, so she is a member of a council that has benefited from stimulus funding of almost $5 million for, amongst other things, local roadworks, a library fit-out just down the road from my office and an extension to the Logan Entertainment Centre. And what about Councillor Jane Prentice? Councillor Prentice has nominated for LNP preselection for the seat of Ryan to replace the now demised member for Ryan, who has been thrown out of the LNP and obviously has a few more questions to answer beyond the LNP’s own internal investigation—and I will have more to say about that later. Back to Councillor Jane Prentice: she is a councillor on the Brisbane City Council, which has gratefully accepted more than $16 million in funding from our economic stimulus plan.

Doctors take the Hippocratic oath. These three LNP candidates and aspirants will need to join with sitting LNP members in taking the opposition leader’s hypocritic oath, which says: ‘I support the Rudd government’s stimulus package in the electorate but I pledge to oppose it in the parliament.’

The SPEAKER—Order! The minister will withdraw.

Dr EMERSON—I withdraw. When it comes to economic management, the Leader of the Opposition is erratic and his policies are extreme. I am asked about small business tax breaks. The opposition leader plans to block the resource super profits tax in the Senate. What would that do? Deny small businesses and tradies a much-deserved tax break. The opposition leader says that he only speaks the gospel truth when something is written down, scripted for him, prepared for him by his staff. It must be put in writing. But not so Senator Barnaby Joyce, because he walks into a TV studio and just blurs out the truth. When he was asked just before question time—very good timing, I thought, from Senator Joyce—about the deputy opposition leader’s comments that mining companies already pay their fair share of tax, what did he say? Did he agree with that? ‘No, not at all—we can have a sensible negotiation.’ Go Barnaby!

He went on, ‘To say there is not the capacity to change the tax is not right.’ We agree with Senator Joyce. He went on to say, ‘I’m prepared for people to look at the mining sector to pay more.’ The deputy opposition leader says, ‘They are paying the right amount; they are paying their fair share.’ Senator Joyce went on to say, ‘Let’s go through the proper negotiation.’ That is a good idea; that is what we are doing—going through the proper negotiation. But on the other side they are saying, ‘No, Barnaby is wrong, we should not go through the proper negotiation.’ The truth is that Senator Barnaby Joyce has blown out of the water the opposition’s confused scare campaign about the resource super profits tax. He has completely contradicted the opposition leader, he has completely contradicted the deputy opposition leader and, of course, he had a big go at the member for Goldstein. They had a tiff yesterday and the member for Goldstein rang him up.
Dr Southcott—Mr Speaker, a point of order on relevance: this is 95 per cent a commentary on the opposition rather than on matters for which the minister is responsible.

The SPEAKER—The member for Boothby will resume his seat. The member has raised a point of order on relevance. The question, if I remember rightly, went to things like responses and I guess that that is what the minister is doing, but I would suggest that he now come to a conclusion of his answer.

Mr Dutton interjecting—

Dr Emerson—Sure, Mr Speaker, and I welcome the interjection from Pig Iron Pete over here, share trader.

Mr Andrews interjecting—

The SPEAKER—Order! The member for Menzies, I hope, will calm down. It is not often that I defend the particular member who might think that I have got him in my crosshair, but he did not make the interjection. The retort made by the minister was absolutely unnecessary and he will withdraw.

Dr Emerson—I withdraw.

The SPEAKER—Order! I just hope that also the member behind the particular member that had that comment made to him would also not interject so we do not get into this situation. In saying that, I do not condone what the minister did. I have invited the minister to conclude his answer. He will now conclude.

Dr Emerson—Certainly, the opposition leader knows that Senator Barnaby Joyce believes that revenge is a dish best served cold. It was served up today. The resource super profits tax is a tax to fund small business tax breaks. The Rudd Labor government is the best friend that small business has ever had.

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

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (4.03 pm)—I present the Department of Health and Ageing—National Health and Medical Research Council’s strategic plan for 2010-2012. I move:

That the House take note of the document.

Debate (on motion by Mr Hartsuyker) adjourned.

LEAVE OF ABSENCE

Mr ABBOTT (Warringah—Leader of the Opposition) (4.04 pm)—I move:

That leave of absence from 24 May to 24 August 2010 be given to Mrs Mirabella on the ground of maternity leave.

Question agreed to.

CANNES FILM FESTIVAL

Mr GARRETT (Kingsford Smith—Minister for Environment Protection, Heritage and the Arts) (4.04 pm)—Mr Speaker, on indulgence: I take this opportunity to congratulate two Australian filmmakers whose work has been recognised at this year’s Cannes Film Festival. It is the world’s premier and most prestigious film festival. Michael Rowe’s film Leap Year was awarded the prestigious Camera d’Or award for debut filmmakers. This is the second year in a row that an Australian filmmaker has received this award. Members will remember that last year Warwick Thornton received the award for Samson and Delilah. As well as that, Ariel Kleiman won the Kodak Discovery Award for his short film, which shows the great depth of talent we are producing in this country. I also congratulate the makers of the Australian-French coproduction, partly funded by Screen Australia, The Tree, which closed the festival. It is appropriate that we mark these significant achievements by Australian filmmakers at this very important international film festival.
Mr CIOBO (Moncrieff) (4.05 pm)—Madam Deputy Speaker, on indulgence: I share the sentiments of the Minister for Environment Protection, Heritage and the Arts. Cannes 2010 was yet another testament to the talent and creativity of Australia’s film community. Nineteen Australian films were shown at Cannes this year with two shorts in official selection and 17 feature films screening in the market. It was particularly pleasing to see the film chosen to close the festival was *The Tree*, an Australian-French coproduction, which is importantly—certainly from my perspective—a film set in Queensland and adapted from a book by the Australian writer Judy Pascoe. Australian born Michael Rowe picked up the prestigious Camera d’Or award, the Cannes prize for best first film. His film *Leap Year* competed against 24 other films in the category. Congratulations also to Australia’s Naomi Watts, who featured in two films at the festival, *Fair Game* and Woody Allen’s film *You Will Meet a Tall Dark Stranger*.

MATTERS OF PUBLIC IMPORTANCE

Budget

The DEPUTY SPEAKER (Ms AE Burke)—The Speaker has received a letter from the honourable member for Groom proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The effect of the Resources Super Tax on future investment, employment and the cost of living.

I call upon those members who approve of the proposed discussion to rise in their places.

*More than the number of members required by the standing orders having risen in their places—*

Mr IAN MACFARLANE (Groom) (4.07 pm)—The imposition of this super tax on the resources industry by the Rudd government is an attack on the mining industry of Australia; it is an attack on the miners and their jobs in Australia; it is an attack on the contractors and small businesses who support the mining industry in Australia; it is an attack on household budgets in Australia; it is an attack on the shareholders in these companies that operate in Australia; it is an attack on the superannuation recipients whose funds have invested in these resource companies; and it is an attack on self-funded retirees.

Never in my lifetime have I seen such a reckless approach by any government in its attempt to destroy the Australian resources industry. This is an industry that has supported this country through a series of recessions and has ensured a standard of living in Australia that we all enjoy and are proud of. This industry has done nothing to deserve the gutless attacks it has received in the past three weeks from those who sit opposite. I never, ever thought I would hear the language that has been used about mining industry leaders by everyone from the Prime Minister to the Treasurer to backbenchers who are scared of losing their jobs at the next election. The Prime Minister tried to invoke not only xenophobia but also the tall poppy syndrome, asking Australians to question the motives of people simply because they have been successful. I never, ever thought I would see a leader of this country stoop to that.

I never thought I would see a situation where we have the Treasurer of this country accusing mining industry leaders of being either liars or ignorant—liars or ignorant. These are the fathers and mothers of industry in Australia, these are the people who have put Australia’s resource development on the world map, these are the people who have provided jobs directly and indirectly for millions of Australians, and yet the Treasurer’s description of them is that either they are
lying or deliberately putting out mistruths or they are ignorant—that is, they do not understand the way of the world.

Surely not—surely the Treasurer would not be referring to someone who once referred to him, the Treasurer, and his counterpart the Prime Minister as ‘Labor brothers’. This is a former Labor state Treasurer, a person of distinction within the Labor Party in Queensland who held office in the Goss government in which the Prime Minister had a prominent role. Yet the Treasurer has referred to him as either ignorant or a liar. I refer of course to Keith De Lacy, a person I have considerable time for, a person I had considerable time for before I came to this place. Mr De Lacy said the Treasurer’s claims are wrong, highly misleading and offensive. That was in relation to the Treasurer’s claims that mining companies were lying about the amount of tax they paid.

We are now in a situation where the head of the third largest resources company in the world, Rio Tinto, is describing Australia’s mining tax as being ‘the biggest sovereign risk facing the miner anywhere in the world’ and certainly Australia as having a sovereign risk profile which requires him and his companies to reassess billions of dollars worth of investment here. It is not just the dollars of investment that we need to worry about; it is the tens of thousands of jobs that go with it. It is the returns by Rio Tinto that go back to the shareholders of Australia—and that company has an Australian listing; it has a very long and proud history of investment and employment in Australia—to self-funded retirees, to superannuation holders and to people who have had the courage to invest in an industry that has underpinned Australia.

These men do not speak lightly of their concerns, nor of the impact that the mining tax will have on their companies. They are bound by an obligation under the director laws of Australia not to lie. The Treasurer may not understand that. He has probably never done the Australian Institute of Company Directors course. I have. I understand corporate responsibility. I understand director responsibility. I understand the requirements by law that if you abuse them you will go to jail. I understand that what these people are saying is true. And I understand that, when you combine that with a great Australian, someone whom we have all looked up to in our past, Mr Herb Elliott, who is the Chairman of Fortescue Metals, that we have someone with integrity in terms of both his own character and of course his director responsibilities.

Today, the Chairman of Fortescue Metals Group wrote to his 55,000 shareholders advising them of the company’s rejection of the federal government’s proposed resource rent tax. The letter to the shareholders, which is available on the Fortescue website, states that the government’s proposal is akin to ‘a socialist style funding and tax device’ and is ‘bad for every Australian’—every Australian. Who is going to benefit from this tax? It is not the people who work at the mine sites, not the small businesses who support them, not the shareholders in the company, not the self-funded retirees and certainly not the people who want to see Australia prosper.

We have heard a lot of figures recently in relation to Treasury documents. If I had more time I would revisit the comments about what a fraud has been tried to be perpetrated by quoting documents, in one case from the University of North Carolina in an undergraduate work associated with a professor. The professor clearly stated that those documents were never to be used for a tax model and I have that document here. The other document, of course, that we saw rushed out overnight was the document purporting to be the Treasury analysis of the taxes in relation to the issue of company tax. On the bottom
of the document Disparities in average rates of company tax across industries the authors, Peter Greagg, Dean Parham and Pero Stojanovski say:

The authors are from Business Tax Division, the Australian Treasury. This article has benefited from comments and suggestions provided by Paul McMahon and Shane Johnson. The views in this article are those of the authors and not necessarily those of the Australian Treasury.

So desperate is this government they will grab anything to back up their case, anything to try and add a shred, a tiny modicum of credibility to this dreadful, dreadful tax. It is a tax that is destroying Australia’s resources future. One Treasury has been able to make comment because it is not bound by those who sit opposite and that is the Treasury of Western Australia. The WA Treasury said in the budget papers:

… that the risks and uncertainties leading up to the planned introduction of the resource super-profits tax could deter investment in the state’s resources sector, which would affect economic forecasts badly.

It goes on:

There is a risk that the commonwealth’s proposal … will have a significant impact on the level of future investment in the mining sector in Western Australia.

Where do we start to look for evidence of that. There is so much evidence. Do we start with Southern Cross Portfolio Ideas, who today said:

Claim and counter claim between Canberra and the mining industry is doing Australia incalculable damage in the eyes of foreign investors.

… … … …

To me this is like having a fight with your wife at a restaurant. It is destructive, unnecessary and classless.

The Prime Minister can argue that the Australian dollar fall has nothing to do with the RSPT. The market facts beg to differ from that. This document continues through a series of charts comparing our dollar’s fall with the Canadian dollar and with every other major currency to highlight the fact that this government is destroying the resources industry in Australia. We have Moody’s, who are well-respected and impartial with nothing to gain either way who have said categorically that the RSPT:

… could reduce earnings for firms by nearly a third after it takes effect in mid-2012.

That is a 30 per cent reduction. The list goes on from JBWere, Citi, UBS, JP Morgan. These are people who understand the market unlike those who sit opposite. These are international companies that understand how the markets works. Perhaps the small miners might think this is a great tax but, again, the list goes on of companies that are opposed to this tax. It is too long to read in the moments I have left but the list has Milan Jerkovic of Straits Resources, David Robb of Iluka Resources, Paul Pike of Mulgundawa Salt, Will Robinson of Encounter Resources and Michael Weir of Gindalbie Metals. It is a long list of companies who say this tax is bad for Australia. So who says it is good? The Canadians, of course. They think it is fantastic. Brad Trost MP said:

So I’m sending out the message—Canada wants Australian business.

What is Rio’s response to that? Rio Tinto is a company that has resources in Canada. Obviously they have to consider that and Mr Tom Albanese said:

What may be Australia’s loss from the resource super profits tax will be Canada’s gain.

He warned that his company and fellow Australian miners were likely to give preference to developing resources in overseas companies. Even Papua New Guinea is licking its lips at the opportunity to see Australian companies turned away from Australia and investing in PNG. The list goes on and on.
I have not had time in this speech to talk about a key issue. That is the opportunity for Indigenous Australians that is presented by the resource sector in Australia, particularly in Western Australia, the Northern Territory, South Australia and Queensland. Let me quote from Indigenous businessman Barry Taylor who said:

When something like that affects the mining industry, if cuts are going to be made, generally there are two people at the bottom of the food chain—that's the contractors and the blackfellas and in most cases we are both, particularly up in the Pilbara.

If mining companies are going to say 'we are going to get taxed on a lot of our profits,' it is just going to make it difficult for those types of companies to invest in the region and the Pilbara, in particular, has massive Aboriginal communities surrounding the mines.

This is a disaster for regional Australia, it is a disaster for urban Australia and it is a disaster for all of Australia. *(Time expired)*

**Mr MARTIN FERGUSON** (Batman—Minister for Resources and Energy and Minister for Tourism) (4.22 pm)—I welcome the opportunity to address the House in this MPI debate on what is a complex issue. In doing so, can I simply say that the contribution from the opposition to date in the debate on the resource super profits tax clearly shows that they are out of touch with the broader Australian community. The community is actually up for this debate, and the reason they are up for this debate is that they believe the mining sector has had a good 10 years. There are good profits. The community appreciates and wants in place a decent tax system which rewards risk-takers while it also guarantees that the community gets a fair share from the opportunity to develop the resources.

The mining sector itself is also up for the debate. The Minerals Council of Australia has clearly said that it regards the current royalty system to be out of date and inappropriate for the future development of the Australian resources sector. It has actually argued for a profit based system. Mr Andrew Forrest might have some criticism of the current government proposal but I refer to his statement lodged with the ASX today. It is a clear statement that a range of companies in Australia appreciate that the time has come for this debate. In the statement by FMG to the ASX today, Mr Forrest says:

We acknowledge Australia needs tax reform and are pleased to be working with the Treasury consultation panel to consider and make input to a new and fairer tax system.

That is what the debate is about. Clearly, there are different points of view on this debate, but the government is absolutely committed to the process of consultation established on the day that the Henry tax report was released. It was also the day that we announced our response to a number of key, tough issues raised by the Henry tax report which go to making sure that not only do we get a fair return for the Australian community but we also invest in the Australian community’s future. The record will show a lack of attention by the previous government to use the opportunities that came from a resources boom to cement our nation’s economic future. That is why, when you look at the range of announcements made by the Prime Minister back on 2 May, you do not just look at the complex debate about a new resources tax system in Australia; you also look at the investments we are going to make as part of the package.

We should never forget that this is a package. Yes, there are changes in taxation but there are also a range of benefits to the resources sector and, importantly, a range of benefits to the broader community. They include, for example, a significant investment in the future of small businesses in Australia.
A cut in company taxation is something that small businesses want. They should be rewarded for the manner in which they cooperated with the Australian community and government and got us through the global financial crisis.

What about infrastructure? The record shows that, during the previous decade, we as a nation lived off the back of increases in commodity prices, whilst we lost market share. The reason for that is that government failed to invest in resource related infrastructure. For the first time ever we will establish in the budget each year a line item for dedicated investment in the resources sector. This will take some pressure off the resource regions.

Then we come to the issue of retirement. We all have to save more for retirement but government is obligated to create an environment that enables people to save for retirement. Hence, we propose to take the minimum superannuation guarantee from nine per cent to 12 per cent. It means that someone who is currently about 30 years of age will receive an additional benefit which, based on today’s dollar terms, will be over $100,000. That is very, very significant. It will provide people with a greater capacity to retire with some dignity.

This debate also goes to the management of the economy—not just to the incentives government will create to enable people to save for retirement but also to the strength of the economy which enables people themselves to contribute to their future. I take the House today to an article about the Melbourne Institute Quarterly Wages Report of May 2010. It states:

According to the latest Melbourne Institute Quarterly Wages report total pay growth over the last 12 months to May 2010—
a very tough period for the Australian economy, I point out—
increased by an average of 4.3 per cent compared with an increase of 3.2 per cent in the 12 months to February 2010.

It goes on to say about wage expectations:

... expected wage growth over the next 12 months increased from an expected 2.2 per cent growth in February to 2.5 per cent in May.

Clearly, all the hard work of the previous 12 to 15 months by this government is bearing fruit. We have a strong economy. We have good growth and, all being well, we will achieve unemployment of 4¾ per cent, as announced by the Treasurer on budget night only a matter of weeks ago.

In order to further secure the future of this economy, you have to take a few tough decisions but, in doing so, you have to put in place a tax system that not only encourages investment but also acknowledges the acceptance by a range of mining companies in Australia that they do have capacity to give a fair return to the Australian community for the opportunity to develop their finite non-renewable resources. That is what this debate is about. And it is also about using the proceeds of that tax for our future. The exploration that we do today determines the projects that we will have in 30 and 40 years time. That is why we propose, for example, a new exploration incentive—something that the previous government failed to deliver. That effectively means about 4,500 exploration companies in Australia will benefit from the rebate. That will encourage investment—it will create the Olympic Dam and the Gorgon projects in 20 and 30 years time—and it will create the wealth and jobs that are so vital to our future.

Now I turn to the issue of infrastructure. For the first time ever, there is the capacity for the Commonwealth, in a line item, to do more on the infrastructure front. That builds on what we have done since we were elected 2½ years ago. It is not new to us to invest in
the resources sector, but we want to do more as a result of this debate. We are talking about a new fund of $5.6 billion over the next decade. That is on top of a range of investments we have already made to assist the resources sector. The state and territory governments are saying we should do more. If they expect us to do more, they also have to understand that there needs to be a complex debate about the tax system and the resources sector. We need to have the financial capacity to do more.

But we have not been neglecting our responsibilities. We have acted already. Take Oakajee Port in Western Australia. We have spent $339 million in a new iron ore province. Darwin Port is exceptionally important in the development of the resources sector in Australia. That is where uranium out of Western Australia will go, a new industry supported by the Commonwealth government. Then there is the Australian Rail Track Corporation. That railway corporation has never had the degree of government support that it has had over the last 2½ years. We have put $1.2 billion into that corporation. For example, in our coal corridor we have spent $580 million in the Hunter region alone. Then there is Geelong, another key port for us. And there is Esperance in Western Australia, with a three-way split between the Western Australian government, the Commonwealth government and the Port of Esperance, each spending $40 million. There are the port access roads in Townsville. Regional community by regional community, resource sector by resource sector, we are committed to doing the right thing.

The time has come for the opposition to understand that the Australian community is starting to see through its scare campaign. They understand that this has been about, yet again, political opportunism from the opposition driven by a desire to attract donations for the purposes of paying for the next election. That explains the opposition’s point of view. We have the Western Australian Premier, for instance, arguing that it is time for the resources sector to pay more. Then we have the federal opposition saying: ‘No, no, no. Give us the donations and we’ll oppose the Australian government’s proposition.’ That is short-termism and a lack of a proper understanding of the needs of Australia. They have failed to front up to the hard debates.

Let us go to their latest scare campaign on the issue of electricity prices. It again shows the ignorance of many on the other side of the House. I remind the House that many fuel sources for electricity, such as coal mines, are part of an integrated system with power stations. Perhaps they ought to do a bit of hard work. Those integrated operations are not expected to attract a superprofits tax. That is fact, as against the fiction we have had from the opposition, which is what we have come to expect day in and day out.

It is also important to recognise that a household’s electricity bill is made up of a number of factors. In actual fact, fuel costs are a small proportion of a household bill when it comes to the cost of electricity. The wholesale electricity price comprises around 40 per cent of this bill, for example. The cost of coal and gas to fuel generators is only a relatively small proportion of the wholesale cost. Think about, for example, transmission and network costs.

I also remind you that the Western Australian Premier is out there arguing that these increases in the price of electricity have to flow through the system—increase after increase. He appreciates that, if we do not front up to this hard issue, we will no longer have the benefit of one of the most reliable electricity systems in the world. We have to invest more and more money over the next decade to ensure that we have such a reliable
system in the future. But we have yet another scare campaign from those opposite. It is without foundation. The suppliers of our electricity are unlikely to be earning super-profits on the contracts that are in place. They are more often than not long-term supply contracts. More often than not, they also use low-quality coal because we export our better quality coal. It is not our premium coal, not our superprofits coal that is used in the electricity system in Australia.

But they will continue to run that scare campaign day in and day out. That is because we have an opposition led by a leader who finds economics boring. He is not focused on policy and you have to think whether or not he is telling the truth, as he admitted on The 7.30 Report last week. That is also reflected in the parade of opposition frontbenchers we have had over the last 24 hours, each with a different view on whether or not we should have a debate in Australia on tax and the resources sector. Senior opposition spokespersons have been falling over one another to give different views. We question whether or not this is a well-thought out campaign or whether it is a ‘read my lips’ campaign from the Leader of the Opposition. Is this about saying one thing to a particular section of the community—‘Yes, there is a capacity to increase revenue from the minerals sector’—at the same time having someone else say something else to another section of the Australian community.

Perhaps the next speaker from the opposition can tell us what the gospel truth is and what the opposition’s real position is with respect to reform of the minerals taxation system in Australia. What is their position? Is the Premier of Western Australia right? Is he entitled to increase iron ore royalties by $3.2 billion over the next four years?

**Mr Randall**—Yes. He negotiated it.

**Mr Martin Ferguson**—If that is the case—and we have the opposition representative, the member for Canning, saying that it is okay—then perhaps the Deputy Leader of the Opposition, the member for Curtin, should be told. She is out there arguing that there is no capacity to increase government revenue through increasing taxation on the Australian resources sector.

We can come to this conclusion: the coalition have no policies of their own. They would sooner put self interest ahead of the national interest so as to maximise donations for the purposes of paying for the next election. We will continue to argue this and, at the end of the day, there will be higher tax taken from the resources sector and we will invest it in the future of Australia’s communities because that is in the national interest. The opposition stands for one thing alone—that is self interest and short-term political gain. *(Time expired)*

**Mr Randall** (Canning) *(4.37 pm)*—I am pleased to speak on this matter of public importance. ‘A politician thinks of the next election. A statesman, of the next generation,’ is a quote by James Freeman Clarke which puts the Prime Minister of Australia into context, because Mr Rudd has his eyes squarely focused on what is going to get him through the upcoming election. He is making policy on the run and, according to what the pollsters or the focus groups tell him every morning about his *Sunrise* performances, that is what he delivers for the day because it is part of the spin cycle. The news for Mr Rudd, the Prime Minister, is that the Australian economy is too important to be run this way. It needs a statesman at its helm, not a spin doctor.

This resources tax was the government’s $12 billion answer to getting the country out of a $93 billion financial black hole that it has dug for itself in less than three short
years, managing the soon to be $6 billion interest per annum, which will be crippling. I have said time and time again that it is back to the old school, big-taxing, big-spending Labor government. The Rudd government has given up on Western Australia, so it is going to gouge from it. A headline in today’s Australian screams ‘The resource tax threatens to choke off the second mining boom’. Add this to Premier Colin Barnett’s comments that the $4 billion redevelopment of Oakajee Port project could be under threat because of the tax. For the benefit of Minister for Resources and Energy, there is the infrastructure for Oakajee. If people do not invest in the area, what is the point of Oakajee port? Andrew Forrest has been out there talking about 40,000 Indigenous jobs in Fortescue Metals that he wants to plan and create through this industry. That is going to cripple that development. So what happened to the Indigenous job commitment?

The Western Australian Premier is strenuously opposing the super tax because he is looking out for the state’s best interests. As a Western Australian in this place, I certainly support him when we are fighting for the interests of Western Australia and all Australians. Rather than raid the state’s growth, the Premier will always make sure that WA gets its fair share. Unlike the Prime Minister, the Premier is willing to negotiate with BHP and Rio Tinto on royalty rights, and he has been doing so for some time, well before this tax announcement, unlike the retrospective nature of the announcement of and then the negotiations on this super tax that the Prime Minister has delivered. The Premier’s planned royalty rates take them onto the industry standard of 5.625 per cent and offer a concessional rate that they have enjoyed for many years for pioneering iron ore extraction, particularly in the Pilbara. A rise in the rate to 7½ per cent by this time next year would bring about $1 billion in royalties. It is a fair plan and will not inhibit the state’s growth, unlike Mr Rudd’s agenda to essentially make a hostile takeover of Western Australia’s mining and petroleum industry. Do Australians really trust Mr Rudd to give any of these super profits back to the states?

You only have to look at his track record which, if I have time, I will get to.

Rio Tinto boss Tom Albanese yesterday said this super tax was his No. 1 sovereign risk on a global basis. Rio Tinto operates in some of the most unstable countries in the world like Mongolia, New Guinea and so on, and he has labelled Australia a sovereign risk. It just shows how much uncertainty it has created for the industry. Rio, which draws 60 per cent of its world revenue from Australia, would not have gone ahead with some of the massive projects like Pilbara iron ore operations had the super tax been in place at that time of change. How many thousands of jobs would have been lost if Rio had known about this tax some time ago?

A super tax does nothing but encourage mining companies to go offshore. In this case it allows our biggest buyer and investor, China, to dominate the industry and to put pressure on ordinary taxpayers, using their funds to bail out failed mining companies. Why would you allow taxpayers’ money to help buy out the penny dreadfuls of this country? It is a disgrace. There are people running out of offices in Perth who fund their whole life and existence out of setting up a company out of blue sky and then living off it. Now this government is going to say, ‘If you crash, we will bail you out.’ It is a real problem and I am sure there are people in this place that know that this is a reality—more borrowing, more government debt, falling share prices and upward pressure on interest rates as a result.
The resources tax was given little thought and no consultation. Any consultation on this super tax now would be retrospective rather than prospective. It is a tax grab that is sending half a million Australian jobs and foreign and local investment offshore like the ETS would have. If you recall, the ETS was going to penalise Australian industries to the extent that they would go to a developing country like Indonesia where there was not any financial impost. We would have exported not only jobs and the income from those jobs such as taxation but also the pollution that would have gone with it. We have dodged the ETS at least for three years; now we have a tax which we are going to have to deal with in the same vein. It is going to penalise companies operating in Australia both prospectively and retrospectively. The impact will not be instant. We are not going to feel this tomorrow. We are not going to walk out tomorrow into St George’s Terrace and find out that the mining companies have shut down. Of course they will not. They will be operating on their current leases and their current operations, but it is going to be felt for years—in fact generations.

This is a tax that could stop any new mining boom—it will strangle any new mining boom—and it will hurt the Australian economy for years to come. These people sitting in here today are going to have to explain to future generations why we made a decision in this place to allow this to happen to their future and the future of many generations of Australians to come. When we had the ascendency in world resources and the production of world resources at a competitive rate, we in this place are going to be saying, ‘No, we are going to put a stranglehold on that competitive advantage that Australia had.’

The impact of a 40 per cent tax goes far wider than the mining industry. This is a tax on the very working families that Mr Rudd said he would look after. When it comes to jobs, the fundamentals are simple. Industry employs workers and pays them a decent wage, which they spend in the local shops, on homes, in restaurants and on holidays, which keeps thousands of other Australians employed. One job in the mining sector creates at least four elsewhere in the economy—air hostesses, real estate agents, accountants et cetera, all jobs that back up someone in the mining industry. Some people say it is seven jobs for each mining job, but let us be conservative and say it is four.

The tax would push up power bills. On the back of already soaring electricity costs, higher gas and coal prices would be paid by generators and this is obviously going to be passed on to consumers. They will not absorb it. Where does this stop? This tax will grow exponentially and it will continue to explode from now on. Applying to all mining activities, this tax will include such operations as clay mining, the brick industry, sand mining and hard rock mining. This tax applies to more than just corporate conglomerates. I can think of some sand miners in my electorate, for example, that will be hit by this because they might make a so-called superprofit.

As I mentioned last night, Satterley in Perth has predicted the cost of building a new home would rise by more than $20,000. Yesterday, we saw Australia Post appearing in a Senate estimates committee and confirming a return on capital of 12 per cent. They admitted to Senator Cormann that this was not a superprofit but a reasonable return on equity. But from the government’s viewpoint, six per cent is a superprofit. So should we tax Australia Post on profits of over six per cent? How about the banks that are making massive profits? Are they going to get a so-called supertax on anything above six per cent? Westpac’s first-half profits were 21 per cent, or more than $2 billion. No wonder the banks are getting nervous. What about Tel-
stra’s $1.85 billion profit? Let us have a look at their profits too. Woolworths’ profit last year was nearly 13 per cent. Let’s apply a supertax on them as well, if you take the same mentality. It would be illogical to think that the costs would not be passed on to consumers. The message is that, if you are a business and you earn more than the government bond rate, a mere 5.7 per cent, you are making a superprofit.

This tax is not good for business, not good for workers and not good for superannuants. It is a kick in the teeth to working families. As a result, this is not a tax that can be supported. It is tax that we are going to feel harder in Western Australia. Mums and dads, superannuants and generations of Australians to come will suffer. *(Time expired)*

**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) (4.47 pm)—This debate is about mining taxation, but fundamentally it is about truthfulness. It is about the launching of scare campaigns, chaotic and confused as they are from the opposition, including claims made by the Leader of the Opposition that the resource super profits tax would increase the price of food. It is noteworthy that the member for Groom has sponsored this matter of public importance because he was asked about truthfulness yesterday. The journalist said, ‘You say what you believe, but Tony doesn’t.’ The member for Groom responded, ‘Well, Tony says what he believes at the time.’

Already there is a division between the member for Groom and the Leader of the Opposition because the Leader of the Opposition has confessed that he does not say what he believes when under pressure. He cannot handle the pressure and he will say things that he does not believe. That is what he said on *The 7.30 Report*. He indicated that he does not necessarily tell the truth when he is asked a question in the heat of the moment. That is not a good thing in general, but it does show that this opposition leader cannot deal with pressure and that he will say anything, including statements that are false, under pressure. Is that the sort of leader we want for this country—someone who cannot handle pressure?

The scare campaign that has been launched and prosecuted by the coalition has slipped into yet further chaos and confusion. We had the Deputy Leader of the Opposition saying on Sky television, ‘I believe that mining companies are paying a fair amount of tax.’ In that she was contradicted on the same day by the Woodside CEO, Don Voelte, who said:

> In talking to the big miners and the mid cap miners I have not heard that they are not willing to negotiate a different tax and a higher tax back. They want to give a fair share back to the Australian citizens.

There is Woodside accepting that the mining industry believes it can pay more tax and it would be fair if it did pay more tax. So the deputy opposition leader is being contradicted by the mining industry itself, or certainly very large sections of the mining industry.

Today we have learnt that she is also being contradicted by none other than Senator Barnaby Joyce. When asked directly about the deputy opposition leader’s comments that mining companies already pay their fair share of tax, he said: ‘No, not at all. We can have a sensible negotiation. To say there is not the capacity to change the tax is not right.’ In that statement Senator Barnaby Joyce from Queensland has blown this confused and chaotic scare campaign out of the water. Senator Joyce has blown the Deputy Leader of the Opposition out of the water.
Senator Joyce has blown the Leader of the Opposition out of the water. As I said during question time, Senator Barnaby Joyce obviously believes that revenge is a dish best served cold. There was a blue yesterday between the member for Goldstein and Senator Barnaby Joyce and when Senator Joyce was asked about the member for Goldstein’s comments he said: ‘He rang me up and he was very, you know, apologetic. And so he should be. How dare he run me down like that. Bugger him.’

Today we saw the revenge for that served cold. We saw the revenge served cold with his flat contradiction of the coalition’s position on this resource super profits tax, with his flat repudiation of the Deputy Leader of the Opposition, with his flat repudiation of the Leader of the Opposition and with his flat repudiation of the member for Goldstein. Today Senator Joyce had his revenge on the Liberal-National Party. Today Senator Joyce had his revenge on the member for Goldstein, the Deputy Leader of the Opposition and the Leader of the Opposition, completely blowing out of the water this chaotic, confused scare campaign being launched and sponsored by the Leader of the Opposition.

This matter of public importance deals with, among other things, the cost of living. Just a couple of weeks ago, the Leader of the Opposition said that the resource super profits tax would increase the price of food. The fact is that the resource super profits tax would apply to minerals which are traded on international markets, such as iron ore from the Pilbara, and for which international markets set the prices. How could it possibly be that a resource super profits tax on iron ore would increase the price of food unless there are iron filings in Mars bars? Even then, it would not increase the price of iron ore, let alone food.

You do not need to rely on me for that analysis. Look no further than the KPMG Econtech report on the price impacts of the resource super profits tax and, in particular, the associated reductions in the company tax rate. That report, that modelling, shows that the resource super profits tax and the tax rate reductions it would finance would not only not increase the price of food and the general cost of living but would reduce them by more than one per cent. According to the modelling, some of the bigger price reductions would be in transport costs, down 1.7 per cent; clothing and footwear costs, down by 1.3 per cent; household contents and services costs, down by 1.1 per cent; and food costs to consumers, down by 0.9 per cent—not up, as the Leader of the Opposition claims, but down because of the reductions in the company tax rate and other factors. That is what is missing in this debate. The resource super profits tax would be used to fund reductions in the company tax rate for companies small and large and that would have a positive influence on prices—that is, it would put downward price pressure on prices.

There will be no company tax rate reductions if the resource super profits tax does not go through. There will be no small-business tax rate reductions if the resource super profits tax does not go through. There will be no small-business tax breaks in the form of $5,000 instant write-off of assets valued up to that amount—not just for the 720,000 small business companies but for every one of the 2.4 million businesses in this country. Do not believe the opposition when they say that the tax breaks for business would only be for small business companies. All businesses would get this instant write-off of the value of assets, up to the value of $5,000 for each, and all businesses would also get a reduction in the company tax rate.
If the Deputy Leader of the Opposition truly believes that mining companies are paying their fair share of tax and if she believes there should be no increase in taxes on companies, why on earth are the opposition proposing to increase taxes on mining companies and other companies by 1.7 percentage points? It will be a great big new tax on everything you buy, a tax to fund their paid parental leave scheme. BHP and Rio have already estimated that that tax would add hundreds of millions of dollars to their tax bills. So, you have the Deputy Leader of the Opposition saying the opposition are totally opposed to any increase in tax on mining companies, but they want to impose a 1.7 percentage point increase in tax on mining companies. We want to use the resource super profits tax process to fund a reduction in the company tax rate, not only for mining companies but for every company in Australia, large and small.

I want to deal with this issue of a retrospective tax. We have a new definition, I think, from the member for Canning. He said the Western Australian royalty increase is not retrospective. Go figure. He said, ‘It’s because Colin Barnett told them about it’—that means it is not retrospective! This scare campaign is confused and chaotic. There are obviously objections, raised by the mining industry, to the application of this tax to the Pilbara, to the Bowen Basin coalfields and so on. They say that it should not happen. By that reasoning, when tariffs rates in this country were being reduced over time by the Hawke and Keating governments and by the Howard government, those reductions should not have applied to existing automotive manufacturers, should not have applied to existing car plants and should not have applied to existing textile, clothing and footwear producers. The truth is that investment in this country would be fine under a resource super profits tax, as reflected in analysts’ consensus recommendations. The E*TRADE Australia website today says, in most cases, ‘Buy, buy, buy.’

The petroleum resource rent tax has proved to be a very stable tax and has been consistent with high levels of exploration and development in this country. (Time expired)

Mr HARTSUYKER (Cowper) (4.57 pm)—We have a government in this country that is meddling with Australia’s future prosperity and the living standards of all Australians. Terry McCrann was correct when he said:

The so-called resource super profits tax is a case study of the Rudd Government in action. Of spin and outright deception, shameless and recklessly dangerous politicisation, and fiscal fiddling that would win grudging admiration from the master Paul Keating.

This great big new tax will erode the value of superannuation savings for millions of average Australians. This massive loss in value seems to be lost on the Minister for Financial Services, Superannuation and Corporate Law, who amazingly said that this is something the government is not worried about. He also said that this will have a very small impact on the retirement incomes of self-funded retirees. The arrogance of this government is breathtaking.

Let us look at the figures. Since the government leaked the news of its great big tax on mining on 13 April, $90 billion has been wiped off the value of resources stocks in Australia—that is, more than 20 per cent of the value. Resources stocks account for about 9.3 per cent of superannuation balances. This means that over $23 billion has been ripped from superannuation accounts since the government leaked the news of its great big new tax. Superannuation is down around two per cent as a result of the performance of the resource stocks, yet Minister...
Bowen is not worried about this amount. He is on the record as saying that he is not worried at all that superannuants will be hit by the resources tax.

And then, of course, there is the cost of living. The Australian people are still reeling from the realisation that the Prime Minister’s other great big new tax on everything—the ETS—was going to drive the cost of living through the roof. They are now finding that this cost burden has merely been postponed until after the next election. Yet they are in for another great big slug: the impact of the RSPT on prices. This resource supertax will impact on the cost of energy and the cost of building materials. The increased cost of energy means Australians will pay more for electricity. The Prime Minister, who promised to take pressure off struggling families, was not content with the 64 per cent increase in power prices in New South Wales as a result of the ETS and state Labor’s incompetence; he now wants to slug consumers again, and this time it is the RSPT—the great big new supertax.

In the media today the Energy Supply Association boss, Brad Page, is reported as saying that consumers will not be quarantined if the 40 per cent tax drives up the price of coal, increasing the cost of electricity. He said:

Any additional cost that’s imposed on fuels will one way or another be sought to be passed through to consumers.

He went on to say:

To the extent that companies can shift taxes onto consumers, I expect they will try.

Those comments do not come from the coalition; they come from the Energy Supply Association of Australia, an organisation that represents electricity generators, distributors and retailers. Then there is the impact on the cost of housing. Once again, this supertax will potentially drive up the cost of gravel, concrete and other building materials—all this from a Prime Minister who promised he was going to drive down the cost of living.

This is a very dangerous tax. It is a time bomb in the hands of an incompetent government. This is a government that could not give away pink batts without stuffing it up. It got ripped off to the tune of almost $1 million to build a dunny, as reported in the newspapers today, and it is proposing to drive a dagger through the heart of our future prosperity. This tax is creating a sovereign risk crisis for this country. It will drive away investment, it will increase the cost of capital, it will destroy the retirement nest eggs of average Australians and it will drive up the cost of living.

This tax is being fraudulently represented by this government under the watch of a Prime Minister who stands for nothing. We see them ducking and weaving, quoting and misquoting one report after another, trying to justify their stance. The Australian people are not silly. They know about Australia’s dependency on mining. They can see for themselves the importance of mining. They are very concerned about the impact of this tax on Australia’s future prosperity, on employment and on the cost of living. It is an outrageous tax, and the coalition will oppose it to the end.

Mr GRAY (Brand—Parliamentary Secretary for Western and Northern Australia) (5.02 pm)—The leader of the miners’ campaign, Clive Palmer, has talked about this tax producing a 70 per cent burden on business. Clive Palmer has talked erroneously of the impact of this tax on business and he has been prepared, on many occasions, to fund the opposition’s campaign to argue that case. This blatantly false and unsubstantiated claim has been published and re-published. The truth is that the RSPT is not a tax imposed on top of royalties. It is not a tax im-
posed on top of company tax. It will effectively replace royalties by providing firms with a refundable tax credit for royalties. Where royalty payments are higher than the RSPT liability, firms will get a cash refund of the difference.

These important points are forgotten by so many of those on the opposite side of this debate. I think it is important to acknowledge the importance of this debate, and it is important that those participating in it become better informed. It was with sadness that I listened to James Pearson, the head of the CCI in Western Australia, on the radio last week making the same logical error as Clive Palmer has. The RSPT is deductible against company tax. Even some sophisticated commentators have talked about the theoretical maximum tax rate of 56.8 per cent, as if every project will pay that rate. It is also incorrect for a number of reasons. One reason the estimates are wrong is that they ignore that the RSPT taxes only superprofits, not all profits. That means effectively taxing internationally traded commodities that might generate superprofits, like iron ore—not taxing projects that mine gravel, clay or sand. If a project does not generate superprofits, it will not pay any RSPT and it will benefit from a company tax cut to 28 per cent and the government refund on the royalties that it pays.

I think it is important that we also acknowledge the important role that mining plays in our community and in our economy. In Western Australia, mining has built many regional centres. Unfortunately, frequently it does not pay the freight and the cost of supporting those regional centres. Early concessional royalty rates granted in the 1960s and the 1970s were granted on the assumption that mining companies would fund substantial infrastructure in remote and regional communities. As the 1970s progressed into the 1980s and as the economic rationalists took hold of these firms in the 1990s, they stopped funding community infrastructure, but they hung on to the concessional royalty rates. So we see the situation in Western Australia that the concessional royalty rate of 3.75 per cent, which had been in place on projects since the 1960s, has now increased to 5.625 per cent, ensuring that companies do pay a better rate of return on the mines that they do have.

It is important to recognise this, because mining companies in my home state of Western Australia, in the Pilbara, do not pay local government rates. For 40 or 50 years they have paid concessional royalties but they have not paid local government rates. What this means is that the provision of local government type functions has had to be funded from elsewhere or not provided at all. So mining companies have quite happily established communities and they have quite happily sought tax deductions for the infrastructure that they have created, but they have not funded local communities through the payment of rates—taking the concessional royalty and not giving the infrastructure to their own communities.

The Pilbara Regional Council five years ago reflected on this practice by referring to it as a form of cost shifting to local governments and families in remote and regional communities, cost shifting from the large companies. The Pilbara Regional Council at that time made the observation that they genuinely felt that companies should either be subject to increased royalties or pay the freight and pay local government rates. This debate comes down to an important matter. It comes down to whether it is possible to structure a tax in a way that effectively taxes pure profit and does not impact on economic activity, and I believe this proposal does that.

(Time expired)
The DEPUTY SPEAKER (Hon. BC Scott)—The time allotted for this discussion has now concluded.

APPROPRIATION BILL (No. 1) 2010-2011
APPROPRIATION BILL (No. 2) 2010-2011
APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2010-2011

Referred to Main Committee

Mr PRICE (Chifley) (5.07 pm)—by leave—I move:

That unless otherwise ordered, at the adjournment of the House for this sitting, the following bills stand referred to the Main Committee for further consideration:

Appropriation Bill (No. 1) 2010-2011;
Appropriation Bill (No. 2) 2010-2011; and
Appropriation (Parliamentary Departments) Bill (No. 1) 2010-2011.

Question agreed to.

INTERSTATE ROAD TRANSPORT CHARGE AMENDMENT BILL 2010

Referred to Main Committee

Mr PRICE (Chifley) (5.08 pm)—by leave—I move:

That the bill be referred to the Main Committee for further consideration.

Question agreed to.

AUSTRALIAN WINE AND BRANDY CORPORATION AMENDMENT BILL 2009

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr GRAY (Brand—Parliamentary Secretary for Western and Northern Australia) (5.10 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

MINISTERS OF STATE AMENDMENT BILL 2010

Report from Main Committee

Bill returned from Main Committee without amendment, appropriation message having been reported; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr GRAY (Brand—Parliamentary Secretary for Western and Northern Australia) (5.10 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

APPROPRIATION BILL (No. 1) 2010-2011

Cognate bills:

APPROPRIATION BILL (No. 2) 2010-2011
APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2010-2011

Second Reading

Debate resumed from 24 May, on motion by Mr Swan:

That this bill be now read a second time.

Mr SULLIVAN (Longman) (5.12 pm)—When this debate on the appropriation bills was interrupted last evening I had been talking about some issues relating to the Home Insulation Program. There are a few more
things that I would like to say about that program, and the funding in this budget gives me the opportunity to do that.

Firstly, let me make it very, very clear that the lives lost in this program are a tragedy. Lives lost in any industrial accident are a tragedy, and members of the Labor Party and our colleagues in the labour movement are hit particularly hard by those losses. Workers ought to be able to go to work in the morning confident that they will return home that night. That is why companies registering to participate in the Home Insulation Program were required to give undertakings that, for the first time in this industry, they would comply with Australian and New Zealand standards and they would provide employees with training.

In the course of retrofitting more than 1,100,000 ceilings with insulation four people lost their lives and, as I said earlier, that is a tragedy. I do not want to diminish that tragedy in any way, but it would be as well for people to reflect on the incidence of industrial accidents causing death in this industry prior to the introduction of this program. I understand that in the previous 10 years four people also lost their lives in industrial accidents in the ceiling insulation retrofitting industry when the number of installations was roughly half those achieved under the government’s program. To put it another way, the incidence of industrial accidents causing deaths in this industry halved. Again, I do not diminish the tragedy of the lives lost, but this is a noteworthy improvement and it is clearly a consequence of the requirements put in place for those companies seeking registration.

Ceiling fires are cited as a second measure of the program and one which has also caused grief amongst those affected. If my information is correct, there have been around 120 ceiling fires in homes that have had insulation installed under the program. However, what is never published is the fact that in 2008 there were 84 ceiling fires in homes retrofitted with insulation that year. You do not have to be Einstein to recognise that 120 fires in 1.1 million installations is a massive improvement over 84 fires in the 67,500 installations fitted in 2008. From roughly one fire in every 800 installations before the introduction of the program to one fire in every 9,000 installations after the introduction of the program is an elevenfold improvement. I know that is not a comfort to those affected, but it too is a notable improvement over the industry’s performance prior to the introduction of the program and an improvement that ought to be recognised.

Clearly, the opportunity to participate in this program was irresistible to some with bad intentions, whether their gain was through claiming for installations not made, delivering shoddy work or ignoring their responsibilities. But processes were in place for finding those people out and dealing with them. Through the work of government inspectors, the Leader of the Opposition was able to rise in this place and declare that there were some 240,000 roofs insulated under the program that had potential problems. Note the use of the word ‘potential’. These are roofs that only may have a problem, not roofs that actually do have a problem. I do not know if the Leader of the Opposition included in his figures the 50,000 ceilings that have been insulated by means of foil rolls, which are of concern particularly in Queensland. But, as I am in an expansive mood, I will add those to his 240,000. Because I am in a really good mood, let us round it out to 300,000 roofs. That is 300,000 of 1.1 million roofs that may have a problem—not ‘do have’ a problem but ‘may have’ a problem. The other side of that calculation is 800,000 roofs that do not have a problem. That is 800,000 families saving
$200 a year on their energy bills. That is $160 million a year of energy that does not need to be generated. That is also a great achievement.

We have acknowledged the shortcomings in the delivery of the Home Insulation Program, all of which manifested themselves in the actions of those dishonourable people who participated in that delivery. The government’s main miscalculation was in thinking that we could trust all participants to deliver our program honestly. This was the ultimate red-tape-free program. Give the government an undertaking that you will abide by the conditions and deliver training to your staff and the government gives you the opportunity to build a business for yourself and provide honest employment for others. I believe that those in the industry prior to the introduction of this program welcomed these enhancements and followed them implicitly. Unfortunately, some of the new entrants did not.

Yesterday in this place the opposition environment spokesman criticised the government for heeding expert advice and discontinuing the program, thus causing difficulty, if not insolvency, for many in the industry. If I recall correctly, the opposition’s constant braying last year and earlier this year was that the government did not heed expert advice. They were wrong, of course, but that matters little to them. In the eyes of the opposition, it would seem, you are damned if you do and damned if you don’t. What is clear is that the opposition wanted the program scrapped, wanted a ministerial scalp and wanted to damage the government, and in all of those endeavours they found fellow travellers in the majority of the mainstream media. They might reflect on their role in the plight of the insulation industry today.

This budget also provides for increases in alternative energy targets, as a consequence of the Senate’s refusal, three times, to pass the Carbon Pollution Reduction Scheme suite of bills. Both the then Labor opposition and the Howard government went to the 2007 federal election promising emissions trading schemes—schemes that were fairly similar. The Labor government that was formed after that election proceeded towards that goal, ultimately negotiating an agreement with the opposition that would see the legislation put in place. However, the leadership of the opposition changed and the new leadership repudiated that agreement.

It is a great irony that, had the legislation even then been supported by the Greens, it would have passed the Senate and we would have an ETS ready to be implemented. The maths of the Senate is such that without the support of all the Greens plus Senator Xenophon and Senator Fielding the government is not able to pass this legislation and has acted accordingly. Rather than waste time and effort trying again and again to convince Mr Abbott and his colleagues to support the legislation, it is important to note that Senators Fielding and Xenophon will not support the government’s legislation as they think it goes too far and the Greens will not support it because they do not believe it goes far enough.

The make-up of the Senate will change on 1 July next year, reflecting the result of an election due to be held between now and then. Most observers and commentators believe that the ALP and Greens combined will have a majority in the Senate chamber and the coalition will be irrelevant when those parties are in agreement. The Leader of the Opposition’s high-risk strategy may well deliver Australia an ETS that he likes even less than the one previously agreed between the government and the coalition. What the Leader of the Opposition can take as a given is that the government remain totally committed to the introduction of an ETS. He can
also take it as read that we are not so daft as to continue to hit our heads against the brick wall of an obstructionist Senate, no matter how many times he might taunt us with the oft stated view that carbon pollution reduction is the greatest moral challenge of our time. We still believe that. They once believed it too. They no longer believe it. They are blocking it in the Senate and they think it clever to criticised us for a broken promise. The promise stands. The government are acting pragmatically. The opposition might like to reflect on the consequences for those polluters they are protecting, should they fail in their high-risk political game.

The resource superprofits tax has excited the multinational mining giants and some of our home-grown companies as well. This will, they say, kill the mining industry. I found a lovely passage online, and I would like to read it into the record today. It reads:

... here's my big tip—the only thing that will kill the mining industry will be when they run out of things in the ground to dig up and sell.

Isn't that the truth? That sounds remarkably like the opinion expressed in January by Queensland mining magnate Clive Palmer. It is remarkably unlike the opinion he expresses today.

The Treasurer made a lengthy statement on this taxation measure in the parliament yesterday, and I recommend to readers of this speech that they read that statement also. However, there are some things that I want to reiterate. Ten years ago the mining industry contributed to Australia and its people one dollar in every three of profit and today it contributes only one in seven—from around 33 per cent 10 years ago to around 15 per cent today. The current royalty and company tax regime means that as profits rise, taxes fall. That is why it is the megamines that are developed: they return less to the people of Australia who own the minerals and they return more to the people of the world who own the shares in the multinationals. Admittedly, some of those shares are held by Australians, but not the majority. The proposed new regime will make smaller mining operations viable, and they will most likely be undertaken by Australian companies, not multinationals. In fact, under this tax regime, mining companies earning less than 10 per cent return on investment will pay less in taxes than they do now, according to a table that I have seen.

I want to make a brief mention of the GP Super Clinics Program that is extended in this budget. The opposition has been loud in its criticism of this program, contending that only two GP superclinics are operational. Yesterday in the chamber we saw the pleased-as-Punch photographs of the member for Paterson taken at the recent opening in his electorate of the third clinic. This program was introduced as a five-year program, and those opposite know it. So let us have a look at progress to date, two years into a five-year program. Three GP superclinics, including the very successful Strathpine clinic in the electorate of the shadow health minister—and, incidentally, opposed by him—are open and operational. Seventeen GP superclinics are now under construction. Logically they will be operational within the third year of the five-year program. A further 15 GP superclinics are now under contract. Construction will no doubt start as soon as practical on those. One—only one—of the 36 original GP superclinics is yet to be put under contract.

This five-year program is well underway, and the extension of the program in this budget is a recognition of the popularity of the concept. In my own electorate of Longman I have already had some preliminary discussions in relation to accessing this extended program to overcome some of the health service gaps that are evident. I note
that the opposition have indicated that, should they win government, they will cut this program. It is interesting that the coalition candidate contesting Longman supports that cut, despite having already made a commitment to a similar facility on Bribie Island which he says will not be affected because it is ‘fundamentally different’ to the GP Super Clinics Program—although exactly how it is fundamentally different seems to be a mystery. The bad news for him is in shadow finance minister Mr Robb’s fine print—that commitment, it would appear, has been discontinued.

This is an excellent budget. It is a budget for its time. It is a budget that honours the commitments made by the government 12 months ago—commitments that the opposition said we could not meet. The response from the opposition to this budget is as predictable as it is wrong. I commend the budget to the House.

Mr ROBERT (Fadden) (5.25 pm)—The 2010-11 Labor budget is a typical big-spending budget, to counter a recession Australia never had. This budget is an even bigger spending budget fuelled by new taxes on cigarettes and mining. It is a simple demonstration that you cannot trust this government to even identify a surplus, let alone meet the. The response from the opposition to this budget is as predictable as it is wrong. I commend the budget to the House.

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ment. If we look at Labor’s programs budget line by budget line we see blow out by blow out. We see a home insulation program with a billion dollar repair job. The member for Longman had the temerity to say, ‘Yes, there was a tragic loss of four lives in the insulation debacle, but in the previous 10 years there was the loss of five lives; therefore, under this program there has been half as many and that’s a good thing.’ May I remind the member for Longman that any needless death of a young Australian is a dreadful thing, especially at the hands of an incompetent government and an incompetent program. He said, ‘Sure, there are 300,000 houses whose insulation must be checked, but that is all right as there are 800,000 that are fine, and those 800,000 will be enjoying lower electricity bills.’ My heart goes out to the 300,000 families whose mums and dads each night tuck their kids in and look at their ceiling and wonder what is up there. I guess that did not cross the member for Longman’s mind.

We have the Julia Gillard memorial halls—a proper noun. The Building the Education Revolution has a $1.7 billion program blow-out and a waste which could be as high as $8 billion. This could be the most wasteful program in the history of the nation. The computers in schools program has a billion-dollar blow-out. The National Broadband Network, which needed $4.7 billion to give broadband to 98 per cent of Australian homes, now needs $43 billion to give broadband to 90 per cent of Australia homes—a $38.3 billion blow-out. The consultancy contracts this government said it would halve are now $605 million plus.

It is instructive to look line by line at the achievements of this government. Those in the nation who would like to see Labor’s election promises will find it difficult because the 2007 election promises have been removed from the ALP website. Clearly, you are so proud of the promises you took to the nation when you looked them in the eye and said, ‘This is what Labor stands for.’ Clearly, you were so proud of what you stood for that you have taken them down from your website. You organised the best and the brightest summit, yet I cannot think of a single thing out of it that you have used—not one. You brought together 1,000 people and thought you would open up government to scrutiny.

The DEPUTY SPEAKER (Hon. BC Scott)—Member for Fadden, as you should be speaking through the chair, it is not me you are referring to but the other side of the House.

Mr ROBERT—Mea culpa, Mr Deputy Speaker. Labor organised the best and the brightest summit. Labor said that they were throwing open the doors of government to allow the nation to decide priorities and to go in set directions. Not a single thing has come out of it—not one. Fuelwatch was one of the greatest and most costly fiascos abandoned. GroceryWatch followed in its damned footsteps. The Building the Education Revolution has a $16.7 billion blow-out. Building contractors, states and bureaucrats are billing them a feast in return for libraries and gyms. We have seen buildings costing $5,000 per square metre when they should have cost $1,000 per square metre. It is highly conceivable that at least half of this money is being absolutely and utterly rorted and wasted, perhaps even corruptly so. The Deputy Prime Minister organised an investigation and—surprise, surprise!—it will return and report after the election.

We move on to the Home Insulation Program, which was an absolute unmitigated disaster. Thousands and thousands of businesses are now destroyed, young Australians dead, houses burnt down and billions of dollars wasted. We move onto every child in every school in Australia getting a computer.
This program is moving with the speed of an asthmatic ant with a heavy load of shopping. By the time these students will be eligible to receive their computer, they will have finished high school. There was no allocation for software, for maintenance, for support or for ancillary services like air conditioning, three-phase power, hubs, switches and routers to go with it. Any industry professional will tell you that for every $1 in computing hardware spent upfront it may cost as much as $3 to manage it, to run it, to keep it going and to support it. None of that was included. This was all about an election highlight, about the Prime Minister standing there with a laptop above his head saying, ‘This is the toolbox of the 21st century.’

We saw the home solar water initiative abruptly ended three weeks early with eight hours notice, causing chaos in the industry. Many people who were intending to lodge applications in good faith missed out. The Minister for Environment Protection, Heritage and the Arts, Mr Garrett, blamed a cost blow-out, with the original estimate of $150 million blowing out to over $750 million. We saw the Green Loans Program with thousands of people quitting their jobs, paying $3,000 for qualifications and insurance to be trained as assessors only to find the demand grossly exaggerated. The Courier Mail reported on 2 February:

... the Federal Government predicted up to 200,000 homeowners would take up the loans and only 1000 have done so.

Instead of training 1500 to 2000 well-qualified assessors, the Government permitted a blowout. It is now estimated there will be up to 11,500 assessors.

Instead of getting the $50 bonus for getting the home insulation assessment done, none of those has been sent out. The interesting thing is that the Green Loans Program, the solar hot water initiative and the absolute nightmare of the Home Insulation Program were all the result of one incompetent minister. You would think that the minister would be summarily sacked but, no, he stays where he is, a few responsibilities are taken off him and he stays in cabinet. Thousands and thousands of Australians are suffering without work and without jobs. This government keeps him. It is symptomatic of a government more concerned about itself than it is about the nation.

This government, in August 2008, dismantled the Howard government’s immigration and border protection laws that had reduced the inflow of illegal vessels to one. Now we have had over 125 illegal vessels and over 4,000 illegal immigrants, and the flow continues because this government does not have the courage of its convictions to stop it. Let me reiterate that an elected coalition government will reinstate a form of temporary protection visa. We will, with the help of our friends, neighbours and allies, turn boats around. We will get the flow of illegal immigrants and illegal boats back down to where it was in the Howard years.

Under this government, climate change was ‘the greatest moral challenge of our generation’. Few stronger words have been uttered in these hallowed halls by a Prime Minister: ‘the greatest moral challenge of our generation’. They are words normally reserved for when a nation finds itself in conflict or at war. Those words were backed up by Mr Rudd, the Prime Minister, when he said last November that it would be an act of ‘absolute political cowardice, an absolute failure of leadership’ not to act on climate change until other nations had done so. And then, in the space of a few short weeks, may I suggest that he embodied those words when, in an act of absolute political cowardice, he shelved the ETS because the polling was not going his way. So much for ‘the greatest moral challenge of our generation’.
How many of the 2,650 promised trade training centres are open—one, two, surely no more than 10. How many of the 260 promised childcare centres have opened? Oops, that’s right; the most junior minister was sent out to scrap it. How many of the promised GP superclinics are there? Two are fully functional out of 31—an absolute and utter disaster. If these ministers were in private business they would be broke. But that is right: across all of the cabinet ministers, the number of years they have spent in small to medium businesses or running their own business can be counted on two hands.

It is interesting that the government also established the Australian Social Inclusion Board. This rarely heard of bureaucracy was set up because every Australian should have the opportunity to be a full participant in the life of the nation. But who has ever heard of the board? What has the board done? What policy has the board put into? How is the board instructed about what the government is doing? Or is it one more of the over 150 commissions, inquiries, reports and boards that have been set up?

That takes me to the Strategic Indigenous Housing and Infrastructure Program, the SIHIP. Initially set up by a memorandum of understanding in September 2007, in July 2009 Lateline reported that it had not yet built a single house. In two years it had not built a single house, yet it had spent $45 million of its $672 million budget—but not a single house. A government report dated August 2009 said the program was being criticised because it was too slow to deliver, its governance was overly bureaucratic and the program was too costly in terms of the unit cost of housing and administration. It makes a good segue, as it sounds like a perfect phrase to describe the Rudd government writ large. The houses are expected to cost between $450,000 and $529,000, factoring in administration costs and contingencies. For a program that began in September 2007, as at 1 February this year, two houses had been built—just two—but $672 million had been spent. There is nothing like a federal Labor government working with a territory Labor government!

The massive splurge under the global financial crisis sent money directly to taxpayers and, indeed, over $100 million to nontaxpayers. Some pets even received the $900 because of the establishment of wills and the reporting of money through them. People bought large-screen, imported TVs to stimulate the economy and to avoid the effects of what the Prime Minister and the Treasurer said was the worst financial crisis since the Depression in the 1930s. In fact, unemployment was 11 per cent in 1991; in 2009, it did not get to six per cent. There was a surplus in 2007-08, when the Howard government lost the election, and that surplus quickly turned into a $57 billion deficit. Clearly, the global financial crisis was to blame! No credit was given to the Howard and Costello years for leaving the Labor Party in an outstanding budgetary position. No credit was given to the insatiable demand from China for resources. No credit was given to the fact that we were debt free, with money in the bank. No credit was given to the stability of our economy and our flexible workplace laws. No credit was given at all to the fact that there was room for the Reserve Bank to lower interest rates. No, it was all the Prime Minister. The Prime Minister saved the day! I suggest that all this Prime Minister has done is spend us into a dreadful hole.

In terms of the stimulus packages the Prime Minister rolled out, they contained very little major infrastructure. School halls and gyms—that was the way forward! This government was looking at attracting a whole range of retired nurses back into the profession using a return to work bonus. When they announced the scheme, they
talked about 7,750 take-ups, but less than 1,000 have been taken up. This government promised to take Japan to the international court for its whaling; I wonder what incompetent minister that was? Once again, it was Minister Garrett. Now he says it will not be until November that the issue will be settled and—surprise, surprise—that will be after the next election.

Then of course the government announced they would keep 30 per cent of the states’ GST to fund 60 per cent of hospital costs in the states and territories. There are massive strings attached. The states had not been given any details, only an executive summary, before the Commonwealth backed down. The states will maintain control of their hospitals. All this health reform is going to do is create three new statutory bureaucracies to manage this massive structure.

When we read the contents of the budget, we see that there will be 1½ thousand new public servants in the Department of Defence and 500 fewer uniformed personnel. We saw a government that said they would take a meataxe to the Public Service, and all we have seen is 20,000 new public servants. We saw a government that said that, for every regulation put in, they would take one out. Well, over 9,000 new or amended regulations have gone in and less than 100 have been taken out. This government has only contributed a new definition to ‘spin’. It has only left us in a massive hole of debt. It has only thrown our public accounts into disarray and put upward pressure on interest rates, because it is crowding out the debt market and fuelling the economy with cash.

This government will go down as the worst government in the history of our land. It will go down as being worse than the Whitlam government in terms of its profligate spending, what it has not achieved and the damage it has done. This is one of the worst budgets our nation has seen—$40 billion. In the 20 minutes I have spoken, this government has borrowed over $1 million to fuel its debt binge that does not look like it will ever end.

Mr NEUMANN (Blair) (5.45 pm)—Managing the Australian economy, which is one of the largest economies in the world, is a challenge for any government of any persuasion at the best of times. When faced with the challenge of a global recession the Rudd government acted quickly, decisively and with definition to support the Australian economy by making it more resilient, by preparing it for the future and by making it stronger. As well the government were all the time helping Australian families, our young people and our seniors. We have acted immediately to stimulate the economy in a Keynesian way when those opposite would do nothing. They would disinvest in the economy.

We supported 200,000 Australian jobs through investing in people in retail, in the construction industry and in the service industry, and they have jobs now. If those opposite sat on this side of the chamber, those people would be out of a job. That would be the consequence of the inaction, inactivity and negligence of those opposite disinvesting in infrastructure and of the policies or non-policies they would undertake if they sat on the Treasury benches. We have invested in the economy and in vital infrastructure to build capacity to improve productivity. We have invested in skills and training, in health and hospitals and in roads, rail and renewables.

We are protecting the jobs of Australians. Our Nation Building and Jobs Plan is the envy of the world. The truth is that we have faster growth, the lowest debt to GDP ratio and the second lowest unemployment rate in the OECD world. We delivered, for a third
year in a row, tax cuts to working families with increased pensions. We looked after carers, supported those on disability support pensions and cared for the poor, the weak and the oppressed. Those opposite, during nearly 12 years on the Treasury benches, engaged in class warfare against those people.

We supported small businesses. We helped out in the community in terms of infrastructure in local government, which is a vital player in the Australian economy. We have reduced red tape and we have given small business advice, assistance and mentoring through business enterprise centres across the country. We are spending $37 billion in land transport and infrastructure across the years until 2013-14. The Nation Building Program is a success. The Roads to Recovery has supplied record amounts of money, as has the Black Spot Program. We can see that in my community. If those opposite were on this side they would not be doing it.

We heard from the Minister for Small Business, Independent Contractors and the Service Economy in question time today in answer to a question that I put to him in relation to candidates. There are candidates for the coalition under the title ‘the LNP’ in Queensland. The LNP is considering a council candidate in Ryan and I am about to face a councillor in Blair. The LNP has endorsed councillors in Wright and Dawson. They all voted for the nation-building and stimulus package in their councils and in their communities. Now it seems that they are coming to this chamber with aspiration in their hearts to support a party that opposes the nation-building and stimulus package in their hearts. They are purporting to represent a party, the LNP, that opposes the very projects which they voted for, which they managed and in which they cooperated with the Rudd government to deliver in their communities.

There are many of these councillors across Queensland, across South-East Queensland where I live and across the country. The Rudd government’s initiatives in South-East Queensland, where one in seven Australians live, are vital for the fastest growing region in the country. The coalition has a record of neglect when it comes to South-East Queensland. Look at the most vital community infrastructure that we have had in South-East Queensland—roads. Inexplicably the coalition opposed the upgrade of the Ipswich Motorway, which is so important to the people in Toowoomba, Brisbane, the Lockyer Valley, the Somerset region and the Scenic Rim. They opposed it and we are delivering it. It is vital community infrastructure and part of the $37 billion that we are delivering in this budget in relation to roads.

We had record amounts of money put into Roads to Recovery across the region. In this budget there was $1.3 million funding for the Ipswich City Council in Roads to Recovery. The Lockyer Valley had $646,000, the Scenic Rim Regional Council had $791,000 and the Somerset Regional Council had $653,000. There were record amounts of money for local roads in Ipswich and the West Morton region. The coalition gave nothing like that sort of assistance to local councils. And there were vital community infrastructure projects. The Black Spot funding is a record amount of money. The financial assistance grants to those councils was a massive increase in funding to them. All of the money goes towards supporting local jobs. In fact in the financial assistance grants that we have seen here there was a record $2 billion for 2010-11 to local councils in the
Ipswich and West Morton area and across the country for basic services, parks and for upgrading local amenities and facilities. It was $578 million more than last year. We are cooperating with local councils to deliver these projects, support jobs and improve amenities and infrastructure. That is really important. In my region under the better regions plan committed to in the last election there was $575,000 for the George Alder Tennis Centre and $600,000 for the Ipswich basketball stadium upgrade. These are premier sporting facilities in South-East Queensland. There was also $2 million for the Ipswich CBD redevelopment.

The coalition could not give a stuff about Ipswich. For all the time that they were in government, they could not have cared less about Ipswich. We never got the money. They neglected Ipswich. They failed to upgrade the Ipswich Motorway. In fact, my predecessor was inexplicably opposed to the upgrade of the Ipswich Motorway. On 27 October 2009, we saw the leader of the most irrelevant party in this place, the National Party, come out and say that he would stop the construction of the Ipswich Motorway. It is inexplicable when the project will support 10,000 jobs in South-East Queensland, in places like Dinmore and Goodna. The project will generate 10,000 jobs, and the coalition oppose it. They shed crocodile tears when it comes to jobs, infrastructure and assistance to working families. That is what it is about: crocodile tears. They vote one way here and then go back to their electorates and vote another way. The coalition get their candidates to vote one way in their electorates, but when they come here they support a party with another view. That is rank political inconsistency from those opposite.

We are used to it in Queensland because we had to endure the ‘blessings’ of the National Party for so many years. They are absolute experts when it comes to regional rorts, as we have seen. But when it comes to vital community infrastructure, they forget about it. What about the black spot funding? We have seen the state LNP member for Lockyer shed crocodile tears over the Warrego Highway. The previous government reduced the funding for the Warrego Highway; we increased it. It is very important to note that the $3 million black spot funding in the appropriation bills will go towards improving the Warrego Highway. We have put $1.9 million towards the upgrade of the Haigslea-Amberley Road Intersection. The previous government did nothing like that. We have put in $10 million to resurface the road from Tivoli to Blacksoil. What did the coalition do when they were in government for 12 years? We saw none of that money put into the Ipswich and West Moreton corridor.

The coalition purported to represent the farmers in the Lockyer Valley, the Scenic Rim and Somerset regions, yet they did nothing to the Warrego Highway—except cut back its funding. The black spot funding for the Cunningham Highway went to fixing up roads for places like Kalbar and Boonah. The sides of the roads were breaking; there were no barriers on the side of the road. For years the coalition neglected that situation; they did nothing about it. The farmers in the Scenic Rim constantly complained about the Cunningham Highway, and so we have money in this budget for black spot funding to help the farmers in regional and rural areas. There is of course no federal member yet for the new seat of Wright. I hope that Andrew Ramsay will come to this place as the Labor candidate for that electorate. If he comes here, he will vote for vital community infrastructure in that area, whereas his opponent will not. That is the reality.

The member for Fadden talked about GP superclinics. I have one opening in my electorate, at the University of Queensland, in
Ipswich, in August and the member for Fadden is welcome to attend. The editorial of the *Queensland Times*—the only daily newspaper in my electorate—told the coalition to get its hands off the GP superclinics. The coalition want to get rid of GP superclinics. Recently I was up in the Somerset region doing a mobile office—I have done 140 of them since the last election—and at the Esk Show I talked to people about the possibility of them applying for funding. We cannot guarantee that they will get a GP superclinic, but people want more medical facilities up in the Somerset region. I can tell you that the coalition will not give them a GP superclinic. They will not get one at Springfield or anywhere else because the coalition will close them down. I will tell you another thing, Madam Deputy Speaker, it is likely that they will starve the GP superclinics of funds because they are opposed to them.

While I was at Esk recently, I also attended the council chambers for Somerset Region Business Alliance. Bob Whalley, a prominent LNP member, is the president of the alliance. He talked about how the Somerset Regional Council was going to cooperate with the Rudd government, how important the National Broadband Network was for the Somerset region and how vital it was for the dozens and dozens of small business operators there. Guess who will be the candidate opposing me at the next election? The deputy mayor of the Somerset region, a bloke who voted for the Fernvale Sports Centre but will come here to represent a party that will oppose the $2.1 million that the government is putting into the Fernvale Sports Centre and the Esk rail trail and Esk skate park. These projects are being funded by the Rudd government under the Nation Building Economic Stimulus Plan. The candidate was not there at that meeting. But I said to Bob, ‘Listen, mate, your side is blocking this stuff.’ That was before the catastrophe last week when we saw the three stooges giving their budget in-reply speech and their Press Club fiasco. I said to Bob Whalley and other people at the Somerset Regional Business Alliance: ‘If you vote for the coalition, you won’t get a national broadband up here at Somerset or other regional rural areas. But, if you vote for Labor, you’ll get it.’ The situation is that the coalition will oppose it and gut it.

The coalition say that they are for regional and rural Australia but they voted against the road funding. They say that they are in favour of regional and rural Australia but they voted against the education funding under the BER. Under the BER, we are putting $21 million into vital community infrastructure for 18 schools in the Somerset region. This will include trade training centres, schools libraries and community halls. The schools love the BER. I have been to all the schools in the area, and they love it. The coalition oppose the BER. I wonder which one of those projects they will cut back. It is the same situation with the trade training centres in Ipswich. We have another one opening soon at St Edmund’s Boys College and the two grammar schools—Ipswich Grammar School and Ipswich Girls’ Grammar School. This is $3 million for the trade training centre. They are getting one in the Lockyer Valley, at the Lockyer District High. However, no other schools will get a training centre if the coalition gets in. We will have to see what happens then.

That is it what the coalition are all about. They are about opposing education. I went to a lot of these schools. The computer in schools program is being rolled out to high schools across the region. The schools really like what we are doing there—but the coalition will get rid of that policy. It will get rid of that funding. The schools will not get computers. How does the coalition think that schools will communicate with the world?
Don’t they want IT? Don’t they want the latest computers in places like Boonah, Kalbar, Ipswich, Esk and Fernvale? They do not want that. However, we will deliver those things to those areas—and we are delivering them. I can see it happening across my electorate—that is the truth. The coalition oppose all of that. They are opposed to the national secondary schools computer program—$2.1 billion over six years. They are opposed to the BER funding. They are against those programs.

But that is not the experience on the ground when you talk to school principals in my area—not just those in the state school system but in the other school systems. I was recently speaking at the Lutheran state convention, which was held in Ipswich. Neil Schiller, who is the principal of Bethany Lutheran School, talked to me about how wonderful the BER funding was for their particular school. It brought forward the timeframe for their school redevelopment project from 10 years to five years. It is a lovely private primary school in Ipswich with a great reputation. That is the situation locally. Sitting in the audience at the Lutheran convention was my putative opponent. But I will tell you what, if he gets in here, he will vote against that funding for the school which he was visiting during that convention. That is the reality of political life, the inconsistency.

I believe that whether you live in Ipswich, Melbourne, Sydney or Canberra, as a kid you should have the same opportunities in life. Education is the key to development. It is about not just financial security but opportunity for our young people. Those opposite do not seem to really believe that education is important. They think that it is something that you should be allowed to do if you can afford to. We support parents choosing whichever school they want, so we will support the wonderful private schools in my electorate as well as the state schools in my electorate.

There is one thing in this budget that I think is very important. The Howard government had this stupid idea of only allowing legal aid for Commonwealth matters. We have in large part addressed the inequities in legal aid. When I was practicing as a litigation lawyer in Brisbane and across Ipswich and various other areas, people who could not get legal aid were disadvantaged in court. This budget provides an additional $154 million for legal assistance services. I am pleased to say that I lobbied very hard for that. I thank the Attorney-General and the Treasurer for that funding. There were a number of people in our caucus—people like the member for Isaacs and the member for Fremantle—who have been advocating for this for quite some time. That is an important change.

I have spoken to a number of lawyers, barristers and solicitors, in Brisbane recently about that funding. They are thrilled that the Rudd government has taken steps to redress the injustice and inequity that was perpetuated and perpetuated by the Howard government on litigants. If you were poor, disadvantaged, had troubles with the English language or were Indigenous, you were at the mercy of the Howard government’s pernicious policies on legal aid. That was the case, but we have redressed that issue in this budget, and I am very pleased that we have done so.

We have also made a big impact when it comes to defence housing in this budget. Soon I will open another 20 houses in Raceview. We have opened dozens and dozens up in Flinders View where I live. There is nation-building stimulus funding in this budget for those things. We want to help our defence personnel. It is extremely important to do so. What we have done in that regard is vital,
because supporting our defence personnel, their families and their children is crucial for retention and recruitment. They play an important role in the Ipswich community. The RAAF base at Amberley is a superbase. It is getting bigger. It is worth billions of dollars to the Ipswich community every year. We honour our defence personnel. They are valued members of our community and their families are as well.

There are two other aspects to this budget which I want to mention very briefly and applaud the government on. The first is the $55 million package for former F111 fuel tank maintenance workers. I thank the member for Brisbane for his inquiry and I thank the Minister for Veterans’ Affairs, who has worked with the people affected. The previous government’s performance in this regard was atrocious; absolutely woeful. We have committed $55 million to bring some degree of justice to these people and to improve their care. The change we have made will mean that 2,400 extra personnel, including the pick-and-patch workers, will receive assistance. Over 3,000 more personnel will be covered for any of the 31 conditions identified by the study of health outcomes in aircraft maintenance personnel.

I also thank the government for in large part adopting the recommendations of the Clarke review of veterans’ entitlements, particular those in relation to people who suffered terribly due to the British nuclear testing. I thank the government for the $24.2 million over five years to provide disability pensions and assistance for those people who suffered due to the nuclear tests. I thank the Minister for Veterans’ Affairs for changing the designation of those people. I thank him for the compassion and the empathy he has shown to those people, who suffered badly. I commend these appropriation bills to the House, because they will make a big difference in my electorate of Blair.

Mr PYNE (Sturt) (6.05 pm)—I rise to speak on the Rudd government’s third budget, Appropriation Bill (No. 1) 2010-2011 and related bills. As the shadow minister for education, apprenticeships and training, I want to particularly talk about education. There is no doubt that this budget has been a great disappointment in the area of education for people across Australia—teachers, parents, principals, people in higher education, people in trades and apprenticeships—who had hoped to see a budget with some vision on education. But unfortunately this budget was almost silent on the issue of education. There was virtually no mention at all of higher education in the budget. The only times that it was mentioned in the budget was in an announcement of a further delay or further blow-out in programs that had been announced previously.

In this government and in this minister for education, we have seen masters of the disappearing program. The first promise that the government made before the last election was that they would deliver 2,650 trade training centres, one to every secondary college across Australia. It will never happen. So far they have managed to deliver 12. Only 12 out of 2,650 trade training centres are operational in Australia. The program has been delayed, the program has blown out in cost and they are now saying that they will deliver one in 10 trade training centres. So they will deliver—maybe—265 trade training centres rather than the 2,650 that they promised. That is just one of their programs.

We have the now infamous computers in schools program. Everybody would remember the then opposition leader with Julia Gillard, the then shadow minister for education, waving a laptop around before the last federal election and declaring it to be the toolbox of the 21st century. He cannot have just a normal-sounding program. This was 970,000 laptop computers to be placed in the
hands of every student from year 9 to year 12. They have so far delivered 220,000 out of 970,00 and the program will now be delivered over seven years, longer than it took to complete the Second World War, and at great expense. That is another blow-out of at least $1 billion that we can absolutely verify—another failure by the master of the disappearing program.

It gets worse. Under the Primary Schools for the 21st Century program—which has also been described as the school hall rip-off program and the Julia Gillard memorial school hall program—we know from hearings last week of the Senate inquiry into the waste and mismanagement of the Building the Education Revolution that there has been at least $5 billion wasted or siphoned off or gouged or mismanaged under this $16.2 billion program. That is on top of the $1.7 billion blow-out that the government already admitted to earlier this year. That is a $1.7 billion blow-out, a $1 billion blow-out in computers in schools and a $5 billion blow-out in the school hall rip-off program, making this minister the $7.7 billion blow-out woman. I know that the Parliamentary Secretary for Disabilities and Children’s Services, Mr Shorten, finds this all very amusing, because of course he has no love at all for the Minister for Education and in fact would probably prefer to take her job rather than have the one he has now.

Mr Shorten—Madam Deputy Speaker, a point of order—

Mr Pyne—If only you could read the standing orders, Bill, you might be a bit better off. Can I turn to the $1.7 billion blow-out in the Primary Schools for the 21st Century program. There is real scandal involved in this blow-out because the Deputy Prime Minister told this House that the reason there had been a $1.7 billion blow-out was the enormous take-up of the program by schools. She led this House to believe that the reason for the blow-out was a much greater take-up of the program by schools than had been expected. She said in this parliament on 10 September:

They—

being the opposition—

have tried to create the imagery that somehow builders are inflating prices and the government has had to tip in more money. That is simply not true. More money is going into this program because it is going gangbusters, because more schools want to be in this program.

That, unfortunately, was a bare-faced lie and she misled the parliament. The Auditor-General, reporting in the last month into the BER concerns on page 24, said

Ultimately, the need for the additional funding provided by the Government in August 2009 arose from most schools having sought the maximum payments available. It did not flow from any deficiencies identified in the procurement processes or other activities of Educational Authorities in delivering the program, nor was it the result of more schools seeking to participate than had originally been forecast.

The Auditor-General directly, specifically and with intent clearly rebuked the Deputy Prime Minister and made it absolutely clear that what she had told the House was utterly untrue.
forms of the House that he, as Manager of Opposition Business, well knows that he must pursue. Unless he pursues a substantive motion, I would ask him to withdraw those remarks as they are unparliamentary.

Mr PYNE—I am happy to withdraw the remarks, and if I return to that subject I will move a substantive motion. It is disappointing that the member for Chifley has to come into the House and take an appropriate point of order when the parliamentary secretary, who fancies himself as Prime Minister embarrassingly, sat here for five minutes and took no point of order at all. No doubt the Leader of the House will take that up with the parliamentary secretary, because his job in the House is to monitor what the opposition is saying and doing, but he was doing no such thing.

I return to the budget and the disappearing programs that are the hallmark of the education aspect of this budget. The other one that is an embarrassment to the government is the School Chaplaincy Program. The School Chaplaincy Program is set to end in 2011. This was a program which the Howard government initiated. It is extremely popular in both government and non-government schools, but particularly in government schools. We committed to this program in the forward estimates, and the opposition has committed $165 million in the future, to ensure that this program becomes a permanent fixture of our government and non-government schools. It is a very popular program, because there are many young people who, for whatever reason, may not speak to their parents or their uncles or aunts or best friends about problems they might be having but are more inclined to speak to somebody whom they regard as somewhat of a stranger or as someone who is becoming a friend. That is one of the reasons the School Chaplaincy Program has worked so successfully.

This government has not committed to it in this budget in an ongoing way. The funding is due to finish at the end of 2011. It has put no extra money into making sure it will continue into the future. It is not a program that has been earmarked for growth. Yet again, the government has announced a review of the chaplaincy program, which amazingly is due to report after the election. Of course, if the Labor Party is unfortunately returned to government in this country, I think there will be a lot of very nasty surprises for a lot of people after the next election.

We have talked about trade training centres and we could talk about the school hall rip-off program until the cows come home. I also want to cover an issue that my honourable friend at the table, the shadow minister for early childhood education and childcare, the status of women and other issues, will be interested in—that is, the disappearing childcare centre program. In yet another one of the Ruddisms that we have to tolerate all the time from this Prime Minister, he was going to end the dreaded double drop-off. In other words, you would have a childcare centre at the school and you would therefore be able to drop all your children at the same place. Of course, it was just another promise designed to get them elected in the 2007 election. They never had any intention of delivering that program. They quietly and embarrassingly tried to sneak it through in the last paragraph of a Kate Ellis press release a few weeks ago that they would not be continuing with the childcare centre program.

Mr Shorten—Madam Deputy Speaker, on a point of order: the honourable member should refer to people by their title.

The DEPUTY SPEAKER (Hon. DS Vale)—Thank you, Parliamentary Secretary. The member for Sturt will refer to members by their correct titles.
Mr PYNE—He has been wounded by my criticism. The childcare centre program was to include 260 childcare centres. It is now going to be 38. None of the others apparently need to be built; 222 will go the way of the dodo and never see the light of day—another one of this government’s broken promises in the education area, along with computers in schools, the Primary Schools for the 21st Century program, which has been a well-documented fiasco, the trade training centres and the School Chaplaincy Program.

I turn now to one of the issues that specifically relate to South Australia—that is, the great big new mining tax, which will do tremendous damage to the resources sector in my state of South Australia. You do not need to take my word for it. Marius Kloppers from BHP has already warned that dividend payments to their 540,000 shareholders will be hit by the federal government’s great big new tax on mining. BHP Billiton has made it clear that all of their projects in Australia are on the table, including the Olympic Dam expansion in South Australia at Roxby Downs, which is the largest mining project in South Australia and one of the largest in Australia and the world. If properly expanded, it would be the largest copper mine in the world. That is at risk as a consequence of the government’s great big new tax on mining.

What have we heard from the South Australian Labor MPs and senators on that subject? Nothing but a full throated endorsement of the great big new tax on mining that will put at risk the Olympic Dam expansion in my state. Another great mining project in my state that is at risk as a consequence of the great big new tax on mining is the Prominent Hill copper and gold mine in South Australia. Neil Hamilton, the Chairman of OZ Minerals, said that his company would not be able to finish a feasibility study for a potential $300 million project at its Prominent Hill copper and gold mine in South Australia until more detail of the new tax is known. We know that Prominent Hill and Olympic Dam are just two of the mining projects that are at risk in South Australia as a consequence of this government’s fatally flawed great big new tax on mining, which is a dagger pointed at the heart of the Australian economy and, in this case, of the South Australian economy.

I would also like to talk a little bit about some projects in my own electorate. I can tell you that, if the coalition gets elected at the coming election—and we hope that will be sooner rather than later so that we can put this country out of the misery it is enduring under this Rudd Labor government—then I will be fighting in my electorate of Sturt for funding for a number of the black spot projects that need to be done. I will do so from a position where we will have a Treasurer and a Prime Minister who can actually manage the books of the country, a Prime Minister and a Treasurer in Tony Abbott and Joe Hockey, who will be capable of ensuring that we get back into surplus again and we pay down the Labor Party’s $93 billion debt, which does not even include the $18 billion for the National Broadband Network and other projects, so that we will be in a position to fund the important black spot projects in my electorate that this budget is silent on.

I am talking about projects like the improvement of Gorge Road between the Newton shops and the Athelstone shops and of Fosters Road at Oakden. The state Labor government has put very significant housing developments at Oakden and around that part of my electorate, and on the other side of the road in the federal member for Adelaide’s electorate. This has brought thousands of new residents to the area without any consequent thought for the improvement of Fosters Road, which is now a very dangerous road in the north of my electorate. Sudholz Road in Gilles Plains is used by hundreds of
thousands of vehicles every year. There have been fatalities there over the years and there was a very nasty accident only last week. These are the projects that need to be attended to in my electorate.

St Bernards Road runs from Magill right through to Newton. St Bernards Road is one of the more dangerous roads in my electorate. There was recently a very sad fatality on St Bernards Road which needs to be raised in the House. Sarah Bridge lived in St Bernards Road in Magill. Unfortunately, Sarah Bridge’s partner, John Swindell, and his 10-year-old Bichon Frise dog, Tilly, were killed crossing the road at St Bernards Road and Shakespeare Avenue. That is not the only tragic loss that has occurred on St Bernards Road over the years, but it is the most recent one. Action needs to be taken to ensure that those kinds of fatalities do not occur again.

There has been a longstanding campaign to try and get traffic lights at the corner of Graves Street and St Bernards Road for similar reasons. The demands, the calls and the pleas for this to occur have fallen on deaf ears in the state government and in the federal government. We have been campaigning for traffic lights on Lower North East Road, Dernancourt, where there is a significant shopping centre and where, in the last few years, an infant child was killed trying to cross the road. We have been asking the state government to do the necessary studies for traffic lights at Graves Street at St Bernards Road in Newton, at Shakespeare Avenue and St Bernards Road in Magill and at Lower North East Road in Dernancourt. The state government’s action has been slow and paltry. If the coalition gets elected at the coming election, I will be fighting for this kind of sensible spending on important projects in my electorate of Sturt. I will be doing that from a foundation of good economic and budgetary management—from a foundation of real fiscal conservatism. I will be fighting for the improvement of roads like Fosters Road at Oakden, Gorge Road at Newton and Sudholz Road at Gilles Plains. I have already mentioned St Bernards Road.

There is one other subject I would like to touch on and it is a subject that has been close to my heart. When I was the Parliamentary Secretary to the Minister for Health and Ageing, I initiated, for people suffering from a mental illness, the Medicare items for social workers, occupational therapists and psychologists. In this budget, the government abolished the Medicare items for social workers and occupational therapists. After a short campaign, they announced a delay until April next year. I assume that is so that the social workers and occupational therapists can get their affairs in order before their businesses are ruined. The most important reason people with a mental health problem were given access to these Medicare schedule items was so that they would get the treatment they needed, treatment they could not otherwise get because there are not enough psychiatrists and because they could not afford to pay for the services themselves. This government has ripped those Medicare items away from the most vulnerable people in the community—people who are usually homeless, who are almost always of low socioeconomic status and who have a mental illness. The government should hang their heads in shame for not being able to find it in their hearts to support those people. (Time expired)

Ms OWENS (Parramatta) (6.25 pm)—I rise to speak on Appropriation Bill (No. 1) 2010-2011 and related bills. I am proud to speak to this year’s budget, the third budget of the Rudd Labor government. They have been three extremely different budgets for different times, each responding to the circumstances we faced as a nation at the time. The first budget, still in the boom time before the global financial crisis really bit, be-
gan to tackle the barriers that faced the nation: a lack of investment in infrastructure over the decade of the previous government, investment in education which was falling behind the rest of the world and rising pressure on working families and individuals—all issues which impacted on the ability of businesses to get on and do what they do and on the capacity of families to do what they need to do.

In this place we must sometimes remember that, while the media tends to focus on us when we are here, people—individuals, families, businesses and community organisations—actually do the work. They build, they improve, they rescue, they support and sometimes they struggle. Governments are important, but we are not all-important. The global financial crisis has demonstrated to governments around the world just how much we can be affected by the actions of others. In this country, floods and fire have, in recent years, demonstrated how easily the best of plans—and sometimes our very lives—can be swept aside.

Nevertheless, governments are judged by whether their work generally improves the environment in which the community goes about its task. We are assessed on this in both the short and the long term. On coming to government after the biggest boom—there had been 20 years of it—and after 12 years of a conservative government, we faced some very significant structural issues. There had been a lack of investment in virtually everything: infrastructure and education, health, innovation, the skilling of our workforce, community infrastructure and the infrastructure needed to support developing businesses. We had lagging productivity growth. There was also significant strain on the volunteers and workers in our schools, hospitals and community clubs, who were putting more and more effort into holding things together to compensate for a lack of resources. Pensioners’ incomes had been whittled away over years. We faced extraordinary complexity in the way that the states and the Commonwealth interacted, with multiple sets of rules and regulations and a mismatch between who had the responsibility and who had the money. We had the blame game—something that there was a great deal of under the last government.

We had the problem of an ageing population, with rising health costs and all the associated cross-generational issues. We had a two-tiered economy—a booming mining sector which contributed significantly to those who worked in and around it and was great for the government’s bottom line, but which was impacting through the rest of the economy as inflation kicked in and interest rates rose, putting extraordinary pressure on homeowners around the country.

There was also pressure on working families, with strain in the family budget and increasing levels of personal debt. For me, however, the most surprising thing that we inherited was a lack of plans. The Howard government, after 12 years in office and 20 years of boom, did not actually have plans. The nation did not know where it needed to focus its attention. The government had no plan for infrastructure; no plan for capital investment in our teaching institutions; no plan to address rising health costs; no collective information on childcare needs, on skills or on housing; and no plan to tackle climate change. We were a nation with rivers of gold and the government left us with no plans. We were a nation of people, community groups and businesses working like crazy to keep our heads above water. Essentially we took over from a lazy government, a government with rivers of gold but no plans to set the nation up for the future, except one—a plan to drive down wages through Work Choices.
In our first budget just two years ago, we began investing in the nation’s future. We continued to invest through the global financial crisis and continue to invest through this budget in the foundations for a stronger, fairer economy and a stronger, fairer future for Australia. Budgets can only be assessed in the contexts in which they are delivered. The budget we have delivered this year would have been the wrong budget for the boom times of the past and it would have been insufficient to cope with the full-blown financial crisis of a year ago, but it is the right budget for this year. It is a budget for steady recovery from a global financial crisis not of our making and for a return to surplus. It is a budget that continues to prepare the economy for challenges ahead.

A quick look around the world at the condition of most developed nations shows them with substantial levels of debt—90 per cent of GDP or more; unemployment between eight per cent and 10 per cent; recessions; high levels of insolvencies in the business world; and repossessions of homes. Many countries around the world have faced significant loss of capital and skill base, and we could have suffered the same. We have not. In fact, our economic performance over the last two years is the envy of the developed world. The stimulus we put in place and the speed with which it was implemented was—despite the downside of the speed—the significant factor in keeping our people in work and our businesses afloat. That means that we are not now digging ourselves out of a deep hole. Our businesses have survived, our people have stayed in work, our assets are in place and we are in a better position to recover than most.

However, it is worth remembering that the economy is still recovering. We are in positive growth, but it is nowhere near back to where it was three years ago. At the time of the last budget just a year ago, it appeared that the global financial crisis would rip $210 billion off the forward estimates, and we are still down significantly on where we would have been without the global financial crisis. This is a responsible budget that will get us back in the black three years ahead of schedule and ahead of every major advanced economy.

I am particularly proud of the way that our community in Parramatta pulled together to keep people in jobs and help Australia avoid recession when the rest of the world was tumbling off a cliff. We saw people accept reduced hours, which was a wonderful thing, but they stayed in work, and we are in a very strong position to recover now. This budget builds on that strength to deliver for the people in my community in Parramatta while getting the budget back into surplus three years early, which is an extraordinary achievement. This budget converts Australia’s successes during the global recession into even lower unemployment for working people and families in my electorate.

I am particularly proud that this budget delivers on parental leave. It has been a long time coming. People in my electorate have lobbied long and hard for this, and Australia has lagged behind the world for a long time on it. Eighteen weeks at the minimum wage is particularly good for low-income workers, who are in the weakest bargaining position, and I will be very, very pleased to see it start at the beginning of next year.

I am also incredibly pleased to see the announcement of the increase in compulsory superannuation from nine per cent to 12 per cent. I remember when the last Labor government introduced compulsory super and how proud I was of that action. It was one of the great reforms of a Labor government. Many of us thought it would be difficult for it to rise from nine per cent, and, of course, it has been on pause there now for more than a
decade. This is a significant reform. I know we will look back with great pride on the raising, albeit over several years, of superannuation from nine per cent to 12 per cent.

It is particularly good to see such a substantial increase in investment in health in this budget. I am particularly proud of the fact that the government has managed to make such substantial increases in times that are not what you could describe as being filled with manna from heaven. The global financial crisis has been a tough time for us all, even in this country, and I am particularly proud of the work that the government has done in health and what it has delivered in this budget.

The budget fully funds over the forward estimates the recently announced historic health and hospital reforms. The budget includes an additional $2.2 billion investment in the health system, which takes the government’s new investment in health reform to $7.3 billion over five years and $23 billion over the rest of the decade. The budget’s new health announcements include investments that will improve access to general practitioners and primary health care, including better after-hours services, 23 new GP superclinics and upgrades to around 425 GP and primary healthcare clinics across the nation.

This budget includes $523 million in additional support and training for our nurses, including aged-care nurses, who, as we know, are the backbone of our health system and have been underresourced for many, many years. Also included in the budget is a $467 million investment to modernise our health and hospital system through a new e-health initiative, which even the last government thought was well worth doing at the time. However, as we know, the opposition will now oppose this measure. It is, of course, a great measure. The ability to access and keep track of records is incredibly important, particularly for people in rural areas and people with chronic diseases, and it will contribute to better health outcomes for people around the country.

The introduction of personally controlled electronic health will mean less paperwork and better services no matter where you move in your life. The government is taking responsibility also for the majority share of hospital costs and full policy and funding responsibility for GP and primary care services and aged-care services. This will provide an increasing benefit to the states over time, starting with a guaranteed minimum of $15.6 billion in additional growth costs absorbed by the Commonwealth from 2014-15 to 2019-20.

I am puzzled by the opposition’s obstruction of many of these measures. They have already blocked improvements to dental health care and preventative health and they fought for months over the alcopops tax. They have vowed to withdraw funding for GP superclinics and e-health and they do not support the federal takeover. What they do support is anybody’s guess. We know that in government they ripped $1 billion out of public hospitals and they seem to believe that things are okay now. They are not. The health system, as we know it, needs substantial reform and this government is delivering it through this budget.

We have also continued our work on climate change in this budget, unable as we are to get the Senate to pass the emissions trading legislation. That is in spite of considerable work on and bipartisan support for an ETS at the last election and negotiations leading up to the second vote in the Senate. We have increased our funding in renewable energy with a new $652 million fund to support renewable energy and energy efficiency that will help households save on power bills. The government is committed to reduc-
ing our carbon pollution and tackling climate change. We can only wish that the opposition and the Greens had supported us in our intentions to introduce a carbon trading scheme for this nation.

The fund forms part of the government’s expanded $5.1 billion Clean Energy Initiative, which will provide additional support for the development and deployment of large- and small-scale renewable energy projects and the enhanced take-up of industrial, commercial and residential energy efficiency, helping Australian businesses and households reduce their energy consumption. The Renewable Energy Future Fund brings the government’s total investment in renewable and clean energy and energy efficiency to over $10 billion.

We have dramatically expanded the renewable energy target by four times to 20 per cent, so that by 2020 the equivalent of all household electricity will come from clean, renewable sources like wind and solar. We have made the largest ever investment in renewable energy technology development with over $2 billion committed to the development of wind, solar, geothermal and other clean energy sources. We have made the largest ever investment in clean coal with $2.5 billion committed to develop world-leading carbon capture and storage technology and we have short-listed four projects to move to the next stage of assessment under the carbon capture and storage program. We have committed over $5 billion in support for energy efficiency measures to help households and businesses cut their energy bills and reduce their emissions.

Of course this is not enough. The nation needs an emissions trading scheme to drive market innovation and investment. Without it, Australia will be frozen in the carbon age while the world moves forward. Australia thinks of itself as a country whose wealth is in the ground. We have done very well out of our soil and minerals, but I believe that our greatest wealth is that of our minds. We are an innately creative nation and should be leading the world in renewable technology as we once led the world in solar technology. The main purposes of an emissions trading scheme is to reward innovation that reduces our reliance on carbon based fuels and to put our greatest thinkers to work on developing solutions to tackle climate change.

Climate change is one of the great moral challenges of our time. The Liberals and the Greens opposition in the Senate, in spite of negotiations, has stalled some of the most important action that this government could take. For me, it will be one of the great disappointments of our first term in government that the opposition and the Greens chose to destroy our opportunity to act in a timely way on climate change. We now need to rebuild consensus, and there is a delay involved in that. But we must remember that we had consensus until the day that the leadership of the opposition changed, until the day that the vote took place in the Senate and the Greens and the opposition voted against the Carbon Pollution Reduction Scheme.

The nature of Australian politics over decades has required consensus from governments and oppositions. With people choosing to moderate power by selecting different governments at state and federal levels and having a bit of a bet each way in the Senate, governments for decades have accepted that consensus is a reality in Australian politics. In some of the short periods of time—and we saw one under the Howard government—when governments act without that consensus, we find that a nation swings backwards and forwards between two opposing positions, as we have, for example, on Work Choices. The need for consensus has served our nation well and has kept us on a rather stable path over many decades. Consensus is
important on something as important as climate change if major reform is going to stick through subsequent elections and changes in government. It is unfortunate that we now have an opposition that has taken us back to the Howard era, before the Liberals decided that climate change was real. We hear members of the opposition, including the leader, talking about climate change as ‘absolute crap’. It is really a tragedy that the Greens as well have refused to support the bill in the Senate.

This budget continues to make an unprecedented investment in the nation’s transport infrastructure as part of our broader efforts to build a more productive economy and a more prosperous society. Through our first two budgets and the economic stimulus plan, the government has put in place a nation-building agenda which has already delivered both immediate and enduring gains. The government’s quick and decisive response to the global financial crisis helped keep some 200,000 Australians in jobs and Australia out of recession. The focus has now shifted from supporting the economy to productive economic capacity so that we can grow sustainably with lower inflation into the future.

This budget expands upon this nation-building agenda in a number of really important areas. It boosts rail productivity, supports the growth of aviation, improves safety standards within Western Sydney and continues the overhaul of transport regulations. All these measures will help create a seamless national economy and boost long-term productivity. The Rudd government’s massive investments mean Australia is only now emerging from a decade of neglect of vital infrastructure, and we are making this investment in an economic climate that has seen substantial hits to the bottom line.

We have doubled investment in roads, quadrupled investment in rail and made the first significant federal investment in urban passenger rail. Nearly $1 billion will be invested to further accelerate the modernisation of the interstate rail network. This new money brings the government’s total investment in this vital piece of infrastructure to $8.9 billion. In addition, the government has allocated $70 million to complete planning on the Moorebank intermodal terminal project, a facility with the potential to create thousands of jobs in Western Sydney, take one million trucks off Sydney’s roads each year and transform the movement of freight across the Sydney Basin.

I am particularly pleased to see low-income workers and seniors in Parramatta receive the third round of tax cuts in three years in this budget. This third round of tax cuts will put money in the pay packets of working families in Parramatta every week, helping hardworking individuals and families to balance their budgets. For three years in a row the Rudd government has helped working families in Parramatta balance their budgets by delivering tax cuts. These cuts are delivered despite the pressures placed on the budget by the global recession. I am also pleased to see the increase in the amount of income a senior Australian eligible for the senior Australian tax offset can earn before they pay income tax or the Medicare levy. (Time expired)

Dr JENSEN (Tangney) (6.45 pm)—To the member for Parramatta, the stimulus did not save our economy from the North Atlantic financial crisis. Every single OECD country took out stimulus and yet they went into recession regardless. It was the mining industry that you are intending to punish that in fact saved the economy.

In his inaugural address as the newly elected third President of the United States,
Thomas Jefferson outlined what he felt were the constraints on government necessary in order that a free people would continue to prosper and remain happy. His message was a simple one—only one paragraph:

... a wise and frugal Government, which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government ...

It took only one paragraph of his speech for Jefferson to outline what he felt the correct role of government is—and it is still as true now as it was then.

This government has strayed far from this simple message of restraint and freedom. Jefferson’s message is particularly pertinent as Australia finds itself in the grip of a nanny state government that feels it can encroach on the freedoms of all Australians through oppressive tax rates and socialist overtures. The government feels it is okay to use a word like ‘superprofit’, the language of the failed socialist ideologue Karl Marx, as an excuse for interfering in the economic affairs of free industry and a free country. Too much government and too much taxation—my constituents are sick of it. Bracket creep is one of the most insidious attacks on economic freedom. This government decided to ignore the ‘creep’ part and simply steal from one industry to pay for its reckless spending and lack of frugality.

There is a thief living amongst us. Under the veil of working families and the national good, the government has announced a great big new tax to redistribute the wealth and implement its socialist agenda. Thieving from the real economic heroes of the North Atlantic crisis, the government is falsely claiming credit for the recovery it had nothing to do with from the recession we never had. We should all be concerned about this thievery because history has all too many examples of people acting in an oppressive manner on behalf of the national need yet delivering nothing but oppression. And really is there anything more insidious than taxing hardworking people to engage in social engineering and electioneering.

Our great country was built on equal opportunity, but this does not always lead to equal outcomes. The government that tries to socially engineer outcomes ignores our national culture of hard work and self-reliance. This country was built not on big government but by hardworking Australians. Look at the resource industry; it has not always been as profitable as it is today. It took trailblazing pioneers and entrepreneurs to set up the industry we see today. Under their own direction these early miners built their small companies into thriving, vibrant contributors to Australia’s economic development. What do these companies get in return for all the jobs they have created, all the wealth they have given to this country, all the companies that have been set up to support their needs and all the Australians who have a bright future because of the risks they took? They get slugged with a profits tax of 40 per cent. Would these same pioneers and entrepreneurs have taken the initial risk if they knew the government would tax 40 per cent of their profits? It is doubtful.

Exorbitant taxation is still a major consideration for companies making future investment decisions. The final slap for miners is the name of the tax—superprofits. I cannot even bring myself to say the word ‘super’ when discussing the tax. It is the free man’s oratorical equivalent of swearing in front of the pope. The term superprofit is nasty, filthy, hammer-and-sickle language that should be confined to the annals of socialist history.

Western Australians in particular are angry at the new resource tax, which will hit not
only resources companies but the state more generally. Recent consumer sentiment indices have shown falls in confidence, with the lacklustre budget unlikely to improve the mood of investors. Much of this drop in confidence is a direct result of the uncertainty caused by the mining tax. This pessimism created by the government’s new tax is contagious, with market conditions and confidence in the economy dropping. Western Australian companies seem to be those most under pressure. The benchmark ASX200 saw a fall of 10 per cent, while in the same period 30 listed WA companies saw falls of 17 per cent. The new tax demonstrates the distortion created in markets when the government interferes unnecessarily. It also demonstrates the disproportionate effect of the tax on my state of Western Australia.

There are now daily reports of major mining projects being shelved or reviewed, and these are not isolated incidents or small-time projects. Oz Minerals have announced that their Prominent Hill mine expansion is on hold. Chief executive of BHP Billiton, Marius Kloppers, has been reported as confirming that any expansion of the Olympic Dam project would be frozen. Gas producer Santos has said it is holding off on the final investment decision on an LNG project in Queensland because of the tax. This project alone had the potential to create 5,000 jobs. Fortescue Metals have announced it will halt Pilbara projects worth $15 billion dollars, which could have created more than 30,000 jobs. Many of those jobs would have gone to Western Australians. Fortescue executive director Andrew Forrest said he tried getting hold of Wayne Swan and Kevin Rudd, but they did not return his calls.

Why should the mining industry have to bail out Labor’s $94 billion debt and $57.1 billion deficit? It is because certain people live in parliament house land and did not pick up the phone when the mining industry called looking for answers or consultation. Potentially 30,000 people have missed out on work, many of them Western Australians. I am sure my state will let the government know what they think of their new tax at the next election. This tax is not an academic adventure into theoretical outcomes of heavy taxation. These are real businesses that need to make decisions on the viability of projects, and a 40 per cent reduction in revenue may make some projects unviable or unprofitable.

Under a coalition government we would save a combined $46.7 billion in total cuts and eliminate bureaucratic wastage. Included in those measures would of course be the abolition of the mining tax. A coalition government would save Australians more of their tax dollars as well as saving the future of our mining industry. The government needs to think beyond the here and now of its political necessity. This is about the future of governance in our country. What kind of precedence does this tax set? What is this government going to do whenever it needs to raise some money to offset its profligate spending? Will it just introduce a new tax on now vulnerable profitable industries? How is this responsible governance? How does this provide certainty for business?

In no uncertain terms this resource tax represents the single greatest threat to profitable industry and wider political and economic freedom in this country. The government should ask itself when it became okay for it to wake up one day and decide that this was the correct role of government. The key theme of the story of Robin Hood was not robbing from the rich and giving to the poor, but the oppressive tax rates that made the poor so desperate that they had to steal. Even if the government gets its new tax, is there any certainty that big business will not just move to reduce its liabilities? Maybe the government’s indignation about the mining
industry’s opposition to its tax would be a little easier to bear if it were not for the millions allocated in the budget to the government’s propaganda advertising campaign and union trust funds. This Labor government is robbing the miners to pay for their taxpayer funded re-election campaign.

How does the government justify its tax? They use public opinion polls and claim a moral mandate. The most absurd public opinion polls are always those on tax. If there is one thing we know about taxes, it is that people do not want to pay them. If they did, there would be no need for taxes. People would gladly figure out how much of their money the government deserved and mail it in. Yet we routinely hear from the government and their union mates about how opinion polls reveal that the public likes their tax rates and might even like them higher. Worse still is the argument that higher tax will be good for industry. Next the government will tell us the public thinks the crime rate is too low or that people would really like to be in more car accidents. If this was such a good thing for the mining industry, why not let them set their own tax rates—I am sure they would do what is right.

It is amusing to see who Labor has rolled out of the woodwork to stand up for its tax. The now climatically irrelevant Ross Garnaut has given his two cents worth. Dr Garnaut is the chairman of gold mining company Lihir, so he has scope to comment. It is strange, though, that Dr Garnaut came out in favour of the tax, considering his fellow mining executives have all been ardently opposed to it. Maybe it is not so strange when you consider Lihir has most of its mining operations in West Africa and Papua New Guinea. I am also assuming Dr Garnaut wrote his book Taxation of mineral rents before his current position with Lihir. He probably regrets writing this academic adventure into socialist thought now he lives in the real world as the head of a real company. Dr Garnaut also has much to say about what he feels is a scare campaign being run by the mining industry. Yet he has nothing to say about trade union leaders running their own campaigns against the tax. It is odd, because it really has nothing to do with them at all. Maybe Dr Garnaut could encourage union leaders to butt out of public debates that do not concern them.

Please do not get me wrong or twist my words here—nobody is suggesting government does not have a role to play in regulating markets or the wider economy. This is about government knowing its place as a facilitator and not as the key driver of economic growth. Government is a zero sum gain, and even if some net social gain is achieved, money in does not equal money out.

I would also like to address the arguments about government debt. While we hear these arguments about having the lowest debt of all developed nations, I am far from impressed. There is a myth that government deficits do not have a crowding-out effect on private investment, yet logic tells you that if savings and investment go into government bonds there is less productive investment and savings in the market than there would have been. As well as deficits, excessive government spending also crowds out private investment and saving. The government must judiciously keep tax rates low to avoid economic stagnation and allow maximum economic freedom.

In 1901-02, the first full year of Commonwealth government, Commonwealth spending represented five per cent of GDP. This year government expenditure will reach close to $340 billion or 26 per cent of GDP. This is a lot of government, and it is run by a lot of bureaucrats. When he was in opposition, Kevin Rudd said that the public service
needed a ‘meat axe’ taken to it. Since he took office the federal public service has swollen by 10,000 people. A meat axe administered by a vegetarian perhaps! Staff positions in the Prime Minister’s own department, the Department of the Prime Minister and Cabinet, will grow to more than 700, a 32 per cent increase compared with last year. Staff numbers will continue to grow in those federal departments that deal chiefly with policy, yet so-called operational divisions, like Fisheries, the Family Court and even Centrelink, are all expected to lose staff. Somehow the Department of Climate Change received funding for new offices to prepare for a higher intake of staff. What these people will be doing, as the government has no policy on climate change, I have no idea. Positions at the senior executive level on salaries which start at $130,000 a year have hit 2,900. The Prime Minister has no razor and no gang. He is expanding the size of government and at the same time reducing the productive capacity of the private sector. Worse still, as reported in the budget papers, the government’s Career Transition and Support Centre in the Australian Public Service Commission will assist staff and agencies affected by downsizing. This commission itself is expecting a 20 per cent growth in its staff levels over the coming year. This is bureaucracy on steroids and Jefferson’s words are ringing in my ears: ‘a wise and frugal government’.

I read recently that the trade minister was approached by Chinese officials worried that the new 40 per cent tax will push commodity prices even higher. You would expect him to respond with, ‘This tax will be good for our industry and wider economy.’ He did not. Simon Crean asked the Chinese to have a say in how the tax should be implemented. If not for the seriousness of a government cabinet minister asking a foreign country how to run our taxation system and almost committing treason, his comments demonstrate the problems internally that this tax is creating for the government.

The Australian tax office reported statistics recently showing that profitability across the mining sector was lower than for various other industries, including health care, real estate and agricultural companies. Are Australians really better off when taxation is increased? This tax will not only affect the mining industry but will affect all related industries, including the finance sector, which has investments in mining equities. Australia does not have a monopoly on minerals and must compete for funds internationally to develop its mineral projects. Foreign investment will find the projects of best value. Unlike petroleum, where the demand on our resources is relatively inelastic due to relatively limited supply, for other resources the situation is vastly different. This new tax will weaken the ability of mining and resource companies to compete for investment in future projects.

Yes, big mining has much to lose from this tax but it is because of this potential loss that all of Australia, especially Western Australia and my electorate of Tangney, have much to lose if this tax is approved. This tax challenges fundamentally the correct role of government in a free society. This government has overstepped its role as the facilitator of growth and in doing so puts in jeopardy our free market system. This tax puts in danger the future of our industry and of our nation. It is already damaging us. For Julia Gillard to say that the precipitous fall of our dollar is due to the weakening European economic situation and other nations going to the greenback is both misleading and shows a scary misunderstanding of the actual situation. Perhaps she should explain why our dollar has fallen against the pound and the euro in addition to the US dollar? I urge the government to rethink its great big new
Mr PERRETT (Moreton) (7.05 pm)—I do not normally have much to say about the member for Tangney’s contributions to debate; anyway, on with my speech. I rise to speak in support of Appropriation Bill (No. 1) 2010-2011 and the related bills before the House. I commend the efforts of the Treasurer and of the Minister for Finance and Deregulation in delivering a responsible budget to guard Australia in uncertain economic times. I know the people of Moreton are relieved to have a safe and responsible hand on our nation’s rudder that will return the good ship, Australia’s budget, to surplus nearly three years early. Our economy truly is the envy of the world. While many nations, particularly in Europe, are still feeling the effects of the crisis, Australia’s economy is growing, our industries are surging and our unemployment levels are steadily improving. The Rudd Labor government provided the leadership, direction and stimulus to keep our economy from short-circuiting but it was all Australians—especially our businesses, small and large; our construction companies; our manufacturers and other industries like hospitality—that kept Australians employed throughout the crisis.

None of us want to see a repeat of the crisis that unfolded in the latter part of 2008. Once every 75 years is enough for me. But there are some worrying signs in the global marketplace still. The Greeks might not be bearing gifts for quite a while, and you never know what challenges may lie ahead. Thankfully, Australians know that they can trust the Rudd Labor government to manage our economy responsibly and calmly both in good times and in bad. Australians know they can trust a Rudd Labor government to govern in the national interest and for the nation’s future. We do not make short-term, risky decisions that are more motivated by political shenanigans than good policy or economic responsibility.

I am very proud of the achievements of the Rudd Labor government since November 2007. Australia, thankfully, is not the same country it was during the Howard years. In opposition Labor promised a more compassionate Australia, and that is what we have delivered in government. The former Liberal-National coalition government was the government of Rottweilers on the waterfront, of Work Choices, the government of climate change denial, the government of wheat for weapons, the government of ‘children overboard’ and kids behind razor wire, and the government that refused to apologise to the stolen generations. It was a lazy government that found good times when they received the keys to the Lodge, but still the coalition government had a miserable heart.

I am proud to say Australia is a different country nowadays. The apologies delivered to the stolen generations on 13 February 2008 and to the forgotten Australians on 16 November 2009 are the highlights from my time in this Australian parliament. Susilo Bambang Yudhoyono’s address is a close third. I will well remember the first two events as holy moments, when both sides of politics put aside the usual bravado and let the parliament of the people simply say sorry for the past wrongs of past governments. Wrongs can be carried by families for generations—like curly hair or green eyes, the past is forever with us. The true significance of these apologies will only be known to those families and those groups most affected by the wrongs of the past. They know the healing. I saw the tears, but they really know. Even then the outcomes are not necessarily readily tangible, but sorry is the start of moving on and restoring people who have been broken or damaged or hurt by governments, irrespective of how well intentioned.
the politicians and public servants of the day were.

There is another significant group of Australians who have been wronged by a previous government’s policies that emanated from a chamber located under the same coat of arms we now sit under. I refer to those Australians affected by the racist and discriminatory White Australia policy—a policy that particularly targeted Pacific islanders and the Chinese diaspora. This policy was introduced by Prime Minister Edmund Barton on 7 August 1901 as one of the first acts of the Australian parliament after Federation. It received royal assent on 23 December 1901. That was some early Christmas present to those who came across the sea after hearing we had boundless plains to share! That was a Christmas present delivered by the government of the day. Our first Prime Minister, Edmund Barton, led the Protectionist Party, and he argued:

The doctrine of the equality of man was never intended to apply to the equality of the Englishman and the Chinaman.

Not the ‘Englishwoman’ or the ‘Chinawoman’, obviously. That was the language of the day. But Alfred Deakin, the Attorney-General and first member for Ballarat, gave the game away when he argued:

It is not the bad qualities, but the good qualities of these alien races that make them so dangerous to us. It is their inexhaustible energy, their power of applying themselves to new tasks, their endurance and low standard of living that make them such competitors.

This was the crux of the ‘yellow peril’ cry which believed Asian immigration would threaten ‘white wages’ and ‘white standards of living’. Maybe I could use the terms ‘English wages’ and ‘English standards of living’. Irrespective of the various political arguments aired at the time of its introduction to the parliament, the White Australia policy restricted non-white immigration to Australia. It did so on the basis of language skills rather than a blatant banning of non-whites or non-English. Any controversy regarding the bill was about how to implement a white immigration policy rather than the virtue of so doing.

The Immigration Restriction Bill 1901 received virtually unanimous support. The names are not recorded in the parliamentary debates of the time. The first member for the Federation seat of Moreton, James Wilkinson, voted for it. As only the ninth member to represent the seat of Moreton, I feel the weight of responsibility to try to make right the vote of my predecessor. It was a discriminatory policy. It was a racist policy. It was wrong. It was un-Christian, unfair, unfounded and in the honest light of today almost unforgivable. The policy has hurt, or harmed, or disturbed or insulted many thousands of people since 1901. It is a stain on the fabric of this great democratic nation. Perhaps now it is time for parliament to contemplate some gesture of reconciliation. I want to place before this House a measure of ‘definite and high policy’, which are Edmund Barton’s words from his second reading speech, quoting from the parliamentary debates from the first session of the first parliament.

I acknowledge this policy was formulated in very different times and by largely well-meaning politicians, but we modern day Australians now should consider taking responsibility for the mistakes of then. Maybe we should do so as a nation so that we can truly move on. Maybe we should do so because it is truly the right thing to do. If not us, then who? If not in our time, then when? Will the 10th member for Moreton say sorry, will the 20th member for Moreton say sorry, or will it be the 50th member? An apology would help us tell and explore and learn from the untold stories of then and since 1901. For example, our modern, progressive history books tell
us, albeit briefly, that there was a strong anti-Chinese sentiment in Australia in the 19th century that carried right through until the beginning of last century. There was the Palmer River goldfield massacre in Queensland, where Chinese people were slaughtered by miners. During one anti-Chinese rally in the 1890s, every window of the many Chinese businesses in Brisbane were smashed—not in Berlin, but in Brisbane.

These shameful racist actions and sentiments, I must admit and I am sorry to say, were also present in the formation of the Australian Labor Party. The early unionists organised unashamedly against the endeavours of Chinese workers. Thankfully, the White Australia policy was gradually dismantled after World War II and formally abolished by the Whitlam government in 1973. I was only in grade 3, so it is not that long ago at all. Thank you to Gough Whitlam and I hope he gets well soon.

The Racial Discrimination Act 1975 set the nation on a more steady course to a more harmonious future. Parliament back in 1975 was prepared to show courage to let us all combine to advance Australia. Nevertheless, the hurt and shame the immigration restriction legislation and subsequent acts caused many thousands of people remains. There are traces of it in many communities. You do not have to travel far at all. Of course, there are still some from time to time, like a certain former member for Oxley and her failed One Nation party, who still argue for a return to those dark, troubled days of old. Even in this chamber we still hear the occasional dog whistle, but for the most part Australia has matured into a thriving, compassionate, harmonious and understanding multicultural society. Nowhere can you experience this any better than on Brisbane’s south side, where we enjoy a strong, vibrant and interconnected society, with tangled roots stretching all around the globe—Australian taproots but runners going off everywhere.

I myself have a whitebread past, but I proudly represent an electorate where one in three residents was born overseas. We are a truly diverse community—red, yellow, black and white—but we are also a welcoming, tolerant and forgiving community. The Moreton electorate is experiencing rapid population growth, at around 16 per cent, and in recent years we have seen many new arrivals settle from Sudan, Zimbabwe, Eritrea, Iraq, South Africa and Afghanistan, to name but a few. The Moreton electorate is also home to a thriving Chinese diaspora, hailing from Taiwan, from mainland China, from Malaysia, from Hong Kong, from Fiji, from Papua New Guinea and from other parts of the globe. There is an Islamic community from Africa, Europe and Asia. There is an African community also. There are Indians from Fiji and elsewhere, lots of British, Koreans, Vietnamese and many others, and I am sorry if I have left them off the list. I am proud of my multicultural society and the efforts of everyone to share our space and to get along, but we have to work hard at it.

We all know the greatest challenge to harmony is ignorance, as demonstrated by the words I quoted from our first Prime Minister back in 1901, from the parliamentary debates. Ignorance fuels misunderstanding, and misunderstanding intolerance. We must not let this happen. That is why I started a Moreton multicultural reference group, uniting community leaders from many different backgrounds at the one table. We get together regularly to thrash out the issues and challenges that face us all. It is also why I have held a Muslim roundtable with our Islamic leaders, to help drive greater understanding and head off misunderstandings early. That is why I support United Nations style soccer tournaments in my electorate. It is why I am working with the African com-
The Chinese diaspora made significant contributions, even as far back as the Boer War, but particularly in the First World War and the Second World War, even the conflict in Malaya, the Korean War, the Vietnam War and in other conflicts around the globe—even though in some of those conflicts overseas they were not even classed as citizens at home. There are no records of exactly how many Chinese-Australians have served in our armed forces, because many lied about their ethnicity to join up. But we do know that many Australian-Chinese have a proud history with our armed forces. Billy Sing is one I could mention—there is even a movie coming out about his history and his achievements.

At the very same time that Chinese-Australians were prepared to fight and die at war for this country, Australia held onto the racist White Australia policy and actively called for the deportation of Chinese and other Asians who had put down their roots in this wide brown land. The local Sunnybank RSL, the Chinese community and other community members are working together on this memorial project because we believe that the stories of Australian-Chinese service personnel need to be told, need to be honoured and need to be commemorated.

I was pleased to have the Minister for Veterans’ Affairs, the Hon. Alan Griffin, attend a fundraising dinner for this memorial last Saturday night at Sunnybank’s famous yum cha restaurant, the Landmark. Not only did the community dig deep for the whole project, but we also announced the memorial’s winning design, by Griffith University architecture student Sarah Batchelor, and I am proud to say that she is a Moreton constituent. Even though we had entries from all around South-East Queensland, thankfully a Moreton constituent won. Sarah’s design features a black granite base, a stainless steel bowl and two structures designed to look like smoke or fire rising from the bowl. You can have a look at my webpage to see the design, as my words do not do it justice. Sarah’s design captures the Chinese tradition of burning incense to commemorate the dead and the Australian ode to the fallen, ‘Lest we forget.’ The winning design was not chosen by me; it was chosen by the Memorial Steering Committee in consultation with the RSL and a local feng shui master.

The memorial will be constructed in the Veterans Memorial Gardens at Sunnybank RSL and will honour the service and sacrifice of the Chinese diaspora in the Australian defence forces. It will be a focal point for future commemorative services and a place to appropriately honour the military contributions of our Chinese-Australians. This project is being driven by a lot of goodwill in my local community. While I hope there will be some federal dollars made available for this project, it is largely being funded by the generous donations of local citizens, particularly our Chinese-Australians, or Australian-Chinese.

We can never undo the injustice of the past, but we can provide some hope for the future. This evening I begin the call for an apology to Australians affected by this racist White Australia policy—Pacific Islanders, too, but particularly the Chinese diaspora. Fair-minded Australians should consider whether it is time to say sorry or carry out some other gentle form of reconciliation. That this policy came into law is a sad fact and a low in Australia’s history, but it is an
incontrovertible fact from our history. We should not deny it. Instead, we should acknowledge the hurt still carried by many in our community who have connections stretching back to the Middle Kingdom. It is time to begin the journey towards ‘sorry’. We must apologise to the generations of Chinese-Australians, or Australian-Chinese, the Chinese diaspora or whatever they wish to be called. I should point out that the committee that organised this memorial competition was in agreement on everything except what we should call the Chinese-Australians, the Australian-Chinese or the Chinese diaspora—but that is committees for you. We cannot right the wrong. We cannot rewrite history, but we can start to write the future.

Mr Turnbull (Wentworth) (7.22 pm)—The foundations of the 2010 budget were laid in the panic of the 2009 budget. A little over a year ago the Rudd government was faced with an economic environment of considerable uncertainty. Concerned that the Australian economy would follow other developed economies into recession, the Rudd government embarked on the largest and most extravagant spending spree, or fiscal stimulus, in our history. The massive level of fiscal stimulus, over $60 billion, was one of the highest in the OECD, notwithstanding our economic circumstances were, and were recognised to be, much better than those of any comparable country.

First, we went into the downturn with no central government debt—in fact, thanks to the hard work of the coalition in government, we had cash in the bank. Second, our banking system was well regulated—again, thanks to the reforms of the coalition in government. Our banking system had a very small exposure to sub-prime lending and was in every respect financially stronger and more secure than its counterparts in America and Europe. Third, our economy was enjoying the benefit of strong and growing demand for our resources from strong economic growth in China and India, among other developing countries.

Faced with the inherent uncertainties of the circumstances we were in, and in the knowledge that we were better positioned than comparable countries, a prudent government would have spent less and spent it more wisely. That was precisely the counsel we gave the government at the time, and precisely the counsel they ignored. Had they heeded our advice there would have been no home insulation disaster, with all its tragic consequences; nor would there have been billions wasted on the Julia Gillard Memorial Assembly Hall program. And, if the government had chosen to spend less, and more wisely, the 2010-11 budget would have started off with a materially lower deficit.

So the 2010 budget’s massive deficit of $40 billion next financial year and $57 billion this financial year—the largest in our history—is in large measure a consequence of the panic of 2009. The Rudd government can argue that at the time it believed it was staring into an abyss and that all around it there was gloom and disaster. But, having overspent in 2009, and the subsequent strong performance of our economy demonstrating how ill-judged was last year’s budget, how can the government justify in this budget failing to do anything to reverse the massive increase in public spending it set in train last year?

Niall Ferguson recently reminded us that, while Milton Friedman may have been right in saying inflation was always a monetary phenomenon, blow-outs in public debt, and public debt crises, are always and everywhere a political phenomenon. He wrote:

They are consequences of political weakness. Excessive expenditure and insufficient taxation, failures to make decisions about unsustainable fiscal policies are political; they are not the results of profound economic processes.
So, just as last year’s overspending was the consequence of political panic, this year’s lack of action to remedy that overspending and cut back on expenditure is the consequence of political weakness.

The largest new policy contribution to government revenues over the forward estimates comes from the proposed resource super profits tax, which seeks to replace state royalties for the extraction of natural resources with a new profit based tax which will raise an additional $9 billion in net revenue for the Commonwealth in its full year of operations. Many market analysts have expressed the view that that $9 billion is a low figure and that on a steady state the take from the mining industry will be substantially more. The tax will substantially increase the share of mining companies’ profits taken by government and, in that respect, it can only reduce the attractiveness of investment in the Australian resources sector. The government has argued that, paradoxically, increasing the tax on mining companies will increase investment in the mining sector—yet at the same time it proudly boasts that its increased tobacco excise will reduce smoking. Their claim is barely credible.

The tax is described as a ‘superprofits’ tax and seeks to tax 40 per cent of a mine’s profit after deducting its expenses, including depreciation of capital investment. Before calculating the taxable profit figure the expenses are uplifted by a percentage equal to the 10-year Commonwealth bond rate, currently around 5.7 per cent. Describing a profit which is over 5.7 per cent as a ‘super-profit’ is absurd. It could more fairly be described as a ‘slightly better than thoroughly anaemic profits’ tax. The government argues that this risk-free rate is appropriate because, under the new tax scheme, the Commonwealth is prepared to refund to the taxpayer 40 per cent of any unrecovered losses from the mining project at its closure. The government therefore is proposing to effectively nationalise 40 per cent of every resource project in Australia, seeking 40 per cent of the profits in return for offering, at a long-away date, to pick up 40 per cent of the losses. In other words, the government argues that only 60 per cent of the capital invested in the project is subject to the normal commercial risks of the project failing—the remaining 40 per cent is underpinned by the Commonwealth’s commitment.

Moving out of the Treasury and into the real world, the fact is that this ‘Commonwealth put’, over 40 per cent of the project’s losses, will not reduce the capital costs of mining projects as the Treasury supposes. That proposition, upon which the whole economic argument for the tax depends, is highly theoretical and completely untested. The market’s judgment is that all the tax does is reduce the returns available to investors and therefore it undermines the attractiveness of the sector as a whole.

Most major mining companies operate in many countries. Mining is truly a global industry, and countries compete not just in the quality of the resources on offer but in terms of their taxation. In a study published last week, Goldman Sachs JBWere concluded that the superprofits tax will make the Australian mining sector the highest taxed in the world. They give as an example the case of iron ore. They show that the total tax burden on iron ore projects in Australia will be 56.8 per cent, whereas in Brazil, our most important competitor, it will be 35.8 per cent.

It is natural that, with projects involving massive long-term investments, investors are going to be very sensitive not simply to the tax rates but to the fiscal stability and, indeed, predictability of the countries where the mines are to be located. So any government seeking to make a major change to the
way in which mining companies are taxed should ensure that the changes brought about are after thorough and detailed consultation with the industry. Here, of course, there was plenty of potential for that consultation. The mining industries have for years argued that profits are a more appropriate basis for levying royalties than gross revenues or, indeed, volume of production. So the fundamental premise of the change was not in contention. There was therefore every opportunity and every reason to consult widely before finalising the shape of the new tax—the less of a surprise and the better understood the tax was prior to its announcement, the more measured would have been its reception.

But the government chose not to do that. It could have very readily released the Henry tax review when it was presented to the government in December last year and there could have been a fully informed discussion about the recommendations of the Henry tax review, including those that related to resource taxation. Given that this was clearly an essential item in the thinking of the Henry tax review and the government, a paper on this issue could have been produced, such as a green paper, and made the subject of thorough consultation in the course of last year. There was every opportunity to engage the industry which, as I said a moment ago, was prepared to consider reforms to the way royalties were levied. Goldman Sachs concludes that the current resource super profits tax proposal risks altering a long-established perception of Australia as a country with fiscal stability.

The upshot of all of this is that we have the government imposing a great big new tax in conditions of great uncertainty and confusion—all created by the government itself. The inevitable consequence has been a loss of confidence both in the government and in Australia as an investment destination. We have seen politicians from Canada leaping onto the television to make sure that everybody knows they offer a more predictable and more friendly taxation environment for mining companies. Projects in Australia are being put on hold or abandoned. Thousands of jobs are at risk, as are billions of dollars of investment, whether it is in the hands of the mining companies or the Australian households whose super funds have invested in the mining companies and which have been devastated by the destruction of value caused by the government’s handling of this matter.

The Commonwealth bank’s budget summary is headed ‘From China with love’, and that is a fair comment because fundamental to the budget’s optimistic view of our economic future is the assumption that Chinese demand for our resources will continue unabated with our terms of trade rising to a 60-year high next year. This big bet on continued Chinese demand is the assumption that underpins the mining tax. The government assumes that Chinese demand will be so strong, that commodity prices will be so high, that the industry will be able to bear a substantial increase in the government’s share of its profits. And this is the fundamental point that we must not forget. We can debate the design of the tax—profit base versus gross revenues. We can debate the question of whether it should apply only to new projects, as the industry contends, or whether it should apply to all projects. We can argue the toss about whether it should apply differentially to different minerals. But at the end of the day the fundamental economic reality is that this is a substantial increase in the government’s share of the profit pool generated by the business of mining in Australia. That, inevitably, must have the consequence of reducing the attractiveness of investing in that industry, because the pool of profits available to investors has been reduced by the government increase in taxation.
Recent events in Europe have reminded us that the global economy is a long way from being out of the woods. While we sagely observe that Greece’s financial woes and near bankruptcy are the product of unsustainable government borrowing and spending, we should note that the government debt of many other countries is not far enough behind for any comfort. Indeed, there are a number of developed countries where the levels of government debt are well ahead of the levels in Greece. We also need to recognise in this uncertain world that a linear continuation of high levels of economic growth in China is by no means assured, and again debt is at the centre of those concerns. The true level of government debt in China is difficult to discern, because so much debt has been raised by state owned enterprises, local governments and, in particular, local government owned investment companies. China’s RMB4 trillion stimulus package—13 per cent of GDP—announced in 2008 was enormous by any standard, but additional to this investment has been another RMB20 trillion, an additional investment, by local government investment companies.

Much of the investment activity undertaken by these local investment companies owned by local governments has been in real estate development, which has fuelled the growing real estate bubble which the Chinese government has very recently been endeavouring, insofar as it can, to deflate. Professor Victor Shih of Northwestern University has recently estimated that, taking into account the indebtedness of these local government owned investment companies, the real level of government related debt in China would be close to RMB40 trillion in 2011, or 96 per cent of GDP, and 4.6 times total government revenue. This is a high estimate. There are estimates around, including from Goldman Sachs, which are considerably lower than that, but on any view the real level of government related debt in China is dramatically higher than that in the official figures. Professor Shih’s estimate would place China among the countries with the highest debt to GDP ratio; however, it is worth noting that, like Japan, China’s high level of indebtedness is almost entirely funded from domestic sources. Indeed, one of the aspects of the Chinese debt story that may well develop a political dimension is that this has been a very bad deal for thrifty Chinese households who have been depositing their savings in banks at low interest rates, and the money is then lent on to government related corporations. Household thrift has been subsidising government waste.

Of course, as households receive inadequate, negative real returns on deposits, many have naturally sought to buy property as a hedge against inflation and this has also contributed to the housing bubble. The China economist Michael Pettis calculates that at a minimum the subsidy paid by households to banks and their mostly government related borrowers in the form of excessively low rates on their deposits is five per cent of GDP per annum and possibly up to twice that amount. There is a high degree of uncertainty, as I said a moment ago, about these estimations of total government related indebtedness. The question exercising the minds of policy makers and market analysts therefore is: what is the likelihood of Chinese banks suffering a very high non-performing loan ratio leading to the need for a government bailout of banks and government owned investment companies?

And what are the implications of all this for economic activity in China? So far this year there have been mixed signals from the central government with some leaders calling for banks to cut their exposure to local investment companies and real estate investment more generally, with others indicating
that a continuation of stimulus fiscal and monetary policies is appropriate. Recognising the risks in making forecasts about a market which is so complex and so lacking in transparency, we must, nonetheless, recognise that there is a substantial risk that the Chinese government may respond to the massive growth in debt by restricting new lending and perhaps by fiscal consolidation—raising taxes, perhaps by taxing property—all of which would certainly put a crimp on growth in construction and hence demand for our commodity exports.

The risks associated with the Chinese boom continuing therefore are plain enough, yet there is very little evidence that they are being taken into account by the government in this budget. A more prudent government considering a new resource tax, for example, may have directed at least a portion of the proceeds of that tax to government saving, perhaps in the form of a sovereign wealth fund, so that there is an ability to fund deficit spending when the boom goes sour and an ability, as and when required, to invest outside of Australia as a means to take upward pressure off our own exchange rate.

Dr Henry in a recent speech rejected this idea largely, it seems, on the basis that the revenue surge was going to be long-lived, in which case he said, ‘The alternative of tax cuts,’ permitting the private sector to make its own savings and investment decisions, ‘should always be considered first.’ Whatever the merits of that argument—a sovereign wealth fund to save for a rainy day versus immediate tax cuts—it is revealing that he regards the surge in revenue from the resources boom as being long-lived. In other words, it appears that the Treasury does not anticipate any material interruption to the high rate of growth in China.

Returning to the theme with which I began this speech, the government’s attitude to China is similar to its approach to the global financial crisis last year. In each case the government is confronted with uncertainty, and the question is how to respond to it with policy. Last year the government concluded that we were staring into a bottomless abyss, so bleak was the future. This year it concludes we are riding a boom which will never end.

A more prudent judgment would say that neither conclusion was likely to be correct. Certainly, a wiser policy response would be one which gives you the flexibility to deal with the possibility that outcomes may not be as bad—or this year, as good—as you imagine. Last year it made sense to spend less, more wisely and, if circumstances required, to then consider spending some more. As I said at the time, the parliament was not closing down; it was always open to the government to come back and spend more if it needed to. Firing off all the ammunition in the first engagement, as the government did, deprived it of any flexibility and it was left spending far more money than it would have done had it known how the economy would actually perform.

Equally, this year the government is not making enough savings and is continuing to spend on the assumption that revenues will remain strong indefinitely. A more prudent approach would be to cut expenditure more, reduce debt and make more savings from the mining boom’s revenue bonanza so that, if things do not go as well as expected, we have the fiscal flexibility to respond.

Mr ZAPPIA (Makin) (7.42 pm)—I rise to speak in support of Appropriation Bill (No. 1) 2010-2011, Appropriation Bill (No. 2) 2010-2011 and Appropriation (Parliamentary Departments) Bill (No. 1) 2010-2011. On 11 May the Treasurer delivered his third budget for the 2010-11 year and beyond. It was a responsible budget. It was a fair budget. It
was a prudent budget. It was a budget that struck the right balance at a time of continuing global volatility and uncertainty. It was a budget keeping Australia’s economy strong while securing Australia’s future. It was a budget that reinforces the government’s sound economic credentials. Having carefully steered the Australian economy away from recession, Australia is now projected to have a budget surplus in 2012-13—that is, three years earlier than previously predicted. Significantly, national debt will peak at just 6.1 per cent, which is less than one-tenth the average of other advanced economies. This was a budget that from all credible economic commentators got a tick of approval.

It is a budget that even the opposition have been unable to discredit, and so the opposition have had to resort to the desperate line that the Australian people should simply not believe the budget forecasts—forecasts, I might say, that have been produced by Treasury and which, to my knowledge, have not been refuted by any reputable economic analyst. The opposition produce no evidence, no analysis or any expert authority to support their claim that the budget forecasts are not achievable. But, typical of the opposition, if you cannot credibly argue a case with facts, you resort to a fear campaign and simple rhetoric. If you say something often enough, people may believe you.

What was more telling was the opposition’s erratic response to the budget. It began with the Leader of the Opposition’s budget reply speech, a reply which highlighted several points. Firstly, the opposition leader simply does not understand economics and he has no economic credibility. I am not surprised that people like former Liberal leader John Hewson and former Treasurer Peter Costello echo these sentiments. Secondly, it was a budget reply aimed at appealing to the extreme sectors of the Liberal Party. Thirdly, it was a budget reply lacking the detail that the Australian people are entitled to expect from the alternative government. The opposition leader squibbed and passed that responsibility on to the shadow Treasurer, who, we were told, would reveal all at the National Press Club address on 19 May. We know what happened at the Press Club. Only at the end of his address did the shadow Treasurer provide journalists with any details of the opposition’s budget strategy. Why? So that he could not be quizzed by journalists on the alternative budget. He then passed the opposition budget response on, like a hot potato, to the member for Goldstein, who in turn had to be saved by a staff member. No-one in the opposition wants to take ownership of the opposition’s budget response.

What was just as noticeable was the half-hearted, lacklustre response to the budget by both the member for North Sydney, the shadow Treasurer, and the member for Goldstein, the opposition shadow finance minister, in their appropriation addresses to parliament only yesterday. I listened to both of them. I would have thought that from the two economic spokesmen of the opposition we could have expected a more passionate display in their responses to the budget—if they genuinely believed in what they were saying. Clearly, they did not.

The opposition leader did, however, in his budget reply, reveal his core beliefs. What we saw from the opposition leader’s budget response was that the real Tony Abbott was once again exposed and that the opposition leader wants to take us back to the past. He wants to bring back Work Choices. He wants to cut thousands of Public Service jobs. He wants to cut health and education spending. He has form on that because, as we all know, he cut $1 billion out of the health budget when he was Minister for Health and Ageing in the previous government. He opposes superannuation. He stands, first and foremost, for big business and multinational companies...
and his pretentious support for small and medium businesses has now been exposed.

But it goes further. The opposition leader has admitted that he cannot be believed unless he is providing a scripted reply. What has now been exposed is that even his scripted announcements cannot be taken as ‘the gospel truth’—to use his words—after it was revealed by the Minister for Finance and Deregulation yesterday that previously announced scripted opposition policies, such as allowing small business to carry back tax losses, getting rid of the means testing of the baby bonus and family tax benefits and reversing the tightening of concessional superannuation tax treatment, have been axed, whilst funding for the so-called ‘green army’ commitment and the Toowoomba Bypass has been substantially reduced. These were scripted, gospel truth commitments made by the opposition, and it is clear that even they cannot be relied on because either they have been axed or the funding has been dramatically cut.

The government’s management of the Australian economy in the face of the worst global recession since the Great Depression has been the envy of other advanced economies. Notably, not once in their budget responses have opposition members acknowledged the global financial crisis. I was pleased to hear that the member for Wentworth actually did that just now. He is probably the first opposition member to do so. Do they really believe that the Australian people have no understanding of the global financial difficulties that Australia has had to deal with and that we still face? Time and time again they credit former Treasurer Peter Costello’s surplus with having saved the economy when it was confronted by the economic crisis that we have endured over the last 18 months or so. I remind members opposite that, even if they want to believe that—and I certainly do not—Peter Costello is no longer in this House. He deserted them some months ago.

I am particularly concerned that, if elected, an Abbott government would cut Building the Education Revolution funding and the funding for trade training centres. I have spoken with most of the schools in the Makin electorate about their BER projects. Without exception, they are very appreciative and supportive of the program. Last Sunday I was at the Torrens Valley Christian School for the official opening of the school’s new covered outdoor learning area and new arts and science classrooms. Torrens Valley Christian School commenced in 1980 as a non-denominational reception to year 12 school. It is not a wealthy school, but with the hard work of the school community and some government support along the way it has grown to be a school of around 600 students. I have visited the school on several occasions, including jointly with the Prime Minister to see the school’s guitar-making program, run by John Fox. I know parents whose children attend the school and I hear nothing but praise and compliments about Torrens Valley Christian School.

Last Sunday parents and teachers told me that the BER funding provided to the Torrens Valley Christian School by the Rudd government has enabled the school to deliver on the school’s long-term vision years, perhaps decades, earlier than otherwise would have been possible. The beneficiaries of the government’s funding will be the young people and teachers who otherwise would never have had those facilities. I take this opportunity to acknowledge the leadership role of school board chairman Andrew Ferguson and principal Nigel Bennett as they continue with the next of the BER capital works already underway at the school.

A fortnight earlier, I was at Modbury South Primary School, with the Deputy
Prime Minister, for the opening of their new school hall. Adjacent to Modbury South Primary School are Modbury Special School and Modbury High School. All three of those schools are getting new facilities. All three of those schools, from my discussions with them, are very appreciative of what they are getting. Most of the schools in the Makin electorate have their BER projects underway—but not all. The opposition announcement that they will cut BER funding if they are elected will place at risk and disadvantage St Agnes Primary School, Our Lady of Hope School, Ingle Farm Primary School, Modbury West Primary School, North Ingle School and Salisbury East High School, which I understand have not yet commenced their BER projects. The children, teachers and parents at those schools will, quite rightly, want to know why their schools have missed out if the opposition blocks that funding.

For small business, the government’s 2010-11 budget provides a company tax rate cut from 30 per cent to 28 per cent from 2012-13 and a company instant asset write-off for assets under $5,000. Of course, the opposition would also scrap this provision yet continue to claim that they care for small business. The opposition may well be the friend of big business, but it is the Rudd government that is the real friend of small business. Since coming to office, the Rudd government has supported small businesses with a series of measures including: funding of business enterprise centres around the country, the bonus tax deduction increased to 50 per cent for asset purchases last year as one of the government stimulus measures, cutting of red tape in areas of state and federal regulation affecting businesses, simplifying the superannuation payment system for small businesses—and I could go on and on with measures taken by this government to help small business.

Most importantly, however, this government through its stimulus packages has assisted small business and medium-sized businesses by keeping many of them afloat during the global economic downturn. The infrastructure and BER projects that opposition members voted against, criticise at every opportunity and want to cut are overwhelmingly providing work and income to the nation’s 720,000 small businesses. In my own electorate I speak to many of those small businesses on a regular basis. I have spoken to many of them who have won contracts through the Building the Education Revolution or through one of the other infrastructure projects that have been funded by this government since it came to office. I know how grateful they are that this government committed to the stimulus packages. I have been told by many of them that were it not for these projects they would have run out of work.

Members opposite, who voted against all of these measures at every step of the way when we introduced the stimulus packages last year, come into this place and say that they support small- and medium-sized businesses. They should be supporting each and every one of these projects that the government has committed to, because these projects are in essence underpinned by the work that is being carried out by small businesses. I also know, from speaking to people in my community, that there are plenty of mums and dads who know they have still got a job because of the stimulus payments.

We know that we have an ageing population. We know that total pension payments will rise and that living on the pension can be difficult. That is why the government when it came to office significantly increased pension payments for single pensioners and why, since then, it has reformed the pension increase index as well. It has also supported pensioners with a whole range of measures,
from support through the health system to support through utilities payments and the like. But, even with all that support, we know that it can still be difficult if you are on a pension. So, unless we put away more money into superannuation funds for the future, Australia is heading for a major dilemma. It does not take a lot of common sense to see that. Yet the opposition fails to see this obvious consequence and has also opposed this measure—that is, putting more money into superannuation—thereby denying millions of Australians a quality retirement. Furthermore, over the next 10 years this measure will increase the nation’s superannuation pool by $85 billion, and those funds will undoubtedly be invested in other nation-building projects.

This government plans to increase the superannuation guarantee from nine to 12 per cent by 2019. Even that amount could perhaps be increased further, because we know that prices will continue in future years to eat away at whatever money people save. By investing in superannuation funding, we are trying to ensure that there is a real future for the working people of today’s Australia. Yet members opposite, who I am sure in most cases have their own superannuation funds and are trying to ensure they have something to look forward to when they retire, are prepared to deny the same support to the 8.4 million working people around this country. I find that incomprehensible. Simple logic tells me that not preparing for retirements in this nation in the years to come is incomprehensible. Simple logic also tells me that most members opposite would have superannuation funding support for themselves, yet they are not prepared to do what they can to support their fellow workers.

Other speakers on this side of the House have talked about the government’s investments of $661 million for skills, $652 million into a renewable energy fund and an additional $2.2 billion for the health system, the delivery of the third year of tax cuts for working Australians, the simplification of tax returns for 6.4 million Australians, the 50 per cent discount on interest income of up to $1,000 and the $700 million contribution this year towards a new $5.6 billion infrastructure fund over the next 10 years, taking the government’s infrastructure funding to $37 billion.

The last matter I want to focus on is the resource super profits tax proposal, which has been discussed in this chamber at length today and on previous days. The tax underpins some of the Rudd government’s key budget commitments and I make these observations about it. Firstly, all the revenue raised from the RSPT will go into superannuation for the nation’s 8.4 million working Australians, reducing company tax from 30 per cent to 28 per cent, building national infrastructure for the future or providing resource exploration rebates. In other words, it all goes back into the community. Secondly, as has already been highlighted, over the last decade resource tax and royalty payments have fallen from one dollar in three of mining profits to one dollar in seven. In 2008-09 mining profits were $80 billion higher than in 1999-2000, yet the government collected only an additional $9 billion in revenue.

Thirdly, the RSPT effectively replaces resource royalties in which royalties are paid on volume regardless of whether a profit is made. Fourthly, mining companies will also benefit from a reduced company tax rate from 30 per cent to 28 per cent. Fifthly, these are national resources owned by the Australian people which can only be sold once. To ask that the Australian people get a fair return on their resources is not an unreasonable ask. When you consider that a similar tax applies to the petroleum resources and that it did not stop the $40 billion Gorgon project from going ahead, I doubt very much that the
fear campaign being run by both the mining industry and members opposite will stop the mining from going ahead. It is absolute nonsense.

Whilst any industry, whether it is the mining industry or any other for that matter, is making a good profit, then it will continue with a project. It is my view that the fear campaign that is being run by members opposite and the mining industry itself is not doing the industry any good whatsoever. But it is also my view that once this tax is put in place the mining companies will get on with their job of mining, investing on behalf of their investors and developing the mines that they have already earmarked. I doubt very much that any sensible business operator will set aside a venture if it is profitable and this tax only applies if there are superprofits being made.

This is a budget that continues to deliver for the Australian people and builds on the Rudd government’s commitments to date. They are commitments which began the long hard road of ensuring that every Australian has a future they can look forward to and which rebuild this country to the country that we all would like to see in the years to come. I commend these bills to the House.

Mr WINDSOR (New England) (8.02 pm)—I support the Appropriation Bill (No. 1) 2010-2011, Appropriation Bill (No. 2) 2010-2011 and the Appropriation (Parliamentary Departments) Bill (No. 1) 2010-2011. I will make a few comments on the content of the bills and the surrounding policy that the government has developed. Firstly, I will make a few comments about the technical side of the budget. The outcomes are far better than I thought they would have been a year ago. In that sense, obviously the stimulus payments have made a degree of difference. Unemployment levels are much lower than were projected, and that is a very positive thing in any economy. The ratio of debt to GDP is good at 6.1 per cent of debt to GDP. In any advanced economy it would have to be considered, particularly after a global financial collapse, a good outcome. As a number of speakers have said, the ratio of debt to GDP is about one-tenth of the average ratio of the developed communities. In that technical sense, one would have to say those two things—unemployment and the debt to GDP—are positives for the budget.

Many people do have concerns, however, about the deficit, which is a bit over $40 billion. Again, that is something like $18 billion less than was projected last year. Even though we are all a little paranoid about debt, some degree of debt is not necessarily a bad thing. Most individuals carry some degree of debt. It is the capacity to repay that becomes important. Some of those ratios indicate that Australia does have the capacity to repay. I remember standing in this building a year ago when we were very concerned that the debt this year would be in excess of $200 billion. Even though it is a large number, we are now talking about $93 billion. In that sense, we can breathe a sigh of relief to some degree that mass unemployment has not occurred. The sorts of fears that a lot of us expressed a year ago in the unknown environment of the global collapse and how Australia would fare have been unfounded.

I know politics has to be played in discussing waste, mismanagement, inefficiencies of expenditures and how the stimulus packages were rolled out et cetera, but there is no doubt, in my mind anyway, that the injection of money into the economy has had a significant impact. We can argue that the Building the Education Revolution expenditures or the insulation expenditures were too large, too rushed or not administered effectively. The Ken Henry strategy of injecting money into an economy when there was
great concern about the capacity of the private sector to keep the economy rolling has had a very real effect on the outcomes of the budget.

As I said, there will be arguments, and I would argue with the government about some of the building projects that took place. Now, since the global financial crisis has moved on somewhat—it may return, you never know; it depends what happens in Europe and other places—the debate tends to go back to how efficiently those massive amounts of money were actually spent, rather than to the real driver behind the Henry strategy, which, as I understand it, was for money to be injected into the economy within as broad a framework as possible. That involved an injection of funds into all our schools and our local governments, while, individually, people got $900—and there was a lot of argument about that.

There was also the insulation program. Although many of us would say that we should have programs that encourage renewable energy, the reduction of greenhouse gas emissions and efficient energy use, under the insulation program the process of injecting money into the economy was more of a priority than the cooling or warming of people’s homes. The election will be fought on some of these economic matters. But I do pay regard to those key indicators that I reflected on a moment ago.

Going to other issues within the budget, the big winner in terms of increased expenditure has been health. Health is one of those things that I think all of us realise acts like a continuous sponge in terms of money, and it is a very easy avenue for claiming political points from time to time as to the inefficiencies of various health systems. For instance, I remember that, when I first went into the New South Wales parliament in 1991, the proportion of the total budget spent on health was about 18 per cent. Currently—and obviously it is a much larger budget in New South Wales—the health budget is more than twice that. I think most of us recognise that you cannot have a budget in any of the states—or in the overall Commonwealth, for that matter—where more than 40 per cent of the total budget goes to the health area; otherwise, other areas will have to suffer. I appreciate what both the government and the opposition are trying to do in terms of reviewing the way in which health is administered. That will be an ongoing debate, one that will run through to the election. In the budget that we are talking about tonight, health has had an injection of about $7.3 billion.

The government’s broader policy platform, as I understand it, is to establish health regions and, to run those regions, have some sort of local or regional board control. I would like to put in a plug for the existing structure that operates in the New England electorate. The Hunter-New England region embraces a larger region than just New England; it also embraces the Hunter region, around Newcastle. I would like to congratulate those involved for the way in which that has been administered. I was one of those who argued against the larger region at the time, but I think there have been successes achieved. Not least of those successes is the relationship between the University of Newcastle, the University of New England in Armidale, which now has a medical school, and also the university department of rural health which is based at Tamworth. In terms of the training of medical practitioners and associated professions, particularly nurses, that relationship has been a real success story, in my view. I remember the Leader of the Opposition, when he was the Minister for Health and Ageing some years back, came to Tamworth and looked at the university department of rural health, and I think he could
see quite obviously that that relationship was a very, very good one. As part of that program, eventually, a medical school was formed, and it will have a teaching relationship with Tamworth Base Hospital, Armidale Base Hospital and Taree base hospital, which is not in the electorate of New England.

Even though I applaud the moves on both sides to try and make the health system much more efficient and remove the blame game that continually goes on between the states and the Commonwealth, I would urge them to look very closely at what is working and what has worked in the past rather than just have a blanket approach for the Australian community—not have something new for the sake of having something new where there have been successes scored in the past.

I thank the member for Newcastle, who was here a moment ago, because one of the things that did come through in the budget was a $42 million cancer clinic for Tamworth. It is something that the community has been arguing for for a long time, and we believe that will be part of a new hospital redevelopment process which is much needed to assist with the training of the medical students from the University of New England as they come through to the teaching part of the hospital. So there will be a major redevelopment of the Tamworth Base Hospital, and the cancer clinic—of the $42 million, three-quarters came from the Commonwealth and the other quarter from the New South Wales government—will be part of that process.

On a broader level, there are concerns about MRIs. I think the minister for health really needs to have a close look at the provision of MRI services not only in our region but in many other regions. There is a need for more MRI licences across many regions in Australia and for Medicare rebates to be able to be accessed for MRI services. I think that is something that has to be looked at, particularly with the growth of cancer.

Before moving off the health budget the thing that I was a little disappointed in was dental health, which received very little mention and no additional funding. I think if we are serious about health reform, our teeth have to be part of our bodies. They are going to have to be factored in at some stage as they are actually part of us. They are a very important part for young people and old people. I am fully aware of why dental health has not been included in the Medicare arrangements and of the original history of the split-up et cetera. But it is something that the Australian people are clamouring for and the surveys that I have done in my electorate suggest that they would be prepared to pay more in their Medicare levy to have those services provided. There was money in relation to mental health but I still do not think we are doing enough there. I think we are all aware of the issues that are out there in our communities.

The government has formed a Renewable Energy Future Fund, and I believe the opposition is going to can that if it comes to power. There is a degree of hypocrisy and I think the government is going to have to start to get its marketing right. We have been through the climate change debate, the Carbon Pollution Reduction Scheme and the various reasons for doing certain things and now the government is setting up a Renewable Energy Future Fund. I think somewhere around $600 million is being put into that fund to encourage use of renewable energy. In relation to LPG the Leader of the National Party highlighted the issue that a fossil fuel tax is going to be imposed on a renewable energy, that of biofuels. There is a degree of hypocrisy and there are mixed messages coming through here. If we are serious about renewable energy, why are we going to impose a tax regime on some sources of renew-
able energy and not on others? When people are trying to interpret these messages, particularly in regional Australia, they become a little bit concerned.

Then there is the mining tax. I am in favour of a rent resource tax. I did economics at university. I have never practised as an economist but I think anybody—including the mining industry themselves, the Minerals Council—who thinks about how to extract a rent from the use of a resource such as the mining industry would suggest that a rent resource tax is a much fairer way of extracting money than a royalty system. I argued from the start on this because the mining minister organised a briefing for me with some Treasury people and one of his own people to try to get my head around what the government is trying to achieve. It was easy to see that it was a very complicated arrangement. I do not think the government has marketed what it is trying to do very well at all, partly because it is extremely complicated and partly because it is rebutting some of the simplistic arguments that the opposition is putting up, as well as rebutting the fairly effective campaign from the Minerals Council.

One thing that seems to be coming through to me quite clearly is that the long-term bond rate, a rate of about 5.8 per cent, being a determinant of a superprofit really does need to be reviewed. If the government is serious about consulting with the mining industry it should be set on having meaningful discussions. I said to some of the miners in my area, ‘Don’t just leave this to the Minerals Council,’—because some people on the Minerals Council are more interested in the politics than solving the problem—‘Get your own figures into the debate so that the Treasury people and the people reviewing this can look at real companies and real outcomes in terms of what the rent resource tax will mean to those particular companies.’ I think the government has to be a little bit serious about having a look at the long-term bond rate as the determiner of the start-up point of a supertax, as they call it. As has been in the media in recent days, the 40 per cent for company losses seems to be an argument coming from the mining industry and others. That may well be something that could be taken off or reduced and would have an offset effect against the long-term bond rate start-up point.

Positives in the budget for the electorate of New England include the national broadband rollout. Part of Armidale will be one of the five sites chosen and there are a lot of very good people prepared to assist in relation to that. There is also the Murrurundi Tunnel. I heard the minister for mining talking about that today and that $580 million was being expended in the Hunter corridor. Part of that program, which has not been expended yet but is coming down to the wire, is to put a new tunnel or bypass over the Liverpool Range, which is on the edge of the New England electorate. There is other money being spent on the Hunter rail network.

The matter of a water study arose with the Prime Minister yesterday in question time. The government is putting $1½ million into funding that study to come up with some independent scientific rigor in relation to mining on the Liverpool Plains, where two companies propose to mine. I was very pleased to see there is about $1 billion in a program called Water for the Future. For the Barraba community, which I have raised on a number of occasions, the government is going to put money into some feasibility work in relation to that community. A long-term fix for the Barraba problem of lack of water may well come out of that particular fund, as could the augmentation for Chaffey Dam.
There are two other issues that I would raise briefly as time has beaten me once again. The major problem on the New England Highway that remains now is the Bolivia Hill. The minister for infrastructure is well aware of it. It is only about 1.3 kilometres long but is quite expensive to fix. However, unless it is fixed it will remain a real deathtrap. I once again implore the government to have a serious look at this piece of road. I believe the minister is coming up in the next few months to look at the Bolivia Hill. I also urge him to look at the Tenterfield bypass because a major tragedy is going to occur in that area if something is not done about infrastructure. (Time expired)

Ms McKEW (Bennelong—Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government) (8.22 pm)—I am pleased to speak to Appropriation Bill (No. 1) 2010-2011 and related bills tonight in three respects: my portfolio responsibilities as parliamentary secretary for regional development, my own electorate of Bennelong and the country as a whole.

When it comes to the infrastructure portfolio, the Minister for Infrastructure, Transport, Regional Development and Local Government and the Treasurer have delivered a strong and responsible investment in nation building infrastructure. It is an investment that will expand our productive capacity as a nation and put us in a position to capitalise on the opportunities that become available as the global economy recovers. The first big ticket item in the infrastructure portfolio is our $1 billion investment in the government owned Australian Rail Track Corporation to upgrade the interstate rail freight network. These projects will increase freight movement by rail and reduce travel times along three key corridors: Brisbane to Melbourne, Melbourne to Adelaide, and Sydney to Perth. We expect these projects to create 1,500 jobs in regional Australia.

I am also particularly pleased to see the commitment of $70.7 million to complete detailed planning on an intermodal terminal precinct in Moorebank, in Sydney’s south-west. I speak to many audiences across the country about the importance of integrated transport planning. Certainly the terminal at Moorebank shows this government’s rock-solid commitment to integrated transport infrastructure. Moorebank will improve the movement of freight to and within the Sydney basin, which in turn flows on into an improvement in national productivity. It will also help clear existing bottlenecks and reduce urban congestion by taking more trucks off the road. We certainly anticipate that the staged redevelopment of the Moorebank terminal will commence in 2013.

The other big ticket item in infrastructure is our commitment to a $5.6 billion 10-year infrastructure fund to commence from 2012, with an initial contribution of $700 million from the Commonwealth. As the minister has explained, funding will be distributed in a way that recognises the infrastructure pressures on resource rich states, particularly Queensland and Western Australia. This is a fairer way of distributing the wealth from our nation’s mineral resources. Importantly, the new fund will make infrastructure spending a permanent feature of Commonwealth and state budgets. In the meanwhile, Infrastructure Australia will continue to advise on national infrastructure priorities to inform both private investors and governments.

As stimulus programs subside and the $36 billion Nation Building Program unfolds over six years, we in the Rudd government certainly have our eyes firmly fixed on the future. We are building the physical and the human infrastructure needed to grow our economy. We need infrastructure to support a modern health and hospital system and we are boosting superannuation to 12 per cent
by putting our national savings on a much stronger footing.

Importantly, the budget boosts productivity growth. Again, as the Minister for Finance and Deregulation and others have explained many times in this place and outside, productivity growth is a key determinant to our future prosperity. This was confirmed again in the recent report by the House of Representatives Standing Committee on Economics and its inquiry into productivity growth, chaired by the member for Dobell. The report makes the very pertinent observation that favourable commodity prices, while they may improve our per capita income, are not necessarily linked with productivity growth. In fact, our productivity growth declined through the resources boom—and this was documented in the report—by 0.4 per cent from 2003. As a responsible government, the Rudd government is acting to secure the sort of long-term economic growth that will maintain and improve our standards of living. In his forward to the Standing Committee on Economics report, the member for Dobell made another very important observation: He wrote:

Income and productivity growth will occur in firms that embrace technological change and achieve technical efficiency.

He continued:

… in order to secure long-term economic growth Australia will need to focus on improvements in the technical efficiency of firms and their utilisation of technological advances.

I notice on the speakers list that the member for Cook is down to speak after me on these bills. Up until early this year, I think he was a member of the house economics committee. He would have taken part in many of the public hearings into the committee’s inquiry into productivity growth. So I am anticipating his explanation as to how productivity growth will benefit from abandoning the technological change and efficiencies on offer from a national broadband network.

I was in Maroochydore only late that week, launching the local Regional Development Australia Sunshine Coast committee. In areas like the Sunshine coast and, indeed, all around regional Australia, the NBN is the piece of infrastructure with perhaps the greatest potential to transform Australia’s regions. The ability to live on the coast or in the hinterland and telecommute is a dream that will become that much easier with universal access to high-speed broadband. I think we can only begin to grasp the transformative effect that a truly wired Australia will have, particularly on the delivery of better health, education and skills training. It was interesting to hear the member for New England provide his endorsement for a national broadband as well. It is, in my mind, absolutely essential infrastructure.

Regrettably, the opposition has said it will scrap the roll out of the NBN—this most important piece of infrastructure. So I look forward to how they will explain this to people across Australia, particularly to people in the regions and to many of my constituents in the IT industry, in the global economic corridor that is Macquarie Park. But there you go—what is a little inconsistency from the opposition? It is the same Leader of the Opposition who wrote a book saying that the best teachers need to be paid more, and then said that he will axe the program which will do just that—of course, that is Labor’s $42 million Smarter Schools program—that is, if the Leader of the Opposition manages to make the transition and become Prime Minister. This is the same opposition leader whose coalition economic principles talk up the importance of school based apprenticeships and traineeships but decides to cut trade training centres and schools.

Debate interrupted.
ADJOURNMENT

The SPEAKER—Order! It being 8.30 pm, I propose the question:
That the House do now adjourn.

Rudd Government

Mr NEVILLE (Hinkler) (8.30 pm)—The measure of any government is the level of prosperity enjoyed by its citizens and by definition the Rudd government has failed all Australians. As one constituent recently wrote to me:
The government is becoming like a baby’s alimentary canal, with a health appetite at one end and no responsibility at the other.

On top of its record of waste and mismanagement, Labor has now turned its sights on the one sector which kept us all afloat during the global financial crisis, mining. The 40 per cent supertax on mining profits will hurt every level of society, including the working families, pensioners and superannuants of my electorate.

Right now, unemployment in Hinkler is at 7.8 per cent, or around 4,700 people in total. Youth unemployment is at 12.5 per cent. We have 21,000 age pensioners, more than any other electorate in Australia. We are in the top three electorates for people receiving rent assistance and in the top five for people on disability pensions or carers allowance. These are the people who rely on the government to do the right thing by them and they are being betrayed by this current Labor government.

The spiralling cost of living is at the forefront of everyone’s mind, particularly those living on fixed incomes. This government, which promised the world, has delivered nothing. Because of that, the situation of these people has become more untenable. A great number of people in my electorate are in financial distress right now, proven by a recent Lifeline report which found that 1.2 million Queenslanders, or 28 per cent, were financially unfit at the beginning of this year, up dramatically from 12 per cent at the beginning of last year. Queensland has the second highest rate of electricity disconnections for non-payment of bills. And things are only getting worse in other sectors.

On the Fraser Coast, ratepayers are paying a seven per cent increase in rates this year, while the Bundaberg increase will be at least that figure. At the state level in Queensland, Labor has got rid of the 8.3 cents a litre fuel subsidy and raised vehicle registrations, water prices and tolls, and will preside over a 20 per cent increase in electricity prices over the next five years. Labor never met a tax it did not like. It reminds me of Winston Churchill’s famous line: ‘For a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle.’ That is what we are witnessing in this country right now.

Not so long ago, Australia had the leading edge on attracting foreign investment because of affordable coal-fired power and an abundance of natural resources. But not anymore it seems. An acquaintance of mine recently returned from a world trip, on which he met fund managers in the US and UK. Every single one of those fund managers wanted to know why the government would impose such a crazy tax on an industry which had kept the nation afloat and created thousands of jobs. They said that right now they would sooner look to send their trillions of dollars to Indonesia, Canada, Brazil and South Africa. In short, those dollars—and jobs—will go anywhere but Australia because of Labor’s mining tax.

The flow-on effect will cripple local economies, ones already hit hard by Labor’s financial mismanagement. The money wasted so far in the BER program would have been enough to put 20,000 new teachers or nurses on the payroll. The scandalous
Home Insulation Program has killed many small businesses and crippled others. The evolving AusAID scandal has seen even more taxpayer dollars thrown away on fat-cat salaries and jobs for the boys. And the great white hope of the Labor Party, its health scheme—which is at its heart of altered funding arrangements between the states and the Commonwealth—will move things from a 40-60 to a 60-40 split and nothing more. Never have a health revolution and its revolutionary leaders looked so sick.

Superannuation Reform

Mr BRADBURY (Lindsay) (8.35 pm)—When you think about the great structural reforms of the last 30 years, few compare with the great Australian compulsory superannuation miracle. While superannuation has existed in this country for well over a century, for much of that time it remained the preserve of a privileged few: those holding down white collar jobs in the corporate sector, public servants, those in Defence or in the finance sector. It was not until the 1980s that the union movement led the charge of trying to ensure that retirement savings in the form of superannuation were extended to a larger group of Australians. It was a Labor government in 1992 that introduced the first compulsory system of superannuation in this country. Those on the conservative side of politics opposed superannuation back then and they oppose superannuation today.

What has happened in the years since the introduction of the compulsory superannuation guarantee? We have seen the emergence of a thriving industry, a $1.1 trillion industry. This is a massive industry which provides a pool of capital that has funded much of the investment that has occurred in this country and which drives economic growth by boosting national savings. It is helping to prepare Australia for the increasing demands of an ageing population and assisting Australians to make provision for adequate retirement savings to ensure that they can retire with some dignity.

A recent report commissioned by the Association of Superannuation Funds of Australia by Allen Consulting Group suggested that without superannuation in 2008 households would have been $2,400 a year worse off. Compulsory superannuation has increased the household saving rate by 1.5 to two per cent of GDP. Without superannuation, investment would have been $14 billion lower in 2008. Without superannuation, capital stock would have been almost $144 billion lower in 2008. Low- and middle-income families are more than $100,000 better off as a result of compulsory superannuation. Pauline Vamos of ASFA, when handing down this report, observed:

The Australian economy would not have weathered the global financial crisis nearly as well, without the influence of superannuation.

All Australians who hold balanced funds in a superannuation account are concerned about the health of that account and the funds that they have under management. Many people in my community have raised those concerns with me, particularly through the global financial crisis and more recently with the turmoil in Europe. A great threat is being posed at present to superannuation in this country, and that is the Leader of the Opposition and the conservative side of politics. I note that back on 25 September 1995 Tony Abbott, as the member for Warringah, stated in this House:

Compulsory superannuation is one of the biggest con jobs ever foisted by government on the Australian people.

He opposed superannuation back then and he continues to oppose superannuation today. In 2009, in his book Battelines, he said:

At some point, saving money by keeping people off the pension while forgoing revenue to encour-
age them to make alternative provisions becomes counter-productive.
It could be simpler and fairer for the revenue for-
gone in superannuation concessions to be pro-
vided as a pension instead.

We all know that there are two Tonys. There
is phoney Tony, who says things in the heat
of battle, and there is carefully scripted, gos-
pel truth Tony. I would have thought that his
contribution in Battelines had to constitute a
carefully crafted contribution. I think what
he said back in 1995 and what he wrote
again in 2009 was not in the heat of battle.
They were carefully crafted scripted com-
ments that reflect the ongoing determination
of the Leader of the Opposition to strike a
blow into this great Australian miracle that is
compulsory superannuation. That is why the
opposition continues to oppose the many
benefits that this government is proposing to
hand down in the area of superannuation.
(Time expired)

Central Coast Bears

Mr HOCKEY (North Sydney) (8.40
pm)—I rise tonight to speak about a matter
that links my electorate of North Sydney
with the Central Coast of New South Wales.
I am, of course, referring to the bid to see the
famous red and black jerseys return to the
National Rugby League in 2013 as the Cen-
tral Coast Bears. Since 1908 the Bears have
been an integral part of rugby league in Aus-
tralia. As one of the earliest clubs—if not the
first—they attracted a following that has
been so strong that, even whilst they have
been out of the NRL, their supporters have
remained true to the cause. For several gen-
erations of fans, the Bears remain part of the
culture and fabric of rugby league.

For me growing up on the North Shore of
Sydney, a large part of my childhood and
teenage years was spent following the mixed
fortunes of the North Sydney Bears. Like so
many, I fondly remember the days spent at
the North Sydney Oval under its famous fig
tree cheering on the Bears. We were as much
there for the social atmosphere as for the
game and the Bears brought us together as a
community. Even in defeat—which I must
say was a little too often from my point of
view and those of the fans—the Bears’ loyal
followers stuck behind their team.

Now the NRL is considering a bid to re-
turn the Bears to their place in the NRL
competition. In what will be a blend of tradi-
tion with the new, the Bears will be based in
the growth area that is the New South Wales
Central Coast. It is an area with its own rich
rugby league history, which is why its resi-
dents have embraced the prospect of their
own team. Earlier this month, well over a
thousand Central Coast residents joined a
march in support of the Central Cost Bears in
Gosford. Their enthusiasm was undeniable. I
know that, led by people like Greg Florimio,
David Fairleigh (Daisy), Robert Lopez and
Martin and Anthony O’Brien, the Central
Coast Bears will be successful.

For us on the North Shore, the return of
the Bears is also strongly supported. They
may be intending to move north a little to
Bluetongue Stadium in Gosford, but they
will remain part of the psyche of league on
the North Shore of Sydney forever. The
prospect of one or two games back at North
Sydney Oval will be welcomed by my con-
stituents. That is why I am proud to be a
foundation member of the Central Coast
Bears. The NRL has an exciting opportunity
to revive the Bears by accepting their bid. It
would mean a great deal to the thousands of
fans who have been deprived of the opportu-
nity to support a team of their choice that
proudly wears the red and black.

It will also do much to further rugby
league not only on the Central Coast but also
in the vacuum for rugby league that has be-
come the North Shore of Sydney. I know that
the club is committed to the development of the sport in the region, as they have been for many, many years. I know that they are already working on ways to promote and assist younger sportsmen and sportswomen in the region. The Bears is very much a community orientated club, so the Central Coast can only benefit from its success.

I note that years ago I strongly supported the investment of Commonwealth government money in the creation of a stadium on the Central Coast. In fact, Barry Cohen, a former member for Robertson, was an advocate of a flower festival with the Federation money, but I and John Fahey, as absolutely committed rugby league supporters, put the money into supporting the development of a rugby league team on the Central Coast in the form of the Bears.

What we need to recognise now is that the Bears need a home. They need a cave to dwell in and the Central Coast represents an opportunity to not only rebuild Rugby League on the North Shore and on the Central Coast but more specifically to uphold the traditions that are so integral to community support for rugby league. When the Central Coast Bears run onto the field for the first time in 2013, they will not just be wearing the jersey of a new club, they will be carrying the weight of over 100 years of pride and history on their shoulders. I urge the NRL and David Gallop in particular to make this dream a reality and deliver us the Bears again.

**Burnie Community Cabinet**

Mr SIDEBOTTOM (Braddon) (8.45 pm)—Mr Speaker, you and the minister at the table, the member for Gorton, have been occasional and very welcome visitors to the north-west coast of Tassie. Only last Wednesday we had the Prime Minister and many of his cabinet colleagues visit the Parklands High School in Burnie for the 23rd community cabinet. I thank Parklands High School for the tremendous job they did in preparation for the community cabinet, in particular Anne Walker, who is the principal and proudly a former student of mine, and Michael Czuplak, who went to so much trouble. I thank all the students, particularly the choir and orchestra, for the excellent welcome we received. I also thank all my colleagues who came down for the community cabinet, which was a very successful evening indeed with over 300 people in attendance on a beautiful autumn night.

Earlier in the day, the Prime Minister was at a civic reception at the Makers Workshop in Burnie, a facility that we had contributed $1 million towards. He then went next door to open the West Park sports precinct, where we had contributed $2.35 million. Indeed, we were able to remind our hosts from Burnie that some $50 million has been invested by this government in the Burnie region alone and we congratulated them for their co-investment in the many projects that we share.

Earlier in the day, the Prime Minister and the Minister for Health and Ageing, Nicola Roxon, turned the first sod for the $2.5 million Burnie GP Super Clinic. That is in addition to the $5 million Devonport GP Super Clinic, which is very well advanced and almost ready to be fully opened and operational. A major announcement was shared by the Prime Minister, the federal minister for health, Nicola Roxon, and our colleague, Michelle O’Byrne, the Tasmanian Minister for Health. We were very pleased to announce a $16.5 million partnered regional cancer centre to be located at the North West Regional Hospital. Our contribution is $4.78 million and that is part of a $48 million investment in additional cancer services for Tasmania, $24 million of which are Commonwealth funds.
The new facility will include the following: an MRI scanner, 12 chemotherapy chairs whereby 6,000 additional chemotherapy treatments will be performed, separate consulting rooms, a base for outreach palliative care, educational facilities for the Rural Clinical School and north-west GPs, as well as the community itself. Importantly, the building will be designed to accommodate a future bunker for the proposed north-west linear accelerator. So this is great news for the north-west coast and I hope it will go some way to easing the burden on those patients who have to travel for cancer treatment in particular. They will be able to have more of those treatments locally.

In addition, I was able to remind our electorate that $3 million has already been committed towards a new patient accommodation building in Burnie, with the building expected to start in the next six to 12 months. There is also another $10 million for the Tasmanian Patient Travel Assistance Scheme and we have also committed $180 million to the Mersey community hospital. All in all, this government has partnered with the region and with the state government on this major investment in health to service the north-west coast and the outlying regions. I thank the Prime Minister and the federal minister for health for this major investment and their support of the people of the north-west coast.

Rural Bank

Mr FORREST (Mallee) (8.50 pm)—I would rather the House not adjourn just yet to allow me an opportunity to continue to draw attention to the challenges confronting many of my constituents and to particularly make reference to what continue to be dishonourable practices by lenders in their debt recovery procedures. On 17 November in this place I spoke about a debt tsunami flowing across my patch and that has continued for the last six months. In fact, it is just getting worse. In that contribution I warned lenders that, if I got any more cases like the one I dealt with on that day, I would name and shame them in this place in the public interest. I did that yesterday with Rural Bank Australia. This bank is what is left over of Elders Limited, who own 40 per cent of it. Sixty per cent of it is owned by Bendigo Bank, which has a wonderful and magnificent reputation for supporting communities and is entirely owned by its depositors. Yet the practices of this bank continue. Being a generous person, I thought that lenders would hear that warning. Most of them have, except this bank. They have not taken up the opportunity to treat my constituents and other members’ constituents in the neighbourhood of south-east Australia with dignity.

This bank is obviously in financial difficulty, and if my remarks here make an additional contribution to its demise I am sorry but that has to be the case. I am a decent Australian and I will make a stand when I see powerless people being oppressed by massive corporations, and that is what this bank is doing. I have pleaded with the directors and the board of Bendigo Bank to be very careful about having major ownership of this bank. It will bring down the very fine reputation the Bendigo Bank has established. That plea seems to have fallen on deaf ears.

The person who manages the debt recovery unit of the Rural Bank is a person by the name of Malcolm Sparrow. He has not heeded my warnings, so I name and shame the man. He has continued to crush constituents, even when they are servicing their debt. The Rural Bank has obviously made term arrangements for lending and, although some of the terms do not close for another 18 months or two years, this bank is coming in and calling them up. Worse than that, this bank is threatening them with legal action—
an action of mortgagee in possession—and that sets off a treadmill which I do not want to see happen in the south-east corner of Australia, particularly across the farming sector. Fire sales caused by actions of a mortgagee in possession mean that farms get sold for sometimes half their value. That adds pressure to the valuation of neighbours’ properties. Their equity is reduced and their capacity for ongoing servicing of their own lenders is reduced.

I have pleaded with all the lenders and all of them are cooperating. I am still having some ongoing challenges with some, but I am sure that they will be resolved. I am not asking for the bank to take any hits at all. It is entitled to collect the funds that people have borrowed with a reasonable interest return, but it is not entitled to mistreat powerless people who lack the resources to fight the legal processes the bank has put in place.

I appeal to the Australian Bankers Association, which has a code of ethics and a code of conduct for banks, to remove the membership of Rural Bank and I call on all the other banks who are members of the Australian Bankers Association. The way this outfit is behaving is a reflection on the other banks who have worked so hard to behave in an honourable way and treat people with decency to ensure that their dignity is intact, whatever the outcome. I am keeping league tables now on the performance of lenders and I am pleased to say that most of them are listening to my concerns. I am having dealings with most of them on a day-to-day basis, standing in the breach with my constituents. I will continue to do that for them and for anybody else’s constituents.

The Rural Bank have behaved abominably in the member for Barker’s electorate, outside my patch. They currently have four cases in the member for Farrer’s electorate on the north side of the river, where borrowers not even in default have been threatened. It is just absolute thuggery. I have had enough of it and they deserve to be named and shamed. I call on the Bendigo Bank to do something about it. They have six members of the board out of 10. They have some horsepower there. They need to bring this mob to account. (Time expired)

Isaacs Electorate: Joey’s Van

Mr DREYFUS (Isaacs) (8.55 pm)—I rise today to speak about the services provided by a group of volunteers operating a food van in Dandenong. Joey’s Van provides healthy, nutritious meals to needy people in our local community. Joey’s Van is an outreach ministry of St Joseph’s Parish, Springvale. The service was founded by Father John Magri in April 1999, with the original food van being kindly donated by a parishioner. The service operated in Springvale before moving to Dandenong. Every Monday and Friday night, volunteers set up Joey’s Van in Palm Plaza in central Dandenong to provide food, necessities, assistance and companionship to those who are doing it tough in Greater Dandenong. There is a rotating roster of around 100 volunteers who take turns serving food, cooking the meals and putting together care packages for those in need.

On Monday, May 17, I went to see the great work that the team who organise Joey’s Van do and it was a sobering experience. Some of the people assisted are homeless, some are out of work and find it difficult making ends meet and some have gambling problems or addictions of other kinds. The night that I was at Joey’s Van, a variety of items were available, including pasta, soup and rice. Basic care packages were handed out, with items including toothpaste, a toothbrush and soap. The service does not discriminate and is available to all men and women regardless of age, religion or ethnic
background. The volunteers have contact details for local services that might be able to assist people with certain needs and it is understood that confidentiality is an important part of the process. This has helped build mutual respect between the volunteers and those who use the service.

I thank the coordinator of Joey’s Van, Margaret Miller, for the invitation to see the great work her group of volunteers are doing to help people who face trying times. Ms Miller has been working with Joey’s Van since its creation and took over the lead role of the organisation in February this year from the long-serving Rosanna Rinnovasi, who still has a role assisting Ms Miller with her duties. I also acknowledge the City of Greater Dandenong, which assists Joey’s Van with the site in Palm Plaza, providing power and lighting, funding and a scheme that encourages council employees to regularly donate to seven local charity organisations, Joey’s Van being one of the recipients.

I am proud of the work that the Rudd government is undertaking in trying to help the most needy in our society. It is distressing that, in our generally prosperous community, there are Australians who are still in need of assistance to meet the most basic of needs. In December 2008, the Rudd government published a white paper setting out a plan to halve homelessness by 2020, focusing on the prevention of homelessness, improving and expanding services to help more homeless people and breaking the cycle of homelessness by providing long-term housing and support. Last year the Rudd government’s Nation Building for Recovery plan included an investment of $6.4 billion to build 20,000 new social housing units and repair around 45,000 units of social housing. This is the single largest investment in social housing ever undertaken in Australia. Some of the government’s record investment is being made in Noble Park and Dandenong, which will help alleviate social problems such as homelessness in the Greater Dandenong community.

Having seen the effects of homelessness for myself, I am disappointed that the Leader of the Opposition has not joined the Prime Minister in the effort to try to halve homelessness by 2020. Unlike his predecessor, the member for Wentworth, the present opposition leader has decided that a bipartisan approach to one of our largest national problems is not required and, seemingly, does not think such an effort is worth while. As the work that is being done by Joey’s Van and by the myriad other community organisations in my electorate shows, there is a lot of work that remains to be done to help those who are facing difficult times. The opposition should recognise this and get behind this government’s attempt to reach a target as significant as the target for homelessness in this vital area of social justice.

The SPEAKER—Order! It being 9 pm, the debate is interrupted.

House adjourned at 9:00 pm

NOTICES

The following notices were given:

Mr Stephen Smith to present a Bill for an Act to make provision relating to sanctions to facilitate the conduct of Australia’s external affairs, and for related purposes.

Mr Stephen Smith to present a Bill for an Act to amend the Export Market Development Grants Act 1997, and for related purposes.

Mr Burke to present a Bill for an Act to deal with things done in connection with the Farm Family Support Scheme, and for related purposes.
Ms Kate Ellis to present a Bill for an Act to amend the law relating to family assistance, and for related purposes.

Ms Macklin to present a Bill for an Act to make amendments consequential on the enactment of the *Paid Parental Leave Act 2010*, and for related purposes.

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

Mr Combet to present a Bill for an Act to amend the law relating to veterans’ affairs, and for related purposes.

Mr Garrett to present a Bill for an Act to amend the *Ozone Protection and Synthetic Greenhouse Gas Management Act 1989*, and for related purposes.

Mr Laurie Ferguson to present a Bill for an Act to amend the *Migration Act 1958*, and for other purposes.

Mr Bowen to present a Bill for an Act to amend the law relating to banking, insurance and superannuation, and for other purposes.

Mr Bowen to present a Bill for an Act to amend the *Superannuation Industry (Supervision) Act 1993*, and for related purposes.

Mr Neville to move:

That this House:

(1) acknowledges the:

(a) unquestionable bravery of 6th Battalion, Royal Australian Regiment (6RAR) at the Battle of Long Tan in Vietnam on 18 August 1966 and the singular heroism of units in the face of overwhelming enemy numbers, especially that of D Company; and

(b) well deserved upgrade of a number of decorations:

(i) Major Harry Smith (from Military Cross to Star of Gallantry, ie, Distinguished Service Order equivalent);

(ii) Lieutenant Dave Sabben and Lieutenant Geoff Kendall (from Mentioned in Despatches to Medal for Gallantry, ie, Military Cross equivalent); and

(c) strength of D Company 6RAR (as at 18 August 1966) which has the right to wear the former Republic of Vietnam Gallantry Cross with Palm Unit Citation Emblem;

(2) deprecates the loss of documentation which has deprived 12 other Australian combatants from receiving appropriate recognition;

(3) calls on the Australian Government to convene a further inquiry to assess and document by eye witness reports, cross examination and other sources, the known courageous action of combatants on that day with particular reference to the 12 soldiers involved; and

(4) seeks appropriate remedy, by way of award, to those unjustly treated.
The DEPUTY SPEAKER (Mr S Sidebottom) took the chair at 4.09 pm.

CONSTITUENCY STATEMENTS

Flinders Electorate: Rosebud Aquatic Centre

Mr HUNT (Flinders) (4.09 pm)—Just over a year ago I attended a rally on the Rosebud foreshore with members of the Rosebud community and my colleague Martin Dixon, the state member for Nepean. That was a rally in support of a Rosebud aquatic centre, a southern peninsula aquatic centre. It is a project to which the local community has been committed for some years. It is a project which is a personal passion, a commitment, a goal and something which will be achieved. The benefits of this project are very clear. It will, firstly, provide health benefits, whether it is for local youth, whether it is for families, whether it is in terms of safety and teaching young children to swim in a safe environment so as to equip them for a coastal environment. In particular, in what is demographically the oldest electorate in Victoria with the highest concentration of seniors along that stretch of the Mornington Peninsula—which is Dromana, McCrae, Rosebud, Tootgarook and Rye—it will provide hydrotherapy and services which are desperately needed by senior citizens. So the benefits, firstly, in health are clear. Secondly, there are the economic benefits to the community of having an aquatic centre which will help with tourism throughout winter and which will help ensure that the peninsula is an all-year-round destination for families. Thirdly, it is about the amenity, the quality of life, for the southern peninsula. So those benefits are clear and real and desirable.

The challenge is the delay in support from the Victorian government. For some years now the Victorian Department of Sustainability and Environment has been aware of and has stood in the way of this project. This project is wanted on the foreshore by the overwhelming majority of local residents—I say ‘by the overwhelming majority’ because there are a small number who take a different view, and I deeply respect their views and their right to those views. But the overwhelming majority want to use land which is already built upon, or land which is already disturbed. Indeed, the old pool was on the foreshore. It was not immediately on the foreshore. It is a deep foreshore. It was back about 50 to 70 metres from the foreshore. That same strip of land remains available, whether it is there or whether it is further towards the village centre. Either way, that land has been disturbed for many years. It is not pristine. It awaits some sort of community benefit. I urge the Victorian Premier to step in and say, ‘We recognise that the community have been disadvantaged, that they deserve the aquatic centre,’ and that the state government will no longer stand in the way of the efforts of the local community to take control of their own future, to establish an aquatic centre and to give themselves a healthy future.

Lidcombe Car Bombing

Ms GEORGE (Throsby) (4.12 pm)—I was appalled to see recent TV images of an attack on the Sydney offices of the Construction, Forestry, Mining and Energy Union. I know the secretary of the union personally and many who work in their building at Lidcombe, and I appreciate at a personal level the seriousness of the crime committed. Interestingly, specific threats were made before this unprecedented firebombing of a union’s premises. The attack occurred around 10.30 pm on a weeknight, when a stolen car packed with drums of petrol was
rammed through the front door of the offices. The foyer area of the building was soaked in petrol before being set alight. That evening I saw footage of emergency workers putting themselves at great risk, unaware of the petrol drums in the car. It was indeed a miracle that no-one was killed. Two community groups had left the building less than an hour before and among the participants were children. On any day, as I know, there would have been dozens of people at risk in that building.

These kinds of attacks are totally unacceptable in our democratic society. Unions are but one of the many groups in our community who stand up for the rights of people and against those who have the power to inflict injustice on them. The perpetrators of this well-organised and well-planned attack need to be brought to justice swiftly. We need organisations like unions, churches and migrant advocacy groups to be able to do their work free from the threats of violence and criminal behaviour. All people must respect the rule of law and appreciate the inherent values of our democratic system. I wholeheartedly support the call of Unions NSW for a special police task force to investigate the bombing—hopefully one that has the resources to catch the criminals. I am pleased to read that this request for the police task force was backed by the Master Builders Association, the employer body, and by members of the Maori, Jewish, Arab, migrant and Christian communities that regularly use the building for community events.

The condemnation of this unprecedented and vicious attack transcends politics. It is an attack on the very fabric of our society. This is a frightening situation. The mere allegations of wrongdoing get an immediate response from the ABCC when those allegations are directed at unions and their officials. But when violence is perpetrated by opponents of unions we hear not a murmur of disquiet from the ABCC. That is clearly unacceptable. In addition to the police investigation of criminal matters, I believe it is incumbent upon the people who work at the ABCC to conduct a thorough investigation at the earliest possible opportunity. It is totally unacceptable in our society for any employer to intimidate, harass or threaten union officials or their staff for carrying out their responsibilities on behalf of working people.

Swan Electorate: Solar Flagships Program

Mr IRONS (Swan) (4.15 pm)—I wish to raise with the House the latest renewable energy disappointment that has come from the Rudd government. In another blow to my state Western Australia and my electorate, the Rudd government has not short-listed one WA project as part of the $1.5 billion Solar Flagships Program. Eight worthwhile projects were submitted from WA, with some support from the Western Australian state government, yet all of them have been ignored at the expense of Eastern States’ projects. Members will not be surprised to hear that five projects from Queensland have been short-listed but none from WA. This is becoming an all-too-familiar pattern for Western Australia from one of the most eastern-centric federal governments in history. Under Rudd, Western Australia is getting a scandalously low proportion of GST—68c in the dollar—and is being ignored on issue after issue, from aircraft noise to river wall infrastructure and roads. And now, after announcing plans to introduce a resource rent tax that has sent WA superannuation accounts tumbling and threatens the jobs of Australians, Kevin Rudd has ignored eight decent submissions, any one of which would have created jobs for local people in Western Australia and in my electorate of Swan.

What makes this decision more difficult to understand is the commentary from experts suggesting that Western Australia is one of the best spots in the country for solar projects.
Kyle Jackson, who visited my office earlier in the month, is an architect for the Perenjori Solar Thermal Project, which was not short-listed. He is quoted as saying:

… solar radiation in WA is at least 10 per cent better than in Queensland, and the higher pool price for energy in WA, along with capacity credits, means they would also have had a cost advantage over rival offers.

Yet five projects have been short-listed for Queensland and, again, none for Western Australia.

The Solar Flagships Program has been a poorly executed scheme from the start. Yesterday, the *Australian Financial Review* noted the lack of preparatory work done by the government. It stated:

Having announced solar flagships in the budget, the government then paid the Boston Consulting Group more than $1 million to work out how the program should operate in practice.

After hearing concerns from the industry and state governments that the $1.5 billion committed would be insufficient to support the development of 1,000MW of solar power, BCG proposed major revisions, most of which watered down the ambition of the Government’s original vision.

It has been run in a similar vein to the recently rushed announcement of the renewable energy future fund.

The *Australian* newspaper summed up the typical reaction to this program as, ‘We don’t know what it is but we’re aiming to get a slice of it.’ Does that sound familiar? Concerns about this scheme have been raised directly with my office. I am troubled by the federal government’s poor overall approach and commitment to renewable energy. Almost $3 billion was spent on the failed pink batts scheme, a scheme that would reduce greenhouse gas emissions by a fractional amount. I urge the government to consider our long-term energy needs and condemn the government for again ignoring Western Australia to the benefit of Queensland.

**Hindmarsh Electorate: On the Same Wave Program**

Mr GEORGANAS (Hindmarsh) (4.18 pm)—I rise to highlight the fantastic work being done by Surf Life Saving clubs in my electorate of Hindmarsh, and the importance of the new Surf Central project to Surf Life Saving clubs right around South Australia. Hindmarsh is home to six different surf life saving clubs, which work all year round to provide beach patrols, rescue, first aid, fitness and fun to a wide section of the community and beach goers. Many of the clubs in my electorate participate in the On the Same Wave program, a fantastic joint initiative of Surf Life Saving Australia and the Department of Immigration and Citizenship. The program encourages children from culturally and linguistically diverse backgrounds as well as from Indigenous backgrounds to get involved with surf life saving. Semaphore Surf Life Saving Club at the northern end of my electorate recently held a day-long program as part of On the Same Wave, which gave kids who might not otherwise have been confident enough to have a go the chance to do so in a supportive environment. At Grange Surf Life Saving Club they are currently in the third year of running a disability program, working with Interchange, an organisation that provides community based recreational respite care for kids with disabilities. It is great to hear that two of the kids who participated under the Interchange program have now joined the club and have made the transition to becoming nippers.

An incident at Henley Beach at the end of last year catapulted four nippers from Henley Beach Surf Life Saving Club into the limelight. The boys, who were all aged about nine or 10 at the time, helped rescue a woman they saw drowning off Henley Beach. Even though they had not yet officially started learning surf life saving skills, the boys thought quickly and three
of them managed to keep the woman afloat while the other boy went to shore for help. The woman was saved and the story was featured everywhere from ABC Television to the Sydney Morning Herald, the Adelaide Advertiser and the local Messenger newspaper. It is exactly this type of story that reinforces the importance of surf life savers and the importance of providing support for the organisations that dedicate themselves to it.

West Beach Surf Life Saving Club has been working with the Service to Youth Council to train at-risk youths for their Bronze Medallion. Last week the Glenelg Surf Life Saving Club hosted all the surf life saving Senior State Championship events, including sprints, flags and relays, at Glenelg Beach on a Friday night. I am delighted to hear that it was deemed so successful it will be done again in 2011. Finally, at the southern end of my electorate, Somerton Surf Life Saving Club hosted the Junior State Championships, which had more than 950 competitors and thousands of spectators over the two days of competition.

The contribution of surf life savers is enormous. That is why I have recently been working with Surf Life Saving South Australia to secure funding for their Surf Central project, which will provide much-needed administrative training and infrastructure support to surf life saving clubs all around South Australia. I have recently written to the Minister for Sport, Kate Ellis, regarding the importance of the project, and I look forward to hearing back from her soon regarding funding opportunities for Surf Life Saving South Australia so that they are able to continue their, quite literally, life saving work. I also hope that all Australians will continue to support surf life saving activities, as the clubs truly are the lifeblood of our coastal communities. Congratulations to all the surf life saving clubs in Hindmarsh. I wish them all a successful winter season in the lead-up to next summer.

Rudd Government

Mr HARTSUyKER (Cowper) (4.21 pm)—Of all the Rudd government’s broken promises, the one that most reaches into the pockets of every Australian is the Prime Minister’s failure to put downward pressure on the cost of living. At the 2007 election Mr Rudd led Australians to believe that he could lower the price of groceries and that the cost of petrol would be lower because of his leadership. Well, Prime Minister, I am not sure if you were speaking in the heat of the moment, but I do know that you are not speaking the gospel truth to any ordinary Australians.

In the eyes of many North Coast residents your failure to deliver on the cost-of-living promise is one of the greatest ‘immoral’ challenges of our time. Your ETS was set to drive up the cost of living and the cost of everything we buy, and force pensioners and low-income earners to go without the basic necessities of life. It was the greatest moral challenge of our time, you said. You quickly abandoned that promise when people started to wise up to the impacts of your ETS. Federal and state Labor governments wanted to increase the price of electricity by 64 per cent over the next three years, largely as a result of your ETS.

Fortunately, the Prime Minister has temporarily shelved that ETS. But the voters are not silly. They are all too aware that this great big new tax is just on hold—a great big new tax that will drive up the cost of everything you buy. So next time the Prime Minister visits the North Coast of New South Wales he should reject the compulsion to pose for a photo opportunity. He should get down on the street and see how increases in the cost of living are affecting everyday Australians and how it is putting pressure on household budgets. He should
speak to low-income earners and pensioners and see the impact his policies and his failure to act on his promises is having on them.

The government has insulted pensioners who have participated in the solar roofs program. We have seen the government penny-pinching in this regard by reducing their pension if they are paid any money for electricity generated as a result of the installation of solar panels. The government encouraged people to install solar panels and then treated them with contempt by reducing their pension if they received any financial benefit through cash payments as a result of this program. It is absolutely outrageous that local pensioners should be hit by the government—a government that promised to put downward pressure on the cost of living, a government whose promises now seem to be all too hollow. It is absolutely outrageous that a pensioner who receives a cash payment as a result of a very substantial investment in our green future should be penalised. It is an absolutely outrageous situation and just shows that this Prime Minister cannot be trusted.

Lindsay Electorate: Mr Kevin Dwyer OAM

Mr BRADBURY (Lindsay) (4.25 pm)—Last Friday, I had the great pleasure of attending the official naming of Kevin Dwyer Park at Roper Road in Colyton. Kevin Dwyer OAM was one of the fathers of modern Penrith City. He passed away on 15 December 2004.

The naming of this park was an important occasion, not only for the family of Kevin Dwyer but for the entire St Marys and Penrith community. Kevin served as an independent alderman and councillor for 22 years on the Penrith City Council, between 1977 and 1999. Over those two decades, Kevin was elected mayor three times and deputy mayor 12 times—a record of service that is arguably one of the most impressive in Penrith’s history.

Kevin’s history in our area went back further than just his time on council. He was a descendant of James McCarthy, who settled in what is now known as Cranebrook in the late 1700s. As an East Ward councillor, Kevin was passionate about growing and supporting the community and building a sense of belonging. He was part and parcel of the St Marys community. Moving there with his wife Margaret in 1968, Kevin went on to become a member of many of the great community institutions that have come to form the fabric of St Marys: the St Marys Band Club, the historical society, the Lions Club, the St Marys Development Committee and Our Lady of the Rosary Parish.

In 1995, Kevin was awarded a Medal of the Order of Australia for his service to local government, and in 2001 he was awarded a Centenary Medal. Even after his career in local government concluded, Kevin continued to be an integral part of many of the organisations he had helped build.

As my election to Penrith Council came in 1999, at the end of Kevin’s period in office, I did not have the opportunity to serve on council with him. I did, however, benefit greatly from Kevin’s wisdom, advice and wealth of contacts as he mentored me in my early days as a councillor. It should be pointed out that Kevin’s wife Margaret not only supported him throughout his local government career but played an important role in many of the community groups in our community, and continues to do so today. I would also like to acknowledge Kevin’s daughter, Ann, and her children, Bradley, JD, Justine and Simone, for keeping the Dwyer family legacy alive and for continuing to represent the values that Kevin epitomised.
I would like to thank the St Marys Band Club Rangers Football, who proposed the name for their home ground to Penrith Council. One of the greatest legacies of Kevin’s contribution to our community stands on Mamre Road, in the wonderful facility that is the Don Bosco Centre. Without Kevin’s assistance this facility would never have been built. Whenever I take my children down to the centre, I point to the picture of Kevin—that hangs in what is known as ‘Sir Kev’s corner’—and reflect upon his efforts. In the same way, Kevin Dwyer’s contribution will live on in the park that now carries his name.

**Paterson Electorate: Oyster Cove**

**Mr Baldwin** (Paterson) (4.27 pm)—I rise today to acknowledge and welcome last week’s announcement that Defence will halve the planned use of the Joint Strike Fighter at the Salt Ash Air Weapons Range. Defence’s decision to alter the proposed ANEF 2025 noise contour maps to exclude the village of Oyster Cove has been a welcome decision for residents.

An increasingly large number of local residents have contacted me about the proposed JSF noise contours, which reflects the growing number of residents that would have been adversely affected by aircraft noise once the JSF is introduced into service at RAAF Williamtown. The issue has gained momentum in the local community in the past months.

As soon as this issue was raised with me I began meeting with affected residents. I met the residents of Oyster Cove during their very first collective meeting on the issue at the Tillman residence, and then I attended the Williamtown consultative forum, where I forced an action item that would see Defence review the mapping and/or compensate affected residents. I have also personally represented every single resident that has approached me—without response from the Minister for Defence, I must say, who instead chose to delegate all correspondence regarding the issue to his parliamentary secretary, Mike Kelly.

I am absolutely delighted with Deputy Air Force Chief Geoff Brown’s announcement. This is a win for common sense and an example of what can be achieved when members of a community stand side by side to fight for a fair go. I would also like to acknowledge the contribution of the member for Port Stephens, Mr Craig Baumann and the Mayor of Port Stephens, Councillor Bruce MacKenzie, for working cooperatively with me to fight for the rights of the Oyster Cove community at the Williamtown consultative forums.

This week the community of Oyster Cove should take some time to reflect on this achievement. They deserve to be proud of one another and the constructive, intelligent, focused approach they took to resolve the problem. From the moment I stepped into the meeting at the Tillman residence back in early March, I knew that this was a community that would fight for its rights. As their federal representative it was an honour and privilege to stand alongside this community and fight for a fair go.

I always enjoy going into bat for my constituents, but the most rewarding aspect of my job by far is the achievement of an outcome that at the outset seemed an insurmountable challenge. Together we have achieved this outcome today, and I will continue to work hard to represent those residents of Oyster Cove, Medowie, Salt Ash and Swan Bay who are facing possible decreases in their property values. I will also continue to keep the community informed as more information comes to hand.
There is also the issue of the Kings Hill development which Port Stephens Council tabled this week. The Kings Hill development would involve the council and the NSW state government approving re-zoning and a residential development directly under a flight path on rural land. It is obscene to do that. It only creates downstream problems. I am calling on Defence to up the action with the council and with the NSW state government to make sure that development directly under the flight path is ruled out. It can be ruled out quite simply by the Department of Defence acquiring the rural farmland so that it cannot be converted to residential development.

Mr Israel Ben Chayle Herzog AO

Ms Ann Zablud

Mr DANBY (Melbourne Ports) (4.30 pm)—I rise to speak about a dear family friend, a towering figure in the Jewish community and business in Melbourne, Mr Israel Ben Chayle Herzog AO. He is a man renowned for his modesty and charity. He is extremely ill at the moment, and his family are reciting psalms for him and for his recovery. I recite chapter 130 of the Tehillim psalms:

A song of ascents. From the depths I have called You, O Lord.
O Lord, hearken to my voice; may Your ears be attentive to the voice of my supplications.
O God, if You keep [a record of] iniquities, O Lord, who will stand?
For forgiveness is with You, in order that You be feared.
I hoped, O Lord; yea, my soul hoped, and I wait for His word.
My soul is to the Lord among those who await the morning …
Israel, hope to the Lord, for kindness is with the Lord and much redemption is with Him.
And He will redeem Israel from all iniquities.

I also want to speak about my dear friend Ann Zablud whose 90th birthday coincided with the 90th anniversary of WIZO Victoria, and she celebrated her birthday on the weekend at a major lunch in her honour. I am used to being surrounded by strong women—including my late mother Margaret, my aunt Cipa and my wife Amanda—but Anne is a particular mentor, and I praise her along with her late husband Bob. They came from the legendary Brest-Litovsk in Poland to arrive in Australia on Black Friday 1939. One of their great beliefs was in a gentleman called Jabotinsky who wrote a famous book called A Land on Fire, and they arrived in Australia at Geelong with—to their amazement—the whole country afire. It was particularly appropriate, given the fact that they were coming from a continent that was literally burning to the ground, that they were coming to Australia, which appeared to be burning to the ground.

Bob and Ann’s broad understanding of the European traditions of Jewish community organisations meant that when they came to Australia on the cusp of the war they immediately engaged with significant existing community organisations, ensuring that the post-war wave of refugees—mothers, fathers and grandparents of many us who met on the weekend—found organisations that understood them, their traditions and their needs. Fortunately, these organisations were able to immediately engage the vast numbers of war-ravaged refugees. This is the unrecognized and incredible legacy of Ann and Bob Zablud.

On the weekend, Mark Leibler, another of our very important leaders in Melbourne, said that Ann and Bob did not just put their hands up for the job but also had ‘a great vision’. He
went on to say that they knew that leadership was not just ‘about time and energy’ but also ‘about being prepared, when necessary, to take tough decisions’.

Ann later had a very important role in the UN women’s conference at Copenhagen and many important international conferences, and I pay tribute to her great contribution— (Time expired)

McMillan Electorate: Sing Australia

Mr BROADBENT (McMillan) (4.33 pm)—Recently I received a card from Val McCormack, representing the Sing Australia group at Warragul. She asked if I would come around and see what they do, and I eventually got round to it. They were at the Salvation Army Hall. The conductor was John Steven, Val McCormack was my contact and the pianist was Bob Yuill. I met this amazing group of people—and I mean a really amazing group of people—drawn from all facets of life, who come together to sing once a week. They were energetic, disciplined and had wonderful timing and good humour. They were clearly social supports for each other.

I heard them sing *Georgia on my mind*, and they were kind enough to ask me to speak to them for a few minutes. Those of you who know me a little bit better than others will know that I have a history in this area. I discussed with them what I looked like in my twenties, when I wore the white stretch-cotton jumpsuit, the navy stretch-cotton jumpsuit or the outfits that flowed, and the fact that when I performed I had some 12 changes of clothing each night. We discussed these things. It got better than that. We were fairly frank with one another. Nobody in this room has suffered four federal defeats, as I have. I told them that part of my reconstruction, being brought back into public life, was the fact that I was cajoled into playing the part of the priest in the local production of *Les Miserables*. I explained to them that that is why I can still say to people today that I am a former priest. After we spoke, one lovely lady said, ‘When I look in the paper and see a picture of you now, Russell, I’ll have a totally different view of my local politician!’

This organisation apparently came out of stress money, drought money, from the federal government. It grew out of that and now it is all over Australia. I congratulate them on what they do. I love the way that they are supporting one another when many of them have obviously been through life’s difficulties—whatever they were—and yet there they were, freezing cold, in the place and ready to sing for the night. I did not stay for *The girl from Ipanema* because it means a bit too much to me, especially when they go: ‘A-a-ah.’ I knew they would do that very well, so I snuck out before then. Let me congratulate them. I would like to wish them all the best in their endeavours and, as they go into the end-of-year period, when they get busier and busier and are called on to sing for people, I hope they have a wonderful year and a wonderful build-up to Christmas.

Keep Australia Working Jobs Expo

Mr NEUMANN (Blair) (4.36 pm)—I want to speak about the Centrelink jobs expo in Ipswich. The Rudd government is keeping Australia working and we are keeping Ipswich working as well. Centrelink is holding a series of job expos across Australia as part of the government’s Nation Building Economic Stimulus Plan. The main objective of these expos is to provide information about jobs and job pathway opportunities and to provide real jobs in areas hardest hit by the global recession. More than 300 previously unemployed people will
have a job in Ipswich thanks to the Keep Australia Working jobs expo held at the showground on Warwick Road, Ipswich, on 21 May this year. The Parliamentary Secretary for Employment, the Hon. Jason Clare, was present together with the member for Oxley, Bernie Ripoll, and me. We congratulated all the jobseekers who found employment at the jobs expo. Unemployment in the western corridor, from South-West Brisbane through to Ipswich and the rural areas beyond, is approximately 7.2 per cent—above the national average of about 5.4 per cent. That is why the jobs expo was so important. Also, youth unemployment is 1.5 per cent higher than the national average. About 80 businesses and organisations set up stalls and there were about 500 jobs on offer.

I congratulate the Queensland Times newspaper and River 949 radio station for their extensive publicity and their support of the Keep Australia Working jobs expo in Ipswich. I also thank Samantha Wilson, the local employment coordinator. There were great employers present, such as Queensland Rail, Woolworths, Busy Beat, Ipswich City Council and others. I particularly want to thank the wonderful ambassadors, Tommy Raudonikis, Centrelink Jobs Expo Ambassador, and Artie Beetson, Centrelink Indigenous Ambassador, who kept the whole audience transfixed with stories about their own personal experiences and life testimonies. I am not just talking about the forthcoming State of Origin, which I am sure Queensland will win once again. I also thank Catherine O’Sullivan, State Manager, DEEWR; and Carolyn Hogg, Chief Executive Officer, Centrelink; Marianne Evans, Centrelink Area Manager, South and West Queensland; and Lisa Burke, Centrelink Jobs Expo Coordinator. This was a wonderful initiative supported by the local community. It builds on another initiative which was also announced in Ipswich: Local Connections to Work.

Local Connections to Work is a wraparound service assisting disadvantaged people. Senator Ursula Stephens, the Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector, announced this in Ipswich as one of four places where this is going to be trialled. A range of different service providers provide services from the Centrelink office in Ipswich. Having a job is more than just having an income: it is about the future; it provides opportunities to participate, connect, look after yourself and achieve everything you want in life.

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

DEFENCE LEGISLATION AMENDMENT BILL (No. 1) 2010
Second Reading

Debate resumed from 17 March, on motion by Dr Kelly:

That this bill be now read a second time.

Mr BALDWIN (Paterson) (4.40 pm)—I rise today to speak on the Defence Legislation Amendment Bill (No. 1) 2010. Broadly speaking, this bill contains five separate measures. It will seek, firstly, to establish the Defence Honours and Awards Appeals Tribunal as a statutory body; secondly, to ensure that there is fairness in the termination and discharge of an ADF member who has tested positive for a prohibited substance; thirdly, to make a purely administrative change that clarifies arrangements surrounding 58B determinations; fourthly, to amend the provisions contained in the Defence Home Ownership Assistance Scheme Act 2008 so that all members of the ADF Reserves, regardless of how they became a reserve member, can
access the support afforded by this program; and, lastly, to make changes to the Defence Force Discipline Act 1982 to enable the appointment of chief petty officers and flight sergeants as discipline officers.

I will now speak on each of these amendments in more detail. The first measure contained within this bill seeks to amend the Defence Act 1903 and establishes the honours and awards tribunal as a statutory body. The tribunal was established in 2008 to inquire into and make recommendations on Defence honours and awards matters relating to issues referred to it by the government. However, the tribunal was only established as an administrative body and, even though the government has undertaken to be bound by the tribunal’s recommendations, the tribunal lacked the authority to make separate decisions or to independently review defence decisions, particularly those concerning eligibility for Defence honours and awards. Importantly, the proposed changes will provide past and present Australian Defence Force members, next of kin and other individuals with the right to appeal directly to the honours and awards tribunal regarding eligibility for Defence honours and awards. However, it should be noted that the tribunal will not review the eligibility for honours or awards that were made before 3 September 1939. As such, any application made regarding service rendered before this date will also not be considered by the tribunal.

I welcome this measure but remain highly sceptical of Parliamentary Secretary Kelly’s statements that these measures will provide a more transparent and accountable process. It must be remembered that this is a government that provided only 1½ pages of costings in the 2009 defence white paper. This is a government that completely blacked out pages upon pages of text within the Pappas review regarding Defence base closures. This is a government that, most recently, failed to make the public aware of the grounding of the entire MRH90 helicopter fleet, which suffered a catastrophic engine failure, for one whole month. So, in light of the above, you will excuse my cynicism regarding this government’s intentions to create a more transparent and accountable defence department.

Additionally, I find it astonishing that, given Parliamentary Secretary Kelly’s supposed enthusiasm with regard to Defence honours and awards, he has remained altogether silent on the issue of James Montgomery. For those unaware of James Montgomery’s infamy, he is an alleged military fraudster who, according to recent media reports, was exposed some weeks ago as having created false military identity cards and a false military service history, which included making himself a former member of the SAS and the recipient of the Victoria Cross. Dr Kelly’s spokesperson confirmed in media reports almost four weeks ago that Dr Kelly would review this case, which would be entirely appropriate seeing he is directly responsible for Defence honours and awards. However, he has failed to take any action on this matter. I therefore take this opportunity to remind the Parliamentary Secretary that it is his responsibility to investigate such matters and that he should do so immediately, not only because he said he would but because fraudsters like James Montgomery denigrate those who have earned their medals and who have earned the right to wear those medals.

The next measure in the bill seeks to amend the Defence Act 1903 in order to ensure there is procedural fairness when a member is discharged following the return of a positive test for a prohibited substance. This amendment has been put forward as a result of recommendations made by the Standing Committee on Foreign Affairs, Defence and Trade, which recommended the organisational separation between the initiating officer and the decision maker for
all cases that involve the termination and discharge process. The current provisions, under part VIIIA of the Defence Act 1903, do not provide for this level of separation or procedural fairness. This amendment simply seeks to rectify this section of the Defence Act.

The next measure is purely administrative and seeks to ensure that 58B determinations relating to remuneration and allowances are subject to tabling and disallowance. This amendment will ensure that 58B determinations are in accordance with the Acts Interpretation Act 1901.

The next measure in the bill seeks to amend the Defence Home Ownership Assistance Scheme Act 2008 to ensure that all eligible members of the reserves, regardless of how they became a reservist, receive assistance under this scheme. This is a minor amendment that will ensure that, in particular, those permanent members of the ADF who have transferred to the reserves are eligible to receive the assistance provided under this scheme. However, I am at a loss to understand why Parliamentary Secretary Kelly would introduce the aforementioned amendment without considering another long-time bugbear of the reservist community when it comes to accessing the Defence Home Ownership Assistance Scheme. Currently reservists who wish to claim DHOAS assistance need to have completed at least eight years of effective service—that is, they need to have completed at least 20 days of reserve service each financial year over eight years. However, reservists may also be able to fast track their qualifying period if they undertake more than six months continuous full time service in one financial year. Under regulation 8(4), a reservist who completes a period of continuous full time service of six months or greater within a service year—a financial year—is considered to have rendered two years effective service when applying for benefits under the Defence Home Ownership Assistance Scheme.

Unfortunately, reservists who undertake a deployment that falls across two financial years miss out on this benefit, as their time served is effectively halved across the two financial years. The result is that some reservists receive Defence Home Ownership Assistance Scheme benefits while others miss out simply because their service straddled two financial years. For example, in 2008-09 reserve members who deployed as part of Rotation 15 of Operation Anode and who were still working towards their eight years of effective service missed out as their rotation was deployed from March 2008 to September 2008. Conversely, members of Rotation 16 of Operation Anode received a full credit for their continuous full-time service, as their deployment was from July 2008 to January 2009.

The current policy is unfair and is obviously an unintended consequence of the legislation. The question then is why Dr Kelly has chosen to ignore this issue. I know Dr Kelly is aware of this issue, as he has received the same letters from the reservists as I have. In fact, the letters have even noted that Dr Kelly was a recipient. This bill provided Dr Kelly with an opportunity to correct the unintended consequences of the existing legislation, but he has deliberately chosen not to. He has chosen not to because the proposed changes do not affect him directly as a current reservist. Parliamentary Secretary Kelly has simply lost touch with defence personnel, yet he has come into this parliament as a distinguished serving officer.

The last measure contained in this bill will enable the appointment of chief petty officers and flight sergeants as discipline officers. This measure will amend the Defence Force Discipline Act 1982 to clarify the jurisdiction of discipline officers and align the meaning of discipline officers and available punishments across the three services. This amendment also seeks
to clarify the definition of ‘junior officer’ as it pertains to the Defence Force Discipline Act. The current legislation expressly excludes midshipmen in the Navy, but not an officer cadet in the Army or Air Force, as midshipmen are classified as officers even though they are still officers under training. This amendment will align the definition across the services, changing the terminology from ‘junior officer’ to ‘other than a person who holds the rank of officer cadet’. These changes will ensure that the officer cadets of all these three services will be subject to the jurisdiction of a discipline officer and the appropriate punishments as listed under section 169F of the Defence Force Discipline Act.

I support the measures contained in this bill. They are non-controversial and simply seek to amend some administrative and legislative inconsistencies within current defence legislation. However, as I have noted, throughout this bill the parliamentary secretary could have done more and should have done more particularly with regard to rectifying those unintended consequences of the Defence Home Ownership Assistance Scheme legislation that affect reservists.

Mr NEUMANN (Blair) (4.51 pm)—I speak in support of the Defence Legislation Amendment Bill (No. 1) 2010. I want to speak on three aspects of this bill, the first dealing with the Defence Honours and Awards Appeal Tribunal, the second as to procedural fairness in relation to the termination and discharge process, the need for natural justice and the separation of prosecutorial power and decision making and the third in relation to the Defence Home Ownership Assistance Scheme, which is so relevant to and important in my electorate of Blair in South-East Queensland, which contains RAAF Base Amberley. I have often been a delegate to the national conference of the ALP. On numerous occasions we have come out strongly, in our policy and platform, in support of the Australian Defence Force, particularly supporting the independence of defence and honouring its role in our community. The areas in relation to awards and medals are certainly difficult. How medals are handed out is often irregular and very complex. Sometimes there is suspicion that it is not necessarily appropriate to hand out medals to a certain person given the duration of service or the area of service. Sometimes there is some suggestion that politics can be involved in the decision making. That is why I think the commitment that we made in the 2007 election campaign to effectively take politics out of the medals policy is so important.

I do not accept the criticisms of the previous speaker in relation to the Parliamentary Secretary for Defence Support. We have established an independent Defence Honours and Awards Tribunal. It was established in July 2008 and that was done in an administrative capacity. What particular role and what function that tribunal has are problematic without statutory authority. There is no doubt about that. This is always a difficult area, whether it be an administrative or a judicial tribunal given what the Constitution has to say, whether there is a legal basis for establishing such a tribunal and whether it be about the powers and functions and responsibilities of the tribunal and its members. How a person is appointed to the tribunal is also problematic from time to time. So there needs to be statutory authority for that to happen.

The current tribunal really does not have any authority to make separate decisions or to independently review defence decisions concerning the eligibility of military personnel for defence honours and awards. That really should be rectified, and that is what this legislation is doing. It is setting out the functions of the tribunal, its decision making, who can apply for review, the referral of general defence honours and awards issues for inquiry and advice, the
constitution and the method of appointment of members and many other transitional provisions which make this tribunal more sound legally and provide a basis at law. I think this is an appropriate way to go. The parliamentary secretary has acted appropriately. I think this will certainly clarify some of the anomalies with respect to the issuing of medals to military personnel. So I applaud the parliamentary secretary for what he has done in this regard.

The second aspect is a very difficult issue. It concerns the termination of employment of a Defence Force person who may test positive for a prohibited substance. This is always a difficult thing because, if that is the case, that person loses their livelihood, perhaps their financial security, their esteem, and they go down in the eyes of their peers and in the community generally. So it is absolutely vital that natural justice be afforded to that particular person. There needs to be a separation between the person who gives that person notice to show cause and the person who terminates their service. It is extraordinary that currently that is not the case. We need to be fair. It does not mean to say that we should not stamp on the use of prohibited substances. If someone—for example, military personnel at RAAF Base Amberley in Queensland—used a prohibited substance and it was an offence under the Queensland Drugs Misuse Act, of course we should show zero tolerance. But we need to make sure, where these things involve many years of service—and perhaps that person can in fact discharge their duties in a way that is respected in the military—where you are talking about a person’s employment, that there is procedural fairness. I applaud the government for what they have done in this regard. It is the right thing to do and it accords with the basic principles of natural justice.

The third aspect of this bill which I wish to talk about deals with amendments in relation to the Defence Home Ownership Assistance Scheme as it applies to reservists. The current situation needs to be changed. We will make amendments which will ensure that section 5 of the act applies to all reserve members and clarify that section 5 applies to a member who has become a reserve member as a result of a transfer from the permanent forces. I have had many friends who I have known through sport, community organisations and in church communities in the Ipswich area who have been permanent members of the Royal Australian Air Force who have then left to pursue other careers but have gone back to work as reservists. To clarify the situation is the right thing.

This scheme has been one of the best initiatives we have undertaken with respect to the military. This has really made it more attractive for people to be recruited and to be retained in the military. I have been to the RAAF base on numerous occasions and have spoken to many, many people about this issue in Ipswich. The feedback I have received is that this scheme is well received. They see this as part of a broad set of initiatives by the government with respect to defence personnel, encouraging them to stay in the service. It is important that we provide higher home loan subsidies to permanent members and also to reservists. The legislation sets up that scheme and outlines the number of years a person needs to serve if they are a permanent member of the military and also if they are a reservist. This is a good and important initiative. It is something that defence families have advocated for for a long time.

With respect to the home loan providers—there is reference in previous legislation to this—I have been approached by Bendigo Bank locally to see if they can get a handle on being involved in this process. I am lobbying hard to see whether it can be expanded to see Bendigo Bank included. I have had some discussions with the regional manager, Michael List, in relation to this issue. Michael is also the President of the Ipswich Chamber of Commerce,
and I have had some discussions about whether the Bendigo Bank can be involved in the scheme. I would hope the government, at some stage, would look at that.

With respect to defence housing in the Ipswich area, for a long time, sadly—under governments of both persuasions, but particularly under coalition governments—it was neglected and some of the homes in which defence personnel spent their time were inadequate. I have been to many of them in suburbs such as Leichhardt and One Mile, where there was plenty of defence housing. It must have been tough on families—on children and on spouses and partners—to have to come and live in inadequate facilities and homes away from their loved ones interstate or intrastate.

But we are investing a lot of money in my electorate in defence housing, and this correlates with the initiatives we are undertaking with respect to the legislation and particularly the schedule under the Defence Legislation Amendment Bill (No. 1) 2010, which we are debating here. We are building 111 defence houses in Ipswich over the next few years. This is injecting $36 million into our economy. It has created 35 jobs in the Ipswich community and indirectly benefited many more. I have visited many of these houses, particularly in the suburb of Flinders View, where I live. In fact, many of the houses are in the estate just up the hill from where I live, and the housing is of very high quality. The housing is very well received. They are four-bedroom brick homes with wonderful views as well. It is also not just part of the usual defence housing that we are constructing in Ipswich but part of the nation-building stimulus plan.

Currently across Australia DHA manages about 17,300 properties, worth about $7.6 billion. Shortly, under the Nation Building Economic Stimulus Plan, I am to officially open another 20 homes in Raceview, which is the neighbouring suburb to Flinders View on the south side of Ipswich. I want to congratulate the government for taking that initiative. The quality of that housing, I am sure, will be every bit as good as the quality of the housing at Flinders View.

Honouring our military personnel by way of medals but also providing practical support for them in terms of housing is crucial. But, finally, providing procedural fairness for those people facing the possibility of losing their employment is also particularly important. And that is why this initiative in this legislation is so important for my community in Ipswich in South-East Queensland, where the RAAF base at Amberley is based.

Mr ROBERT (Fadden) (5.01 pm)—I rise to lend the coalition’s support to the Defence Legislation Amendment Bill (No. 1) 2010. The bill will address five separate measures, notably the following: firstly, establishing the Defence Honours and Awards Appeal Tribunal by legislation; secondly, ensuring there is procedural fairness in the discharge and termination process which relates to a person who has returned a positive test result for a prohibited substance; thirdly, ensuring that section 58B determinations, relating to remuneration and allowances, are subject to tabling and disallowance; fourthly, amending the Defence Home Ownership Assistance Scheme Act 2008 to ensure that it covers all members of the reserves; and, fifthly, amending the Defence Force Discipline Act 1982 to enable the appointment of chief petty officers and flight sergeants as discipline officers. The coalition supports all five schedules, but I wish to restrict my remarks just to schedule 1. I thank the Parliamentary Secretary for Defence Support, Mike Kelly, for his and his office and department’s assistance in coming to grips with the key areas of what the bill proposes.
The principal intent of schedule 1 of the bill is to insert a new part into the Defence Act 1903 to formally establish the Defence Honours and Awards Appeal Tribunal by legislation. I note that this is the fulfilment of a Labor 2007 election policy that stated:

A Rudd Labor Government will form a permanent independent tribunal to oversight Defence honours and awards, to take the politics out of medal policy.

Accordingly, in 2008 the government established the Defence Honours and Awards Appeal Tribunal—let us call it the DHAAT—to consider longstanding defence honours and awards issues. At the time, of course, this tribunal was not supported by legislation—hence the bill now. Thus the Department of Defence issued a directive outlining the roles and responsibilities of the tribunal. Notwithstanding that the authority for this directive is unknown—and, perhaps, a little dubious at best—the government, to the parliamentary secretary’s credit, stated that they would abide by the tribunal’s ruling, and there does not appear to have been any infraction of that. It appears that the government has indeed abided by the rulings of the tribunal.

Prior to the establishment of the current tribunal, there was no avenue of appeal open to Australian Defence Force members, ex-serving members, next of kin or others who had applied for medals and had their application declined, short of a ministerial application. There was also no permanent body that could independently consider broader recognition issues relating to defence service. The limitations of the current unlegislated tribunal are that it can only inquire into and make recommendations relating to issues referred to it by the government and clearly has no authority to make separate decisions or to independently review defence decisions concerning eligibility for defence honours and awards.

The establishment of this tribunal as a statutory body under the Defence Act 1903 will clearly legislate the current tribunal and will, in my opinion, strengthen the current tribunal’s independence, which I think will actually assist in making the Defence honours and awards decision making process more transparent. I think it provides a clear and simple process for people seeking some degree of redress to go to a tribunal to seek that redress. People will still be able to appeal a decision of the tribunal through the Federal Court under the Administrative Decisions (Judicial Review) Act, as they should be able to.

To date the tribunal has ruled on a range of awards: the criteria for the Australian Defence Medal; the claims of the Merchant Navy, including the US Army Small Ships Section; 4RAR Malaysia; and the Battle of Long Tan inquiry. And I can say the tribunal has dealt with those four in a highly professional manner, producing a set of recommendations that I think meet the high standards of community awareness and concern.

The tribunal is also currently inquiring into recognition of contributions made by officers and instructors in the Australian cadet forces; recognition of unattached Australian entertainers in the Vietnam conflict; recognition of Australian Defence Force service for SAS counter-terrorism and special recovery duties; recognition of service in Somalia; recognition for members of the ADF for service in Papua New Guinea after 16 September 1975; and of course recognition for Defence Force personnel who served as peacekeepers from 1947 to the present. I note the tribunal will rule on all military medals, including Mention in Dispatches, Imperial awards and foreign awards, which I think is a fairly inclusive way of looking at it. The procedural rules will come down via legislative instruments.
The Defence Honours and Awards Appeal Tribunal is a sensible move forward. The only thing I would add, considering the parliamentary secretary is in the room, is that we still have no area for appeals for those who are outside the military. For example, if an AusAID worker was working somewhere in Cambodia and missed out on the humanitarian medal, there is nowhere they could go to seek appeal. There is also nowhere the Federal Police could go to seek appeal or redress for those types of awards and honours. There may be room in the future for the Defence Honours and Awards Appeal Tribunal to be expanded to include a whole range of other awards and honours, including humanitarian, police and other sectors that seek to serve. I offer that constructively. Otherwise, I lend my full support to schedule 1 and the establishment of a Defence Honours and Awards Appeal Tribunal.

Mr HAYES (Werriwa) (5.07 pm)—I rise also to lend my support to the Defence Legislation Amendment Bill (No. 1) 2010. The proposed bill will address five separate areas but will include the establishment of the Defence Honours and Awards Appeal Tribunal, ensure that there is procedural fairness in the determination or charges being processed for defence members who test positive to prohibited substances and make it absolutely clear that section 58B determinations for non-salary conditions of service are subject to tabling and disallowance.

The bill will also amend the Defence Home Ownership Assistance Scheme 2008. It will ensure that section 5 of the act applies to Reserve members. To clarify, section 5 applies to all members who become reservists—they are subject to eligibility whether they transfer from the permanent services or not. That, quite frankly, is very important, as I understand it, to a number of people in my electorate who have lobbied long and hard for that particular provision.

Finally, the bill will amend the Defence Force Discipline Act 1982 to enable the appointment of chief petty officers, together with flight sergeants, as discipline officers. Warrant officers of the Army are already included. The bill will align the punishments available to be imposed in respect of certain ranks.

The government remains totally committed to ensure the security of Australia. There can be no greater responsibility of any government than to ensure national security. To this end we are committed to building a Defence Force that is combat focused, better equipped, more mobile, more capable and certainly operationally ready. To help achieve this we must support our Defence Force through targeted legislation. That is exactly what this piece of legislation is.

Only last month I had the unique opportunity, as the parliamentary secretary is aware, to attend—with, I think, six other members—the Defence Force Parliamentary Program. We spent 10 days in the joint service facility at Al Minhad, which is a staging ground for many of those who are going on to serve our country in Afghanistan. The point of the story is to say that we had those 10 days to actually sit down and spend a great deal of time just with the ordinary men and women of the Australian Defence Force. You cannot help but be touched by their professionalism, their dedication to task and certainly their commitment to their objectives which are defined by the Australian government in terms of their operation.

One of the major things that was discussed with us over there, one of the major things about increasing the retention of the service, was their position in terms of home ownership. That was one of the big things that members of all ranks discussed with us, which is a bipartisan grouping as to one of their decisions to remain in the service. It is no doubt an attraction and certainly important to the retention rates of the ADF, which are very important. After in-
vesting in the building up of their skills and their capability, the last thing we want to do is lose those to private enterprise, because those skill sets which they have built up are very sought after. The people that we have built up are in fact sought after. Hence we have attracted to our side of politics the good doctor here, the member for Eden-Monaro. Being a colonel, he has made a major contribution to the government, particularly in honing our focus on how we look after men and women who serve us so bravely in the Australian uniform.

Also very important for many of those people—and I have them nearby to my electorate, particularly in Holsworthy—is the overall pride in the uniform, the pride in being a member of an organisation, and also knowing full well that it is an organisation that has command, control and very clear lines of discipline. Those areas of discipline must be clearly spelt out. The changes that have been brought as a result of this act do much to ensure not only the continuation of discipline but also something that we take for granted, and that is procedural fairness.

Before coming here I did a number of things, but I represented people industrially for a good part of my working life. One of the big things that was always a challenge was to ensure people had procedural fairness shown to them when there was serious action being taken that could curtail someone’s employment. This piece of legislation now does enshrine that. Those military personnel will be given the same degree of procedural fairness as we would expect for our own sons and daughters working in civil occupations.

It is also important to appreciate the position in terms of the processing of honours and setting up the tribunal to make sure it is at arm’s length and fully independent from government. Many members have veterans associations in their electorates. I compliment them on the services they do in respect of veterans and members of the armed service. One of the areas of particular activity for the people in the service groups in my electorate was to focus on the issue of the battle of Long Tan. I know that matter has now been before the tribunal.

Veterans in my electorate, because some were participants, were very supportive of the stance taken by Colonel Harry Smith in his standing up for Delta Company 6RAR and ensuring that there be just recognition of the commitment of Australian soldiers in that particular battle. It is one in which Australia, as I understand it, was outnumbered 10 to one. It is one in which, tragically, 18 Australian lives were lost and another 23 people were wounded. As it has been recounted to me, particularly by my local veterans, this was when they were standing up against an emerging force of a North Vietnamese regiment and members of the Vietcong. As the battle finally concluded and after relief had been provided to the Australian soldiers, it was found that more than 1½ thousand of the enemy had either been killed or died subsequently of wounds. That was an extremely courageous, heroic stand by 6RAR and I think it is one that is going to live long in the memory of all those who honour the name and the reputation of the 18 servicemen who died on that occasion.

Putting it at arm’s length takes some of the emotion out of it and a lot of the perceived stance of senior officers’ recommendations. It allows for a tribunal to entertain evidence based upon fact and make clear and concise recommendations. There is now an appeal mechanism. In terms of the value we place on military service—the value I know the service puts on its medals and its recognition—let me tell you that these people do not go into these occupations to make money. They go in there to serve the country and they deserve to have full recognition for what they bring to bear on our behalf. I think this will go a long way to satisfy that
desire, not only for existing members of the ADF but also for those who look after retired members who have served this country well. This is a way of showing continued loyalty to the men and women of the ADF. I commend this legislation to the House.

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (5.17 pm)—in reply—In summing up the debate on Defence Legislation Amendment Bill (No. 1) 2010 I would like to thank all those members who made genuine contributions to this debate today. In particular, I would like to pay tribute to the member for Fadden who engaged diligently and genuinely with us in the process of explaining this legislation, and I welcome the constructive comments he made in the chamber today. I would also like to acknowledge the interest in defence matters the members for Werriwa and Blair have shown in the conduct of my duties over the course of these last couple of years. They are very genuinely concerned about the welfare of members in their electorates. I will, however, comment separately in relation to the comments made by the member for Paterson, which I place in an entirely different category, but I will address those at the conclusion of these remarks.

The proposed bill provides for five separate measures. The first is that it amends the Defence Act 1903 to establish the Defence Honours and Awards Appeal Tribunal by legislation, inserting a new part 8C in the Defence Act 1903, to establish the Defence Honours and Awards Appeal Tribunal. The amendment sets out the functions of the new tribunal, what decisions are reviewable by the new tribunal, who may apply for review—including a power for the minister to refer general defence honours and awards issues for inquiry and advice, general provisions relating to the operation of the new tribunal, the constitution of it and appointment of members and transitional provisions for the continuation of business of the current administrative tribunal and the automatic appointment of current members to this new tribunal. Second, it amends the Defence Act to ensure that there is procedural fairness in the determination and discharge process where a defence member has tested positive for a prohibited substance.

Third, it amends the Defence Act to make it absolutely clear that section 58B determinations made under the Defence Act are subject to tabling and disallowance and are able to operate with certainty and transparency. Prior to the commencement of the Legislative Instruments Act 2003, determinations made under section 58B of the Defence Act were subject to tabling and disallowance. With the introduction of the Legislative Instruments Act, determinations made under section 58B of the Defence Act were expressly exempted by the Legislative Instruments Act from being subject to the new legislative insurance regime. It was always the intention that the tabling and disallowance regime continue in accordance with section 46B of the Acts Interpretation Act 1901.

Fourth, it amends the Defence Home Ownership Assistance Scheme Act 2008 to ensure that it covers all members of the Reserves regardless of the way they became members of the Reserves. It was the original policy intent that section 5 of the act should cover all members of the Reserves, including those engaged by transfer. The scheme has been administered consistent with this intent.

Fifth, it amends the Defence Force Discipline Act 1982 to enable the appointment of chief petty officers and flight sergeants as ‘discipline officers’ to clarify the jurisdiction of discipline officers and to align the punishments available to be imposed in respect of certain ranks.
There were further comments made by the member for Paterson, as I referred to earlier, in relation to an incident involving an individual who is alleged to have worn decorations and awards to which he was not entitled. This matter was first raised with me by an AAP journalist and I requested the department to provide advice to me on 6 May. That advice was received in my office last Friday, so I do now have information concerning this individual. The Defence Department was not aware of those circumstances prior to my request for further information. I advise the member for Paterson that I am not a police officer and therefore have no responsibility for prosecutions of violations of the provisions of the Defence Act which relate to this incident. Any person who had information concerning this individual had open to them the option of referring the matter to the appropriate authorities, in which case it would have been dealt with in accordance with those provisions. I have no jurisdiction to act as an independent prosecutor or authority in relation to allegations of that nature, so I am uncertain as to what aspect of my duties the member for Paterson was referring to in relation to the matter.

The second matter to which the member for Paterson referred relates to the operation of the Defence Home Ownership Assistance Scheme. He referred to the operation in relation to certain aspects of its application to the Reserves. This matter, he stated, was an aspect of my responsibility. However, I should clarify for the chamber that that is not the case; it is the responsibility of the minister who has the carriage of personnel matters—formerly Minister Combet and currently Minister Griffin. I can advise the chamber that the matters raised by the member for Paterson are currently being investigated by the department, which was requested to do so by Minister Combet. This bill is not the appropriate mechanism for these issues to be resolved because the regulations are available for those aspects of adjustment that were raised by the member—if they are warranted, and that is yet to be established. So at this stage we are waiting upon a report from the department to the minister.

I have to say also that I resent greatly the member’s implied slur with regard to the way the scheme is operating. He commented that the scheme was in some way designed to benefit me personally. In my second reading speech, in which I introduced this bill into the House, I specifically made statements indicating that I was not attempting to draw upon the anomaly that was highlighted in this legislation and to which this amendment is addressed. Had I taken advantage of that to which I was actually legally entitled, it would have meant that I could have obtained a sum upwards of $128,000. I have deliberately, clearly and publicly stated that I intend not to take advantage of that loophole and that I have discounted myself from that scheme and made no application whatsoever in relation to that scheme to pursue those entitlements.

That statement of mine was absolutely clear and I resent entirely the slur from the member for Paterson. I think it reflects more upon him than it does upon me. I would have to say that he reveals himself—through his incompetent comments in relation to this legislation and through his behaviour in terms of his slurs against me and others—as not an appropriate person ever to carry responsibility for the members of this Defence Force.

He also claimed that I had lost touch with members of the Defence Force. I can assure him that as a reservist and as a person with portfolio responsibilities, I take great pleasure and pride in my daily contact with Defence personnel. I was recently up in Darwin at Robertson Barracks and HMAS Coonawarra, and regularly have contact with these members. I under-
stand deeply the nature of their service and the difficulties and challenges that they face. I do my very best to represent their interests in this portfolio, and resent and reject entirely the implications of his comments.

I thank members who made genuine contributions to this debate and I look forward to the further operation of the Defence Honours and Awards Tribunal, in particular, which has made great progress in clearing up a backlog of many decades of issues which, in some cases had quite shamefully been left neglected. They have made very many people very happy in relation to the outcomes they have achieved so far under the operation of the tribunal. Once again, I thank the member for Fadden, also, for his comments and for his constructive engagement in this process.

Question agreed to. Bill read a second time.

Ordered that the bill be reported to the House without amendment.

**NATIONAL SECURITY LEGISLATION AMENDMENT BILL 2010**

Cognate bills:

**PARLIAMENTARY JOINT COMMITTEE ON LAW ENFORCEMENT BILL 2010**

Second Reading

Debate resumed from 18 March, on motion by Mr McClelland:

That this bill be now read a second time.

Mr KEENAN (Stirling) (5.27 pm)—I rise to speak on the National Security Legislation Amendment Bill 2010. I think it is worthwhile that this House recall that as we debate this bill today, in numerous places around the world members of Australia’s armed forces, the Australian Federal Police, and officers of Australian Customs and Border Protection Service, are undertaking dangerous and difficult tasks in pursuit of Australia’s national security. The tasks that they are performing are difficult but necessary.

Equally important to Australia’s national security are our anti-terrorist intelligence operations. In the post 9/11 world, Australia has expanded its counterterrorism capacity through the state police forces and the Australian Federal Police, through ASIO and through ASIS. The fact that there has been no terrorist attack on Australian soil testifies to our success, and in this vital area it is imperative that the Rudd government continues to build on the good work of the previous coalition government. The former coalition government understood that keeping the Australian people safe is the most basic duty of government.

One important facet of Australia’s national security where this Labor government has failed dismally is in border security. Since August 2008, when the government dismantled our effective border protection system, there have been 128 illegal boat arrivals, carrying 5,932 people. This year alone there have been 60 illegal boat arrivals carrying 2,961 people. The Prime Minister’s failed immigration and border protection policies are now bringing illegal boats in record numbers but unlike the coalition the Prime Minister is unwilling to take the necessary action to fix the chaos that has been created by his own inability to leave well enough alone, when he came to office.

Instead, we now find Labor asking churches to take asylum seekers as the Christmas Island detention centre overflows and onshore detention centres swell under the weight of Labor’s
inept immigration and border protection policies. The rate of arrivals is literally overwhelm-
ing the available capacity of our border protection forces, who do incredibly difficult and hard
work keeping Australia safe.

Labor’s failed border protection policies have cost taxpayers an extra $1 billion over four
years, according to figures announced in the recent budget. The government is chasing its tail
with these costs. It is doing nothing to stop these costs from skyrocketing. Its answer is just to
keep shovelling money to pay for these blow-outs, which have now contributed to this ridicu-
lous and unnecessary $1 billion blow-out—money that the Australian taxpayer would never
have been required to spend in these areas if Kevin Rudd and the Labor Party had just been
able to contain themselves and not mess with the successful border protection system that we
had in place. This $1 billion blow-out could just be the beginning. It may well go higher, and
it will go higher if the government is not changed and if they are the ones who keep ineptly
managing our borders. People smuggling is an insidious trade that takes advantage of those in
the most vulnerable situations. This Labor government needs to recognise this fact and take
action towards stopping the boats from leaving in the first place rather than luring them with a
Christmas Island reception centre.

I will just move to some of the detail of the proposals within this bill. The bill proposes
amendments to legislation in four principal areas: treason, sedition and terrorism offences;
powers to investigate terrorism and serious crime; the listing and proscription of terrorist or-
ganisations; and the protection of national security information and court proceedings. I want
to talk about the first part—the treason, sedition and terrorism offences. The bill proposes that
the offence of treason in the Criminal Code be amended by confining the offence to those who
owe allegiance to Australia or who voluntarily place themselves under Australia’s protection,
and clarifies that the offence of assisting the enemy refers to material assistance.

The offence of sedition is proposed to be renamed ‘urging violence’ and includes urging the
overthrow of the Constitution or the government and urging interference in parliamentary
elections. These provisions will require an intention that force or violence would be used. A
new offence is also proposed of urging the use of force or violence against a group distin-
guished by race, religion, nationality, national origin or political opinion. There is a lesser of-
fence if the force does not threaten the peace, order and good governance of the Common-
wealth. The defence of ‘acts done in good faith’ is clarified by making it relevant that acts
were done in the context of artistic work, in genuine academic or scientific discourse or in the
dissemination of news or current affairs.

It is proposed to repeal the offences relating to unlawful associations. These are claimed to
be outdated and subsumed by the terrorist organisation laws. Amendments to the definition of
a terrorist act propose to include the United Nations as a target of the act. The definition of the
harm intended to be caused by a terrorist act is extended to include psychological harm.

The new offence of committing a terrorist hoax is proposed, with a maximum penalty of
imprisonment for 10 years. The offence of advocating the doing of a terrorist act will be
amended to provide that the prosecution must establish that there is a substantial risk that it
could lead another person to commit a terrorist act. This is consistent with the concept of risk
elsewhere in the Criminal Code. The offence of providing support to a terrorist organisation is
clarified to mean material support. I would like to acknowledge at this point the very substan-

MAIN COMMITTEE
tial contribution of the former Attorney-General, the member for Berowra, who was very pro-active in dealing with these issues.

I will go to section 2, powers to investigate terrorism and serious crime. Amendments are proposed to the Crimes Act which are said to arise from recent operational experience. The division relating to powers of detention will be separated into two subdivisions to deal with terrorism and terrorism offences. In the case of terrorism offences, the maximum length of time that a person can be detained during an investigation period is proposed to be seven days and 20 hours. The provisions relating to re-entry under an existing search warrant will be amended to permit re-entry within one hour in normal circumstances and 12 hours in an emergency situation. In addition, it is proposed that entry without a warrant be permitted in emergency situations when investigating terrorism. It is proposed that there be a right of appeal both to prosecutors and defendants against bail decisions if there are exceptional circumstances.

Moving to the third area of amendments, the listing and proscription of terrorist organisations, minor amendments are proposed to provide for listing if the minister is satisfied of the proscribed matters on reasonable grounds. Listings are to be reviewed every three years. As stated in the bill’s explanatory memorandum:
Currently under subsection 102.1(3) of the Criminal Code, the listing of an organisation ceases to have effect two years after its commencement, or if the Attorney-General ceases to be satisfied that the organisation is directly or indirectly engaged in, preparing, planning, assisting in or fostering the doing of a terrorist act, whichever occurs first.

The purpose of the automatic expiration is to ensure that if the Government wishes to continue the proscription, the Attorney-General has considered afresh all the relevant information and is satisfied that there is a sufficient factual basis to justify the proscription for a further period.

The proposed amendments … will provide that a regulation proscribing an entity as a terrorist organisation under the Criminal Code will automatically expire on the third anniversary of the day on which it took effect. This is consistent with a recommendation of the Parliamentary Joint Committee on Intelligence and Security … in its Inquiry into the Proscription of ‘terrorist organisations’ under the Australian Criminal Code (September 2007). The Committee, which is responsible for reviewing all listings of terrorist organisations … concluded that extending the period of a listing regulation from two to three years would offer an adequate level of oversight.

The fourth area consists of amendments to the National Security Information (Criminal and Civil Proceedings) Act 2004. The purpose of the act is to protect information from disclosure in federal criminal proceedings and civil court proceedings where the disclosure would be likely to prejudice Australia’s national security. The act has been invoked some 38 times, and the experience informs some relatively minor amendments, principally to clarify that notification should be made to a party’s legal representatives and to streamline the definition of situations in which disclosure would be permitted. In some situations, answers to questions in court may be made in writing.

I turn now to the concurrent bill, the Parliamentary Joint Committee on Law Enforcement Bill 2010. The establishment of the committee was a proposal of the discussion paper on proposed reforms to counterterrorism and national security legislation. The proposed committee will replace and extend the functions of the current Parliamentary Joint Committee on the Australian Crime Commission, of which I am privileged to be a member. The principal extension is the inclusion of the Australian Federal Police. The committee will be asked to examine
trends and changes in criminal activities, practices and methods, and to report on any desirable changes to the functions, structures, powers and procedures of the ACC or AFP. It will also inquire into any question in connection with its functions that is referred to it by either house of parliament.

Unregulated and increasingly voluminous people movements are testing this Labor government’s border security policies; and, as we know, Australia has essentially become a magnet for this insidious trade peddled by people smugglers. It was my privilege very recently to visit Christmas Island. I met some of the brave Australian service personnel—in this instance, serving on HMAS *Albany*—who engage with Border Protection Command in patrolling our northern waters to intercept illegal boat arrivals. The crew were called Attack 4 division and they were led by Lieutenant Commander Paul Garai as part of Operation Resolute, the ADF’s contribution to protecting Australia’s borders. They obviously work alongside personnel from Customs and other agencies. Up to 400 ADF personnel are assigned to Operation Resolute. It is the largest ADF operation outside Afghanistan. I think it is very important that we in this House acknowledge that there are grave dangers for our personnel who are involved in Operation Resolute. Indeed, going back to the incidents surrounding the SIEV36, it is possible that Australian service personnel on the intercepting patrol boat could have been injured or killed. So it is very important, I think, that we know that the work they are doing is vital to Australia’s security and also involves some personal danger to themselves.

When I visited Christmas Island I had the chance to meet with Customs and Australian Federal Police officers, who are doing an excellent job of performing the policing and customs functions on the island, as well as dealing with illegal boat arrivals. All Australian government personnel deal compassionately yet firmly with the range of people seeking entry to Australia. I salute the professionalism which Customs, AFP and our armed forces apply when performing this very important task. We, the Australian parliament, expect a great deal of them and they have a right to know that the Australian people are fully behind them.

It is worth noting that the bill, together with the Parliamentary Joint Committee on Law Enforcement Bill, has been referred to the Senate Legal and Constitutional Affairs Legislation Committee for inquiry and report by 15 June. The coalition reserves its right to move amendments in the Senate, pending the committee’s recommendations. The coalition strongly believes that governments have a responsibility to do everything within their power to improve national security and to deal with all potential threats that face Australia. Waiting for a terrorist attack to occur is unacceptable. It is integral that this package of reforms delivers strong laws that protect our safety while at the same time it preserves democratic rights to protect our freedoms. Therefore, the opposition supports the thrust of both the bills.

**Mr DEBUS (Macquarie) (5.41 pm)—** I rise to support the National Security Legislation Amendment Bill 2010. I thank my colleague for his assistance. Back in 2006, when I was serving as Attorney General in the state of New South Wales, I made a speech that did not meet with universal approval within my own party. I was at the time particularly concerned about the sedition provisions of the new national security legislation and I complained also of the ferocious hostility then being directed by the right-wing media commentariat against any suggestion that human rights considerations were of serious relevance in the response to terrorism. I suggested, indeed, that human rights had been taking a battering from two forces: from terrorist activity and from terrorism laws. I believe I was correct to have had those con-
cerns in 2006 and that a proportionate response to threats to national security was not always achieved at that time.

However, the attacks on New York and Washington in September 2001, and the later attacks in Jakarta, Bali, Madrid, London and, more lately, Mumbai, absolutely require the Commonwealth to maintain and improve the legal framework for our national security. On the other hand, if in our resistance to terrorism we abandon the rule of law as it has been understood in the common-law world, then the terrorists have in significant degree won. I believe absolutely that our culture of equality before the law and freedom of speech is by far the best defence that we have against terrorism. I do not intend to quote myself more than one more time, but I have also turned up a speech that I made introducing terrorism legislation into the New South Wales parliament. I generally justified the law, which complemented the Commonwealth law, by pointing out that in profound ways terrorism was quite unlike general criminal activity. I said:

General criminal activity has never aimed to perpetrate the mass taking of life, the widespread destruction of property, or the wholesale disruption of society in the way that terrorism does. The national security legislation developed after 9-11 and after the London bombings of 2005 was passed, obviously, in the shadow of quite momentous events, but it was nevertheless passed, bearing in mind that gravity, with extraordinary haste. Technical errors requiring later correction were inevitable. The laws were also, as has since been demonstrated, sometimes careless of their impact on individual rights—that is on the one hand. But they were sometimes insufficiently precise about the exercise of powers absolutely needed by police and intelligence agencies to effectively constrain terrorist activity. It was very hard in the atmosphere of the time to keep an appropriate balance, from the perspective from which I was working anyway. I have already mentioned the commentators who were prepared to treat any reference to human rights as some sort of affront to our national values. One was aware, too, that Prime Minister Howard was on the lookout always for an opportunity to wedge the Labor Party with the suggestion that it was soft on terrorism. He was no more capable of genuine bipartisanship than the present Leader of the Opposition in this respect.

Fortunately the Senate did operate as something of a brake on the attempts of the then government to force headlong passage of terrorism legislation and managed some important amendments. Still, it has taken a number of independent reviews—they were mentioned by the Attorney in his second reading speech—to bring together the balancing amendments contained in the bill before us now. I do, by the way, particularly commend the work of the Parliamentary Joint Committee on Intelligence and Security, and its chair, the member for Brisbane, in this respect. The need for balance is well described by Lynch and Williams in their book, *What price security?*:

Making a sufficient response to this uncertain threat involves creating offences that recognise the seriousness of the crime of terrorism and granting our intelligence and law enforcement agencies the powers they need to protect us. But this must not be the only approach if we are to win the ‘war on terror’. We also have to ensure that we preserve our way of life—and particularly the basic freedoms and access to justice that are consistent with our position as one of the world’s oldest continuous democracies.

The authors go on to deliver a low blow—they quote Robert Gordon Menzies introducing the national security legislation on the eve of World War II, our biggest ever security threat. Menzies said:
Whatever may be the extent of power that may be taken to govern, to direct and to control by regulation, there must be as little interference with individual rights as is consistent with concerted national effort ... the greatest tragedy that could overcome a country would be for it to fight a successful war in defence of liberty and to lose its own liberty in the process.

I am grateful to Robert Gordon Menzies for so precisely nailing the point. I wish particularly to draw attention to the measures in this bill which deal with sedition and treason offences, and also those which implement recommendations of the inquiry by John Clarke QC into the famous case of Dr Mohamed Haneef.

It is exactly to help ensure the quality of balance I have been speaking of that Clarke recommended the appointment of an independent reviewer who will be able, where necessary, to conduct a robust investigation of an intelligence or security matter within any agency of government. The bill extends the present role of Inspector-General of Intelligence and Security so that may occur. At the same time, this bill extends the role of the Parliamentary Joint Committee on the Australian Crime Commission to include the Australian Federal Police. The new committee will be called the Parliamentary Joint Committee on Law Enforcement, and I am certainly among those who welcome its extended oversight.

The joint committee will be responsible for providing broad parliamentary oversight of the AFP and the Australian Crime Commission. The functions of the committee will include monitoring and reporting to parliament on the performance by the Australian Crime Commission of its functions, monitoring and reporting to parliament on the performance by the AFP of its functions, and examining trends and changes in criminal activities, practices and methods and reporting on any desirable changes to the function, structure, powers and procedures of the Crime Commission or AFP. The establishment of this committee implements the government’s election commitment to improve oversight of the AFP.

I held responsibility for both the Crime Commission and the Australian Federal Police from November 2007 until June 2009—that is to say, well after the events investigated by Mr Clarke but during the time when he actually brought down his report. Unlike many journalistic commentators, I have drawn the conclusion that Clarke got the role and situation of the AFP about right. At the same time, he accurately identified problems in the procedures for the conduct of a terrorist investigation set out in the Crimes Act, which had been introduced in 2006.

Clarke says that one officer became too close to that case, and he says that the Director of Public Prosecutions should never have advised AFP to charge Haneef. He nevertheless goes out of his way to describe the senior AFP officers involved in the investigation as dedicated, impressive people of high capacity. I wish to say that I identify with those remarks; I precisely agree with him. Real people in situations like this one can face quite extraordinary stress and, in the Attorney-General’s words, they need procedures to administer that are precise and appropriately tailored. It is worth quoting from the Clarke report:

Unfortunately, the investigation has been presented, somewhat unfairly, as a complete bungle. That is because it took a long time and in the end Dr Haneef was wrongly charged. Should it have taken so long? I think not ... In my view, the ‘extension of time’ provisions in the Crimes Act—which failed to provide a cap or limit on the detention period—removed, or diminished, the sense of urgency that should have been brought to the task of determining whether to charge or release.
That is what Clarke said. He said the investigators, who were dealing with an entirely new kind of crisis, needed clearer, more precise procedural guidance. The amendments in the present bill to part 1C of the Crimes Act have the purpose of clarifying the intent of the terrorism investigation process. They clarify the definition of the word ‘arrested’. Part 1C powers apply only if a person has been validly arrested. They set a seven-day limit as the maximum period that can be specified by a magistrate and disregarded from the investigation period. They clarify how the investigation period and the time that may be disregarded from it are calculated. They clarify procedures by which investigators may apply for a period of disregarded time and they insert a number of proper safeguards. A senior officer must oversee the preparation of an application to the magistrate in this circumstance. The arrested person or their legal representative is entitled to make representations to the magistrate. That is to say, the overall purpose of this amendment, a quite critical one, is to clarify the policy extent of the terrorism powers and to improve their practical application.

I turn now to the law of sedition. It has archaic roots in the Star Chamber of the early 17th century. It was used against Gandhi. It was used against the shearers in the great strike of 1891. It was last used in the infamous case against the communist leader Sharkey in 1949. It is by definition imprecise, subject to arbitrary application. It may be used to punish a defendant severely not for what they have done but for what they have said. The sedition law had fallen into disuse at both federal and state levels; however, sedition offences in the Commonwealth Criminal Code, lying there dormant, were resurrected and included, admittedly in somewhat modified form, in the 2005 terrorism legislation.

There were not a few people on both sides of this House who were deeply troubled by that development. In the atmosphere of the time, the revival of the sedition provisions was a clear and present threat to Australian freedom of speech—not only a direct threat but an indirect threat insofar as provisions of that nature frighten people into restraining their words for fear of possible prosecution. The compromise offered by the Howard government in 2005 was a review by the Australian Law Reform Commission. I am profoundly relieved that in the bill before the House the government is essentially accepting the recommendations of the ALRC.

The sedition and treason offences in the Criminal Code will be clarified and the odious words themselves abandoned. The name of the sedition offence will be changed to the precise and accurate term ‘urging violence’. An offence to intentionally urge violence against a group on the basis of race, religion, nationality or political opinion already exists, at least where that action would threaten the peace and good government of the Commonwealth. This bill will expand the offence to include urging violence on the basis of ethnic or national origin. Also, it will expand the offence to include urging violence against an individual and it will cover the use of violence even when the peace and good government of the Commonwealth is not threatened. That will be a lesser offence.

This is a tough law but it is not any longer a law that threatens free speech. In the same spirit the treason offence—properly called ‘providing assistance to the enemy’—will be amended to make it clear that the offence must involve assistance to the enemy that is real or concrete.

Finally I should mention that the measures in this bill were developed in close consultation with the community. The Attorney-General released a discussion paper in 2009 and there was a good level of public participation and submissions received in response to the discussion.
paper. Indeed, the process exemplifies the level of consistent well-focused community consultation and responsive participation that will ensure that our counterterrorism legislation is properly understood, is appropriately targeted and does meet community needs and community expectations. Some of the measures that were included in the discussion paper, I should mention, are not in this bill. Those are measures that will require the states to amend their legislation which refer power to the Commonwealth. I understand that the government will continue to work closely with the states to progress those measures. I commend the bill to the Main Committee.

Mr WOOD (La Trobe) (5.55 pm)—I wish to speak on the National Security Legislation Amendment Bill 2010 and the cognate bill, the Parliamentary Joint Committee on Law Enforcement Bill 2010. First of all I congratulate the government and the Attorney-General for establishing the Parliamentary Joint Committee on Law Enforcement, which succeeds the Parliamentary Joint Committee on the Australian Crime Commission. The major change in this is that the Australian Federal Police will now fall under the parliamentary joint committee, which I think is a really good idea. It is going to give members of parliament a greater insight into the Australian Federal Police in that they will find out precisely what is happening with the police and look at how legislation can improve law enforcement in this country.

However, in saying that, I now have to give the government a bit of a whack, as the Australian Federal Police in 2008-09 had their efficiency dividend increased by one or two per cent, which basically meant $24 million off the AFP’s operating budget. This seemed quite crazy at the time, because you had President Obama in the US doing all he could to ensure law enforcement actually received further funding. But over here, under Prime Minister Rudd, we were seeing budget cuts. In the 2009-10 budget the Australian Federal Police budget was cut by $8.1 million and its counterterrorism program was cut by $1.4 million. I have raised before the issue of the AFP’s counterterrorism branch in Sydney. They suffered severe cutbacks. This year, again, in the 2010-11 budget $23.5 million in savings was imposed on the AFP—or maybe this has been diverted to other programs. We see that the AFP had an increase of funding for border protection. I would rather see that money, if there were no policy change, going to the Australian Federal Police.

When we look at the Australian Crime Commission, we see that it has been gutted so badly by the Rudd government. The Australian Crime Commission was set up to have both state and territory police and the Australian Federal Police seconded to work at a national level together to take on serious and organised crime. And yet we have seen the Rudd government make cutbacks in the 2008-09 and 2009-10 budgets. In total, about 22 per cent of staff were cut. In fact we have had the ability for the state police to work with the AFP pretty much dismantled, because the Rudd government would not pay the bills of the seconded police members. When it comes to law enforcement, the best approach to take on the most serious criminals and gangs in this country is to have police forces working together. Elite criminals do not just work in one state; they work interstate and internationally. The Australian Crime Commission, with all the law enforcement agencies working together, was the perfect weapon of choice to go after serious and organised crime.

We have a major gang problem in this country. Sadly, we had the incident at Sydney Airport, where an outlaw motorcycle gang member was actually killed in front of the public. This generated a response from the Prime Minister that he would do everything he could to take on
the gangs. But nothing has happened. Because we do not have anti-association laws in my home state of Victoria, we are now seeing outlaw motorcycle gang members from all over the country making Victoria the place to be if you are a biker. Even the Australian Crime Commission estimates that outlaw motorcycle gangs account for anywhere up to 15 per cent of drug movements around this country.

The first thing we need to do is set up a national gangs database. This is absolutely crucial. We need to work out the number of gangs in this country, whether it be street gangs, outlaw motorcycle gangs or, as we recently saw on the front page of the *Age* in Victoria, Asian gangs. My background is that I was a member of the Victoria Police organised crime squad. On the 15th floor of the St Kilda Road Police Complex we had the Asian gangs squad. They were brilliant. They could tell you anything about Asian crime and gang members. Sadly, the Asian gangs squad and the organised crime squad were closed down. Under the previous government, CrimTrac was established. This is a vehicle for police and law-enforcement agencies all over the country to undertake searches to find out if there are warrants out on offenders. It is also used to store details about missing persons and firearms licences. This would be the perfect place to hold a national gangs database.

We should remember that prisons are the place where terrorists are most likely to be recruited and brainwashed. Especially in the UK and America, there are so many people detained for terrorist offences that they actually have their own gangs in the jails. A lot of people are joining the extremist Muslim gangs for protection. They can join a number of prison gangs. This is an issue for New South Wales in particular, where more people are apprehended and detained in custody. Australia really needs to place great emphasis on ensuring that prisons are not a breeding ground for terrorists. Richard Reid, the shoe bomber, was recruited in a UK prison. That is of great concern. So the first thing the government needs to do is establish a national gangs database where all the law enforcement agencies can go.

Secondly, as I said before, Kevin Rudd promised to be tough on crime but he has not been tough at all. This is very sad. I know that members of the Parliamentary Joint Committee on the Australian Crime Commission on both sides of the chamber have been very disappointed in the cutbacks to the secondment of members. Anyone who has had dealings with police would realise that the secondment of members and investigators working hand-in-hand right across the country is the weapon of choice against organised crime. As a former detective, I can tell you that elite criminals move from state to state and there is no better way of tracking them than by having a task force that works right across the country to exchange ideas and intelligence and follow the criminals from state to state.

I congratulate the government on the amendments relating to treason, sedition and changes to the offence of ‘urging violence’. I made a speech on 28 November 2005 in which I expressed concern about the sedition laws. I mentioned in that speech that trying to work out whether these offences could be used or not used was going to get police investigators into a lot of difficulty. This is the right decision and it has been a long time coming. I will give credit where credit is due. I know it was based on the UK model, and it is the right way forward.

When it comes to other aspects, I am still greatly concerned about the preventative detention legislation and cutbacks, under part 1C of the Crimes Act, from 14 days to seven days. To me you need to give the investigators all the powers and tools they can have. Australia has been, in some cases, very lucky; but in other cases it has been brilliant detective work. I know,
through my colleagues back in the Victorian Police, where you may have a homicide investigation into the murder of four or five people it takes up a lot of time and resources. Can you imagine if we had an incident, God forbid, in this country where we had a large number of people killed at the one time? As we saw in the UK, they were seizing so many computers, checking mobile phones—it became an absolute nightmare. That is why their detention times have been a lot longer. With our preventative detention, the investigators still do not have the ability to put any allegation at all to a suspect in custody; they have to be released or arrested under part 1C of the Crimes Act. When we were in government I was critical of that decision, and I have not changed my position on it.

In recent times I put it to the Victorian Police: would they use the Commonwealth offence powers or use their own? In actual fact they said they would use their own, which is ‘reasonable time’. I honestly believe that that is what it should be, to give the investigators all the time in the world they need. Sadly, the only way this is ever going to come to light is when, tragically, some incident does take place. I believe that with the Haneef case, and my recollection of Four Corners and listening to the Australian Federal Police, they did not use preventative detention legislation. I believe it was because they knew they could not ask any questions and they basically ran out of time. They did not use ‘reasonable time’. I believe at that time they had a 48-hour limit. Again, that is something I highlight to the government. I raised that with the Attorney-General in the consideration in detail stage of the debate on the Appropriation Bill (No. 1) 2009-2010. I put that question to him and he said that he would not be making legal comment. We really need to ensure that these issues are addressed, because it is crucial that our investigators have all the powers in the world to do the job they need to do.

I will leave it there. There are some good aspects in the bill—as I said, like the changing of ‘sedition’ to ‘the urging of terrorism’—that make a lot of sense. But, again, the government really must get back on the game and fund the Australian Federal Police the way they should be. They are wasting a lot of money on border protection because they have changed the policies, and again with the Australian Crime Commission. To me that is the key to taking on serious and organised crime in this country, and the government is definitely failing on that.

Mr HAYES (Werriwa) (6.08 pm)—I rise today to speak on the National Security Legislation Amendment Bill 2010 and the Parliamentary Joint Committee on Law Enforcement Bill 2010—two bills which I strongly support. I am really happy to follow my friend the member for La Trobe. I do agree with him on a number of things, but sometimes he has to let that political bias just slip off his collar. I do pay respect to the occupation he came from. I know he was a detective in the Victorian Police, a group of people I have had the honour to represent on numerous occasions before coming into this parliament.

We are very much in a rapidly changing world when it comes to issues of terrorism—and, as my friend would no doubt hasten to point out, the nature of organised crime. As a national government we have a responsibility to protect all our citizens. Indeed, it is probably the single-most central position of government to ensure national security.

In doing so, our laws will not stay static. We need to make sure our laws actually are capable of protecting citizens by giving the levels of threat and the natures of those threats. The proposed amendments included in this package of reforms are designed to give the Australian community confidence that our counterterrorism laws are precisely that, and that they are precise and appropriately tailored, and that our law enforcement agencies and our security agen-
cies have the necessary investigative tools they need to combat and counter terrorism as it applies.

Additionally, the purpose for the Parliamentary Joint Committee on Law Enforcement Bill is to establish the new Parliamentary Joint Committee on Law Enforcement that will replace the former Parliamentary Joint Committee on the Australian Crime Commission. It will broaden that committee so it applies not only to the Australia Crime Commission but also to the Australian Federal Police. This is a matter which has been subject to considerable input over a long period of time. It is certainly something that we undertook to do to at the last election.

I particularly thank for their submissions—obviously they were made to the government at that stage, who did not act on it; but the submissions also made it to the opposition, which is what we were prior to the election of November 2007—the Police Federation of Australia, also a body which I had the opportunity to work for for a prolonged period of time and to consult to, and its CEO, Mark Burgess, as well as Jon Hunt Sharman, who is the president of the Australian Federal Police Association. Both of those bodies were very strong in their lobbying to ensure that a similar oversight that we provided to the Australian Crime Commission would be provided to the AFP. The basis of that came about, indeed, from the Clarke review of the Haneef case. In that inquiry a number of things were looked at, a number of things were addressed and a number of recommendations were made.

One of the things that always stood out to me—because this is a change which has been agitated for by the Australian Federal Police Association—was, ‘Why would they want to put themselves under greater scrutiny?’ The fact is that they have a regard for their professionalism, their commitment and operating to the letter of the law. Also, the fact is that they want to make sure we will not get ourselves into another situation where a policing activity became, as it did, a political football. The way that developed was a low point for Australian politics. One way to correct that for the future is to provide a degree of oversight of the activities of the AFP.

I know that I had discussions at the time with various people in the leadership positions of the AFP, and I know that at one period of time these changes would have been resisted. They thought that it was inappropriate to have government oversight of a law enforcement agency of the nature of the AFP. However, the AFP has seen first-hand—because they have been part of the inquiries conducted by the joint parliamentary committee into the ACC—what that oversight is. This is not interference; this is oversight provided by the elected government and committee which also includes, on a bipartisan basis, members of the opposition from both houses. This is something that was not resisted by the rank-and-file members of the police force. It is something that they sought to have added to their role and to actually give a more transparent acceptance of the grave professionalism that was being discharged by their officers.

When you think about it, the role and functions of this committee are quite similar. The Joint Parliamentary Committee on Law Enforcement will be responsible for providing broad parliamentary oversight on the AFP as well as the Australian Crime Commission, as I mentioned. The functions of the Parliamentary Joint Committee on Law Enforcement will include monitoring and reporting to parliament on the performance of the ACC and its functions; the same in respect to the AFP and its functions; examining trends and changes—and this is the
important part—in criminal activities, practices and methods; and reporting on the desirable changes to the functions, structures, powers and procedures of both the ACC and the AFP.

Unfortunately, my colleague the member for La Trobe has left, but I know he has been a very significant contributor to the joint parliamentary committee on the ACC and has been part of many of its recommendations. Oddly enough, this is one of the committees I can honestly say operates on a bipartisan basis. To date, I do not think there has been a minority position taken on that. The members of that committee certainly approach it on the basis of what is needed—what are the tools that our law enforcement agencies need to do the job that we expect them to do, which is to protect our communities. If that same approach is taken in our monitoring of the AFP, which it will be, this can only be of benefit, not only to the members of the AFP but to the AFP itself. That is one of the strong things that comes out of this.

The other thing that is important is examining the trends and changes in criminal activity in the Australian law enforcement field. One of the things that is certainly pretty clear to me is that there has been a change in serious and organised crime in this country. That is one of the reasons—and by the way it emanated from the recommendation of the Australian Crime Commission Committee or the PJC oversighting the Australian Crime Commission—why we introduced laws late last year on unexplained wealth. One of the things that was pretty clear in our examination of trends in Australia and overseas—particularly in Ireland and a number of the European states—was the need to address the act of criminality and to cause people under suspicion to explain their unexplained wealth. I know my colleague from La Trobe went some distance to explain the issue about bikies and having a gang register or something of that nature. I think in a modern police force what we really need, and we have recommended and will probably continue to recommend, is a national police management system. One of the things that probably does not help us is having six different jurisdictions and a Commonwealth having different police management systems, where people might cross the borders and do something else. You then do not know precisely what they have been doing elsewhere. One of the things that strikes me is it was clear to us, in the evidence given to our committee by the Australian Crime Commission, that we needed to do more—and we did. We brought down that legislation and regrettably, I note to the embarrassment of the member for La Trobe, it was watered down a little in its passage through the Senate. That might be something that needs to be revisited, in due course.

We are trying to be vibrant, as vibrant as the criminal element is, not only in this country but also internationally. We see that crime is not something that recognises geographic boundaries. It certainly does not recognise state or federal constitutions, nor does it limit itself in the way it applies itself to-ing and fro-ing overseas. One of the things we need to look at is best practice and how we provide the necessary tools to empower our law enforcement agencies to do what they need to do, which is protect our community, to address issues of organised crime and, importantly, in the raft of bills before us today, to provide counterterrorism.

As the member for Macquarie is currently in the chamber, I should mention that he has played an extraordinary role in shaping law enforcement legislation not only in this parliament but also in the New South Wales parliament. Particularly when it came to sedition laws, he took a very strong view—a politically less popular view than his Premier might have liked at that stage! I have known the member for Macquarie to be forthright throughout his time in public life. He has made a significant contribution to the development of the New South
Wales government’s approach to law enforcement and he has also made a significant contribution to the development of the Rudd Labor government’s approach to law enforcement and counterterrorism.

We are in extraordinary times. Going back before 9/11, I do not think we were thinking the same way about counterterrorism as we do today. There is no point in simply saying that we are working our way through these things. We will continue to have reviews of terrorism based legislation. Every piece of counterterrorism legislation we put through this House winds back people’s liberties. There is no question about that. The member for Denison is in the chamber. He is a person who champions civil rights and he does so quite responsibly. He acknowledges that everything we do in this regard winds back someone’s rights. So we should not necessarily wind back those rights unless it is evidence based and needs to be done to ensure the protection of our community. That is the framework we should be operating in and that is how we should continue to develop laws in this place.

We have had to act upon a number of recommendations from the Clarke inquiry into the Haneef case and I would like to mention a couple of them. But I would firstly like to say that this bill will amend the Criminal Code Act 1995, the Crimes Act 1914, the Charter of the United Nations Act 1945, the National Security Information (Criminal And Civil Proceedings) Act 2004 and the Inspector-General of Intelligence and Security Act 1986. In terms of schedule 1 of the proposed amendments to the treason and sedition offences that are currently outlined in division 80 of the Criminal Code, the government accepts the recommendations of the Australian Law Reform Commission, which include removing the term ‘sedition’ and replacing it with the phrase ‘urging violence’ and clarifying and modernising the elements of that particular offence. Once again, I pay credit to the member for Macquarie in respect of this amendment. Schedule 1 of the bill will also extend the offence to cover the urging of violence to stop a group or individuals on the basis of national or ethnic origin, race, religion or political opinion—even in relation to the political system itself. That certainly streamlines the provision and gives greater definition of what it is that we are seeking to outlaw in that respect.

Schedule 2 of the bill includes the proposed amendment to division 102 of the Criminal Code. This division of the code contains the definition of ‘terrorist organisation’, the process of proscribing terrorist organisations and the terrorist organisation offences. This will amend the definition of ‘advocates’ to clarify that ‘an organisation advocates the doing of a terrorist act if the organisation directly praises the doing of a terrorist act in circumstances where there is a substantial risk that such praise might have the effect of leading a person to engage in a terrorist act.’

When proscribing organisations, it also became necessary to look at the time that those organisations would remain proscribed. Importantly, in this act that time is going to be extended for a period of 12 months; it will extend the current listing of a terrorist organisation from two years to three years.

There are many other amendments which relate to the definitional provisions to implement the government’s policy to ensure that various matters are consistent throughout Commonwealth legislation. I understand, particularly in terms of same-sex partnerships, that these matters must be agreed to by the states. However, I am advised that states and territories have already indicated their approval for these matters to proceed.
In the Clarke review it was also indicated that there should be certain changes, particularly to the exercising of search and detain powers by the police—in particular, the powers of stop, search and question in relation to terrorist acts. Division 3A of the Crimes Act 1914 was inserted into the Crimes Act by the Anti-Terrorism Act (No. 2) 2005 to provide police with specific powers in relation to terrorist acts in addition to the existing police powers. However, division 3A does not provide police with the power to enter without a warrant premises where there is material that may pose a risk to the health or safety of the public in emergency circumstances relating to terrorism offences.

What is being proposed here is that where there is such a risk to the public—it may be through the making of explosives or something of that nature—police will have the power under schedule 4 to enter those premises without a warrant to address that emergency circumstance. As I understand it, that does not relate to entering premises with a view primarily to collecting evidence, but rather it relates to protecting the public. Schedule 5 proposes that the amendments will modify the search warrant provisions of part 1AA of the Crimes Act so that in emergency situations the time available for law enforcement officers to re-enter those premises will be extended by another 12 hours or where the issuing authority addresses the exceptional circumstances and prescribes a longer time.

Again, those amendments are based on public safety—ensuring that the public are protected from harm. There are many other issues that I would like to address, but I am out of time. I just say that we are committed to looking after the men and women of the Australian Federal Police, who do such a sterling job in protecting our community. I praise their professionalism, commitment and dedication to their uniform and the way they do their jobs. One of the things that we must do in this place is ensure that they have the appropriate tools and skill sets to do the job that we ask of them—and that job is to protect our community. I commend these bills to the House.

Mr OAKESHOTT (Lyne) (6.29 pm)—I rise this evening certainly not to oppose the National Security Legislation Amendment Bill 2010, the cognate bill and the formation of the joint committee but to once again put on the record a defence of liberty through the rule of law. I also once again wish to make some points about our role in the process of developing precise and appropriate laws for various operational and strategic agencies to implement. Where it is necessary to put in place special circumstances for exemptions to those processes, we need to do it in a precise and clearly defined manner. Whilst this legislation is, in a broad sense, a step forward on that front, there is more work to be done. I hope that attorneys-general and both federal and state executives continue to be vigilant in appreciating and enhancing the rule of law through the development of transparency and accountability in our law, because we are stronger if those broad principles are put in place.

I concur with the member for Werriwa about the role that both the member for Macquarie and the member for Denison have played over a long period of time as fellow travellers on both liberty and rule of law in what has been a swing of the pendulum over the last decade towards the wants and needs of the state—at times at the expense of citizens’ liberties, both individual and community. I wish them both well—if this is indeed the last sitting! Whether it is being active in the form of writing letters to the editor or whether it is taking higher office all the way through to secretaries-general of the United Nations, I wish you well in your travels and look forward to staying in touch.
Mr Debus—I believe the member for Denison is going to become a chief justice!

Mr Oakeshott—Then I am glad that I said what I said! As this is wide-ranging legislation, I will also be a little bit wide-ranging. I will start with some broad principles and then try to come back, in the time I have, to the individual. The broad principles that I have just been talking about are my first point. Democracy is at its strongest if the rule of law is our safe port. Both in the context of shield and sword, when we need to attack and when we need to defend, it is critical for public policymakers in the citizens house to understand that when it gets tough, when questions of community safety are put upon us, the consistent safe port is in the processes, established over hundreds of years, attached to natural justice and rule of law principles.

I have a weird habit of reading more than one book at a time, and the two books I am reading at the moment are My Life with the Taliban and a book about the role that John Hatton played, called The Stench in this Parliament. I did not think the books were connected until I started to think about this speech, but in that role of sword and shield, attacking and defending with respect to upholding the rule of law, the Hatton story is very good with regard to whether we are comfortable as community and citizenry in handing over complete power to our own agencies. Hatton’s great crusade was royal commissions into police in New South Wales. Therein lies an example and a cautionary tale for all of us when we are thinking about those crazy, brave moments when the easiest policy decision is just to hand over the issue to the police, or hand it over to the military and say, ‘Go your hardest, clean it up and sort it out,’ and walk away as upholders of the process of the rule of law. That is in a defensive and a shield sense with regard to the rule of law. My Life with the Taliban is a story that I would recommend to everyone to read in relation to what we, over the last decade, have clearly defined as ‘terrorists’—which we have used everything in our power to hunt down, lock up and try to stamp out in what is proving over time to be a somewhat futile exercise as we find ourselves still deeply entrenched in conflict.

Whilst the member for Macquarie was probably a lot wiser than me in quoting former Prime Minister Menzies with regard to wanting to protect liberties at all times but not doing it at the expense of one’s own liberties, I would like to make the same point but by quoting someone who was held at Guantanamo Bay for seven years and released without any charges—an Afghani local who just ended up in the wrong place at the wrong time. He made a similar point in a poem he wrote whilst being held. He wrote:

This ‘freedom’ put a proud people in chains
And turned free men into slaves

This is “democracy” by the whip
And the fear of chains
With a whirlwind at its core

Whilst it is exactly the same point that the member for Macquarie was making when quoting a former Prime Minister, we see that point being made by a prisoner at Guantanamo Bay in the form of a poem. He was released without charge after seven years in a process that I would hope over time is reflected on as one that was questionable in its delivery of the rule of law
and questionable in its ability to achieve the outcomes that it intended to achieve when first established.

I am a strong defender—in case you had not noticed—of the principles behind natural justice and the rule of law. The very foundations of being a member of parliament and a believer in parliamentary processes should be an example of that for all of us. Therefore, the brave, the strong and the macho position, in my view, is to be vigilant in the defence of those rule of law principles. That is why I am pleased to see some greater precision around some of the issues in this package, including the change to sedition laws and the change to language defined as ‘urging violence’, including the urging of violence against an individual and the urging of violence which does not involve the state or Commonwealth. I think they are sensible steps forward for the law in this country. The fact that we are seeing better definitions attached is good and sensible.

Likewise, the formation of the joint committee for law enforcement—and including the AFP in that—and oversight as part of the process certainly sit comfortably with the principles that I have just talked about. I think it is as much in the Australian Federal Police and the Australian Crime Commission’s best interests to have that oversight and for there to be a meeting place in this building of a joint committee that allows for, in a sense, a clearing house of any of the issues in and around the processes of the rule of law. So it is certainly a welcome move.

I do, however, continue to raise concerns around some of these broader questions. The word ‘enemy’ has appeared in the language in some of this legislation. If we are being precise and are keen to define what we are talking about—and without me being cute in raising a concern—we should ask: what is our enemy and who is our enemy? That would be a worthy exercise in trying to be precise and trying to define. Likewise, there is an issue with the language around terrorism itself. What is a terrorist? Who are the terrorists?

Following on from the Clarke inquiry, if we are going to use this sort of language, and use it as if everyone knows what it actually means, it would be nice to have some clear definitions and some precise boundaries around exactly what is a terrorist today when compared to a common criminal, compared to a freedom fighter and compared to the many other types of definitions we could potentially throw under that same banner of ‘terrorist’ if we wanted to. Likewise, there are the definitions around an emergency situation. That language has crept into this legislation. Whilst it is hard to predict the future and where such a situation would arise, if we are being true to our intent—and I give government credit for trying to be precise—it would be good to be very clear in the language around what is an emergency situation and when and how such powers would and could be used into the future.

They are my broad points. Basically I have no opposition. Essentially it is a step forward. But I certainly do not see it as the end of the road. Hopefully, we will see further action in the quest for precision. I hope the Attorney-General is a flag-bearer in upholding these principles around the rule of law so we can get the best form of freedom and the best form of democracy that we can. Taking the broad and turning it into the defined in all of this, to achieve the best form of freedom and the best form of democracy there must be an obligation on every single citizen to know the law, to understand the law and to understand rights and responsibilities. To use some of the former Prime Minister’s language about personal education, it is about being alert, aware and also safe. If individuals take on that responsibility as part of a broader citi-
zenry and a broader community then we will build the strongest society and the strongest de-

Whilst the Attorney-General is in the chamber, I want to put an issue to him that we have

had several discussions about. He very kindly visited the mid-North Coast to meet with many

of the community service providers on the issue of community legal centres. We have a gap-

ing hole on the mid-North Coast when it comes to the delivery of community legal services.

People on the mid-North Coast are expected to get in contact with services that are four to

five hours drive away. After 15 years of public service, I know that community legal services

on the mid-North Coast are simply nonexistent; access is just not happening. I know we have

had lots of discussions about it. There is great anticipation about any potential announce-

ments. I once again look to the Attorney-General to provide us with some wonderful news! I

certainly hope he can do that, and we will support his claim for Chief Justice if he delivers!

This is a good package. It is a step forward. I hope every individual in their daily life consid-

ers the role they have in knowing and understanding the law. I think there are things that at-

torneys-general and I can do in helping in that regard—that is, in the context of community

legal centres.

Once again, I urge everyone in this place not just to pass the ball to the operational or stra-

tegic agencies on some of those broad principles but to be macho in holding on to them, de-

fending them and working hard to make sure the agencies do what we as representatives want

them to do in both defending and attacking when it comes to issues around the rule of law.

Mr KERR (Denison) (6.45 pm)—I thank the member for Lyne and, previously in this de-

bate, the member for Macquarie for their thoughtful contributions on the National Security

Legislation Amendment Bill 2010 and related bill before the parliament. It is true, as all

speakers have observed, that we are not immune from the passions of our day and, when a

society is fearful, it is a natural first reaction to respond vigorously and to take measures nec-

essary for that society’s protection. In the course of doing that there is need for reflection to

ensure that the remedy is not worse than the malady against which it is directed.

I have been in this parliament as a member of the House of Representatives standing com-

mittee on legal and constitutional affairs, however named, or as the minister responsible for

law and justice, however named, for more than 20 years and I have seen the ebb and flow of

debate in relation to these enormously consequential matters. Can I say in respect of the legis-

lation in front of us: this is good and incremental legislation. It reflects a thoughtful balance

that has been informed by considerable independent input but also by the long work of many

parliamentarians.

I think it was nine years ago, when Labor was in opposition and I was the shadow minister

for justice and customs, that I introduced into the parliament a bill to establish a joint standing

committee of this parliament to do precisely what the bill now envisages—that is, to establish

an oversight of the Australian Federal Police. At the time, that was not recommended, but it

does show that work that is done by parliamentarians in this place builds a foundation upon

which later reflection can be had and that work we sometimes see as having been a failure at

its time is not necessarily so—that is, that those of us who work to argue and to advance a

coherent and logical position in respect of these issues can have successes many years after

we felt the first sting of failure.
These measures are important because they are in areas where this parliament is always going to be confronted by the very real necessity to take strong action to deal with threats that come either from organised criminal gangs or from terrorist organisations, and there is, of necessity, no public sympathy for those who threaten us. But, just as the Athenians sent out a fleet to destroy a city that had offended them and, after being persuaded the next day by Pericles to have second thoughts, sent out another trireme to chase down the fleet, sometimes we in this parliament have to be the assembly that has the opportunity for calmer reflection to ensure that we do not go too far.

Much of the work that is done in that regard is done behind closed doors in private. It has been recognised, I think, by the member for La Trobe, who comes from the other side of the chamber, that it is rare that there is anything other than constructive debate within those committees; that we do not break up into partisan differences when we come privately to discuss these great challenges. Jason Wood, the member I referred to, has a history as a former policeman. I served on committees of which he was also a member, and the differences we bring and the perspectives we offer by way of different starting points are enormously valuable to inform the work of this parliament and, through that, change the outcomes in legislation.

I want to reflect on the anti-terrorism aspect of the legislation that we are passing. The work of the Joint Standing Committee on Intelligence and Security, previously the Joint Standing Committee on ASIO, ASIS and DSD, was absolutely critical to ensuring that there was a significant response within the parliament so that the measures that were taken in the heat of the events after September 11 did not overreach. People will argue that, nonetheless, those measures in some estimations went further than they would have wished. Equally, others would say that there was an imperative case that this parliament act to ensure the safety and security of its citizens. Both starting perspectives have a very significant element of validity.

It is only in the privacy of a room where you can sit down and look at those strategic, law-enforcement and security issues in a rather bipartisan way that you can create a reporting document that goes to your colleagues and can inform a debate that actually leads to changed outcomes. That was very successful and it also involved some people of courage. I note the tributes that have already been paid to the member for Macquarie in his former role as attorney. There was also the former Chief Minister of the ACT who took a position which was contentious and, I thought, courageous at different stages.

Without people in this parliament who are prepared to be contentious and courageous from time to time this assembly does not do any good work. But that is not the only thing that works. It is also the work that is done by the joint committees acting responsibly, often without anyone sighting their discussions. For quite obvious reasons—if you are discussing the strategic orientation of intelligence services or law enforcement, these are not matters necessarily that will be discussed in public—many of their hearings are in camera. It is in those calm meetings, without the flourish of public attention, that much good work is also done, and the balance has come out well.

I congratulate the attorney, who is with us today, on continuing to be receptive to hearing the concerns of his colleagues on all sides of the chamber. This is a set of issues that concerns not merely those with Labor and Liberal allegiances but also Independents, Greens and all those others who make up this rather healthy and ferocious democracy of ours.
I should not take any greater time because, in a sense, we are all agreed and there is no necessity to repeat much of the debate that has already been had on this set of legislative measures, but I do hope that at some stage we also take the opportunity to look at an overall assessment of the number of parliamentary committees and whether it might be time for some serious strategic attempt perhaps to reduce the number of those committees but also to strengthen the resources available to them so that they can do the focus work that they need to undertake. This is a really important area of parliamentary oversight that we have now added, that of the Australian Federal Police, but it is a large one.

When the Keating government was in office they established an organisation called the Office of Strategic Crime Assessments which had a relatively short life and I think published only two reports. The idea of that was to look at the strategic forward settings for where our law enforcement efforts should be most focused. At that time it was looking at over the horizon threats from Russian organised crime and various other anticipated threats that we might be subject to. The issues of our present day, which we are perhaps not sufficiently focusing on, are economic crimes.

There is a conference to be held in Lisbon in about four weeks’ time under the auspices of the International Society for the Reform of Criminal Law, focusing on the threat to the nation state of economic crime. That might be a very important area for this committee to look at in terms of the policy settings and resourcing of the Australian Federal Police. But if those committees are not properly resourced and if members of parliament belong to too many committees such that they cannot undertake their appropriate supervisory work with the rigour and support that is required, then these processes really will become lip service rather than truly effective.

I do think it is time. I understand that each area of policy calls on the establishment of a committee, and the like, but the number of parliamentary committees has grown enormously and the resources for each committee—by way of secretarial and research assistance—have diminished accordingly. The resources have not increased. To make this sort of committee work you need parliamentarians who are prepared to devote a significant amount of their parliamentary service to it, as they do always on the Parliamentary Joint Committee on Intelligence and Security.

As a member of that committee for a number of years, I witnessed the very intense and careful work of members because they knew that it was a crucial committee that needed very significant attention. People who came onto that committee took it terribly seriously, as did those who came before them. Equally, this committee will not work unless people give it the same kind of significant attention. I think it is perhaps something for future parliaments, as I get ready to transform from a rooster to a feather duster in some months’ time—certainly before April next year—when the next election is held. I suppose as a parting comment to those who will be ongoing, as the member for Lyne will be, it is worth considering whether the number and resources of committees have been become such that the truly important work of these committees in their supervisory and oversight roles cannot be adequately resourced.

With those remarks, I commend the Attorney for this legislation and I commend all members who have participated in such a constructive way. I acknowledge that the heartbeat of this House is often not seen by the community. The heartbeat of this House is the work that is
The member for Stirling referred to changes to the definition of a terrorist act and the creation of a terrorist hoax offence in the Criminal Code. The honourable member is correct that these proposals were included in the discussion paper released last year for consultation. However, I should clarify that while the government is still pursuing these amendments they are not included in the bill due to required changes to state and territory referral legislation that are being considered by the states. The process is ongoing and we will look to introduce these amendments in a separate piece of legislation in due course.

The member for La Trobe made some comments about criminal gangs and suggested that the Prime Minister had not been tough on crime. Might I draw the honourable member’s attention to the criminal association offences recently introduced by the government in the Crimes Legislation Amendment (Serious and Organised Crime) Bill 2010 and Crimes Legislation Amendment (Serious and Organised Crime) Bill (No. 2) 2010 and, indeed, the range of measures in those bills which are now acts of parliament. Also, the member, with respect, should note the Commonwealth Organised Crime Strategic Framework, which I launched last year. I indicate that Australia, together with attorneys from the United States, Great Britain, Canada and New Zealand, is progressing the fight against organised crime at an international level. The government takes the threat of serious and organised crime very seriously. In addition to those measures, some $14 million has been allocated in this budget to the establishment of a new criminal fusion centre together with $23 million to improve the resources that are available to AUSTRAC to assist in the fight against organised crime.

More broadly addressing issues raised in the debate, I remind the House that the government provided in this current budget $1.1 billion over four years to strengthen Australia’s national security. That is part of a broader package of $4.3 billion in addition to funding incorporating national security, border protection, aviation security and measures in support of Australia’s Defence Force.

The member for Lyne raised more generally that any response to national security must be consistent with and, indeed, underpin the rule of law. In turn, of course, the rule of law is a hollow concept if it is not accessible. That lack of accessibility to redress grievances can itself be a source or cause of alienation of some sectors and individuals in the community, which in turn can be the start of the process of radicalisation. I do not think it is drawing too far a bow to say that the involvement of the government in providing legal services to communities is at the heart of an effective legal system and, indeed, one on which the rule of law is based. In that respect, the federal budget included $154 million for legal assistance services. I am informed that this is the largest and most significant injection of new funding into the legal assistance sector in well over a decade. I am pleased to report to the member for Lyne that the government will be allocating $200,000 per annum over the next three years to assist with the establishment of a community legal centre in the mid-North Coast region.
Mr Oakeshott—Absolutely fantastic!

Mr McCLELLAND—I note that interjection. In allocating the funding, I note the findings of the recent mid-North Coast legal needs analysis report, which was drawn to my attention by the member for Lyne. It found that the mid-North Coast region has one of the highest levels of social disadvantage in New South Wales. The population well and truly exceeds, by comparison, the population of the ACT or, indeed, the Northern Territory or, for that matter, for the member for Denison, Tasmania, where there are far more extensive services. In each of those three other locations there are far more extensive resources available for legal assistance. I commend the member for Lyne for being such a vigorous and effective advocate on behalf of his constituents for greater access to community legal services to improve access to justice on the mid-North Coast of New South Wales. It was certainly an argument that was well put and well advocated but also deserving.

In concluding my remarks, these two bills comprise a package of reforms to Australia’s national security and counterterrorism legislation aimed at ensuring our laws are appropriately targeted and accountable in their operation. The National Security Legislation Amendment Bill will implement the government’s responses to several independent and bipartisan parliamentary committee reviews of Australian national security and counterterrorism legislation, which were tabled in parliament on 23 December 2008. I join with the member for Denison in commending the work of these committees.

The legislative amendments are designed to clarify and improve the operation of the treason and sedition offences in the Criminal Code; enhance and clarify law enforcement powers to investigate terrorism under the Crimes Act 1914; to provide for regular review of organisations listed under the Charter of the United Nations Act 1945; to improve the processes for protecting national security information in court proceedings under the National Security Information (Criminal and Civil Proceedings) Act 2004; and also to extend the role of the Inspector-General of Intelligence and Security to inquire into intelligence or security matters relating to any Commonwealth department or agency. As I indicated in the second reading speech, these measures will be in addition to, and operate alongside of, the government’s decision to appoint a reviewer of national security legislation.

The Parliamentary Joint Committee on Law Enforcement Bill will establish the Parliamentary Joint Committee on Law Enforcement which will replace the Parliamentary Joint Committee on the Australian Crime Commission. This new committee will be responsible for oversight of the Australian Crime Commission and the Australian Federal Police. I would like to take this opportunity to highlight the importance of the role of the parliamentary committees, as I have mentioned and as the member for Denison has, and in particular note the valuable work conducted by the Parliamentary Joint Committee on Intelligence and Security, which is responsible for reviewing particular aspects of our national security agencies and other matters referred for review by the responsible minister.

The PJCIS played a significant role in the legislation we have considered today by virtue of having recommended a number of changes in two reviews, which included the Inquiry into the proscription of ‘terrorist organisations’ under the Australian Criminal Code which reported in September 2007 and the Review of security and counter terrorism legislation which reported in December 2006. The establishment of the new Parliamentary Joint Committee on Law Enforcement will not detract from the valuable work conducted by the Parliamentary Committee.
Joint Committee on Intelligence and Security. I look forward to that committee’s continued contribution to Australia’s national security.

As members would be aware, both the National Security Legislation Amendment Bill and Parliamentary Joint Committee on Law Enforcement Bill have been referred to the Senate Standing Committee on Legal and Constitutional Affairs for inquiry. I understand the committee is due to report on the bills on 15 June 2010 and I will closely consider any recommendations made by the committee in due course.

The government is confident that the reforms contained in both of the bills that have been debated today deliver strong laws that protect our safety while preserving democratic rights and protecting our freedoms, consistent with the principle of the rule of law—which was the subject of my opening discussion. These measures will help prepare us for the complex national security challenges of the future. This government’s concerted efforts to continually review and refine our counterterrorism laws will ensure that the legislation is effective. It is bolstered by strong safeguards and accountability mechanisms, and it is responsive to community needs, expectations and values. I commend this bill to the House.

Question agreed to.
Bill read a second time.
Ordered that this bill be reported to the House without amendment.

PARLIAMENTARY JOINT COMMITTEE ON LAW ENFORCEMENT BILL 2010

Second Reading
Debate resumed from 18 March, on motion by Mr McClelland:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

INTERSTATE ROAD TRANSPORT CHARGE AMENDMENT BILL 2010

Second Reading
Debate resumed from 12 May, on motion by Mr Albanese:
That this bill be now read a second time.

Mr TRUSS (Wide Bay—Leader of the Nationals) (7.10 pm)—I rise tonight to discuss the Interstate Road Transport Charge Amendment Bill 2010. The bill was introduced into the House on 12 May and is designed to ensure that owners of heavy vehicles registered under the Federal Interstate Registration Scheme, FIRS, will not pay a higher registration charge next financial year than owners of trucks registered under state or territory registration schemes.

There are about 20,500 heavy vehicles registered under FIRS, a scheme designed for operators running heavy vehicles engaged in interstate operations. The scheme was established as an alternative to state based registration for heavy vehicles weighing more than 4.5 tonnes. It is designed to provide uniform charges and operating conditions for heavy vehicles engaged in interstate operations. Registration charges for such vehicles are imposed by the provisions of the Interstate Road Transport Charge Act 1985 and are contained in the Interstate Road Transport Charge Regulations 2009. These regulations apply a formula based on a calculation
developed by the National Transport Commission, the NTC. These calculations are endorsed by Australia’s transport ministers via the Australian Transport Council.

The National Transport Commission is responsible for reviewing national heavy vehicle charges and calculating an annual adjustment. These calculations, designed to capture the cost of heavy vehicles on Australian roads, were last prepared by the NTC in its 2007 Heavy Vehicle Charges Determination. These charges are applied to heavy vehicle registration charges and the road user charge, or the amount taken from the rebate that heavy vehicle operators may claim from the fuel excise. The new adjustment figure was established by the NTC in its 2010 Heavy Vehicle Road User Charge Annual Adjustment, which was agreed to by the Australian Transport Council on 30 April 2010.

The opposition accepts that it is appropriate that the NTC regularly review the means by which it calculates the cost of trucks on our roads, particularly given that the mix of heavy vehicles using the road system has changed. The new adjustment rate is 4.2 per cent. Unfortunately, it seems that there are administrative complexities that mean this new rate cannot be applied without this legislation. The Interstate Road Transport Charge Act 1985 stipulates that regulations made under this act take effect not from when they are tabled but 15 parliamentary sitting days from when the new regulations are made. This means that a new regulation made under the Interstate Road Transport Charge Act 1985, applying the lower rate, would not take effect until late September 2010—and even that assumes that there will be no election called by that time. As a consequence, at least 1,000 FIRS owners will be charged, under the old formula, a 9.7 per cent increase. By repealing subsection 5(6) of the Interstate Road Transport Charge Act 1985, this legislation permits a subsequent regulation made under this act to apply immediately. The new regulation, stipulating a 4.5 per cent annual increase, could apply from 1 July 2010. It will still be a disallowable instrument and consistent with the Legislative Instruments Act 2003.

If this amendment is not passed, owners of FIRS registered heavy vehicles will receive a renewal registration notice which will charge the rate as stipulated by the regulation in force—the regulation applying the old formula. This old formula would impose a charge increase of 9.7 per cent—clearly, unacceptably high. Under a 9.7 per cent increase, the owner of a typical B-double would pay an additional $808 in registration—and that is too much. Of course, it needs to be remembered that, because of changes and a phase-in of new registration arrangements for various sizes of vehicles, the 4.2 per cent will not be the figure that will apply automatically to all registration increases. Some will pay more as a result of the phasing-in of newer charges.

The coalition understands that state governments are now applying the 4.2 per cent increase to over 400,000 heavy vehicles registered in their jurisdiction. Obviously, if FIRS heavy vehicles remain under the old charging formula, the scheme would simply collapse. People would migrate to the place where the registration charges are the lowest. The coalition has been assured that there is no non-legislative option for remedying this problem. The Interstate Road Transport Charge Act 1985 does not have refund provisions, so it is not possible for the government to collect the higher registration charges calculated on the basis of the existing formula and then refund the money in excess of 4.2 per cent to the affected operators. Therefore, the coalition does not oppose the legislation.
I take the opportunity that this legislation provides to raise a number of other issues which I have been bringing to the attention of this committee and also to the House on occasions when legislation altering road transport charges has been before the parliament. The Rudd government raises a considerable amount of money from the heavy vehicle sector. The main source of this revenue is the road user charge or the amount taken from the rebate heavy vehicle operators may claim from the fuel excise. Currently the road user charge is levied at 21.7c per litre. This charge raises for the federal government approximately $1.4 billion every year from the heavy vehicle sector to cover the costs to our road system inflicted by trucks.

There are some around who do not appreciate just what a significant contribution the road transport industry is making towards the cost of our road network and, indeed, the impact of its operations on road. Too often people in the rail transport sector, for instance, like to suggest that road transport is undercharged and that is therefore an excuse as to why rail performs poorly in competition. However, the people who make those claims do not acknowledge, it seems, that just the road user charge alone collects $1.4 billion every year from the road transport sector. That is a significant contribution, indeed, towards maintaining and upgrading roads.

I think that it is time that the government committed more of the tax revenue that it receives to deal with one of the key issues our truckies on Australia’s road system face, and that is the problem of the lack of adequate roadside stops. This is a long-running issue that has been made more urgent as a result of the introduction by the Queensland, New South Wales, Victorian and South Australian governments of the fatigue management laws on 29 September 2008. These laws reduce the number of hours that truck drivers can work before they must take a break. The problem is that there are not enough rest areas where truck drivers can stop. This problem will only get worse as the number of trucks on our highways continues to increase.

The problem is becoming so urgent that we are now seeing the absurd situation where drivers are unable to comply with the mandatory breaks stipulated by the fatigue management laws because there is nowhere for them to stop. It is really almost dishonest of a legislature to pass laws which require vehicles to stop but then not provide places where that can happen. In some states, it is not even a defence against fatigue management laws that there was simply no place available to stop. So I think there needs to be greater sensitivity to the impracticality of actually abiding by some of these laws when there are inadequate places provided for roadside rest facilities.

After undertaking a study of the state of Australia’s roadside rest stops, the National Transport Commission in November 2005 issued its National Guidelines for the Provision of Rest Area Facilities. This report sets out where rest areas should be built in order to comply with various road agency guidelines and cater for the needs of heavy vehicle drivers. An independent government research agency, Austroads, then audited Australia’s major highways against those guidelines. Their report showed that none of the audited routes met the national guidelines—none of them. There were particular problems in Queensland and the Northern Territory and in New South Wales. Only about half of the major rest areas on the Hume and Pacific Highways in New South Wales meet the spacing requirements of the guidelines. In fact, according to the industry, there needs to be another 900 rest areas on the 22,500 kilometres of
the national highway network to bring it into compliance with the national rest area guidelines.

The guidelines also apply to state roads. With many of the state roads, the situation is even worse than it is on the national highways. That is why, during a parliamentary debate earlier in the government’s term, the opposition moved a series of legislative amendments to require the government to commit to the construction of 500 rest areas over the next 10 years. We are satisfied that this number of rest stops would at least bring Australia’s road network into broad compliance with the rest area guidelines. Unfortunately, the government rejected this sensible compromise that would have done much to make our roads safer. Instead, the government is pressing ahead with its so called Heavy Vehicle Safety and Productivity Program. This program will provide $70 million out to 2011-12 to fund a number of rest stops. I understand that the first round of projects, with funding worth $30 million, is now fully allocated and that the second round, worth $40 million, will be allocated fairly soon.

Looking through the first round of projects, I am amazed to find how few of these projects actually involve the construction of new rest areas. In fact, for New South Wales, only six new rest areas are being constructed. In the Northern Territory, three new rest areas are being built; in Queensland, seven; in South Australia, 13; and in Victoria, just one—a trailer exchange on the Western Highway in Nhill. While I commend many of the other projects, such as bridge strengthening for higher productivity vehicles, it is obvious that the Heavy Vehicle Safety and Productivity Program is woefully inadequate.

I want to emphasise that when the opposition raised these issues with the government we said that our future support for increases in the road user charge would be conditional on fair and reasonable progress being made on achieving the objective of providing rest stops broadly in accordance with the Australian standards. With only 30 having been constructed so far, the government is clearly falling behind its obligations in this regard. I repeat the statement that I made at that time: the government cannot count on the opposition continuing to support increases in road user charges if in fact fair and reasonable progress is not made on delivering roadside rest stops for the trucking industry, which is obliged to stop under the new fatigue regulations. Frankly, 30 or perhaps 40 or 50 over the period between now and 2011-12 is not good enough.

So I serve notice on the government once more that they will need to do very much better in that regard. I call on the government to use some of the road user charge revenue to fix this problem, and I also call on the government to stop its wasteful and reckless spending in so many other areas, which would enable resources to be allocated to an infrastructure project of economic significance such as this one. How much better would Australia have been if the government had not thrown away so much money on cash handouts worth $23 billion that disappeared without trace? What could have been done with the over $2 billion that was squandered on the Home Insulation Program? What about the $1.7 billion of taxpayers’ money that has been wasted in funding overpriced school halls?

And now we have an interest bill rising to $8 billion per year. That would be enough to complete the duplication of the Pacific Highway and have some change left over. Had so much money not been wasted we could have done so much more to upgrade the national road system and to ensure that these rest areas are built.
These are important issues, also, for the trucking industry. Recently I had the pleasure of visiting the federal electorate of Dawson with the new LNP candidate for Dawson, Councillor George Christensen, whom the government was kind enough to mention in dispatches this afternoon. He is an excellent young candidate who will make an outstanding representative in this parliament. We travelled around a number of the areas of major road concern in the Mackay area and we also met with the Mackay Road Accident Action Group, which has done a fantastic job to heighten awareness in the road transport industry of the importance of safety, and developing a culture of safety within the industry. They have also identified a number of significant areas where the road conditions are contributing to safety concerns. We visited the Nebo Range, for instance. It is sometimes impossible for heavy trucks to climb up the range because the surface is so slippery. Those sorts of things are dangerous, and it is no fault of the truck driver if the truck starts to roll backwards when it should be going up, because there is not an adequate grip on the road surface.

Also in those meetings, concerns about the quality, quantity and adequacy of the various truck roadside stops was raised with us very strongly indeed. The roadside stops there are often dirty and not properly maintained. Some of them do not have adequate facilities. There are women truck drivers; they are making up an increasing proportion of the drivers around the country, even in the heaviest rigs. In fact, they are prized because of their carefulness as drivers. But I was informed that at one roadside rest area the women truck drivers who pull up have to walk two kilometres to get to the ladies toilet and then walk back. That is hardly satisfactory.

I notice that the member for Capricornia wandered briefly through the room a moment or so ago. This particular rest area is in her electorate. I am disappointed that she allows this sort of circumstance to continue to fester. That is only one example. There is also an issue where tourists and others choose to camp in the roadside truck stops. The tourist industry is very important, and there are lots of grey nomads who move up and down the coast, particularly at this time of year. We need to provide adequate places for them to park rather than to have them using the truck roadside stops, which are specifically designed and essentially funded by road transport operators to meet their obligations under the new fatigue management laws.

So we need to have many more of these roadside stops. They need to be properly maintained. There needs to be a system of maintenance. The quality of the facilities that are provided needs to be suitable for people who are going to spend quite a number of hours there. Drivers are not stopping for five minutes under the fatigue management laws; they might be spending the whole night there, so the facilities that are provided need to be adequate for that purpose.

I think it is important that the government devote sufficient funding to upgrade our national road system so that the road transport sector is able to operate efficiently. The truckers certainly contribute significantly to government revenue. They provide a vital service to our nation to move freight and goods to market and to stock the stores right around the country. Things have changed dramatically. With central warehouses and with just-in-time manufacturing techniques, the road transport sector is being required to play an increasingly important role in moving goods around the nation. So there are wider economic benefits to be gained from providing the facilities that are so important to make that sector work well.
It is regrettable that the government has not spent more of the stimulus money on key, productive infrastructure such as roadside stops. Far less money would have been required and it would have resulted in safer and more productive roads if the government had in fact invested in these stops much earlier. The coalition will support this legislation, but as it does so it calls upon the government to stop wasteful spending and focus instead on dealing with the sorts of infrastructure issues that I have just raised.

Mr HAYES (Werriwa) (7.30 pm)—I have always taken the opportunity to speak out in support of bills that affect the transport industry, and today’s debate on the Interstate Road Transport Charge Amendment Bill 2010 affords me another such opportunity. The trucking industry is the most deadly industry in this country, with five times more fatalities than its closest rival. What a dreadful statistic that is.

Australia is facing a massive growth in the demand for freight transport services, with the total freight estimated to almost double by 2020. Currently, heavy vehicles operate across our country from state to state, transporting almost two million tonnes of freight. In fact, 75 per cent of that freight is carried by road. In urban areas, with their shops, warehouses and distribution centres, 90 per cent of all freight is moved by heavy vehicles.

As many as 370,000 heavy vehicles operate in Australia, and in my electorate, which has the Hume Highway running through it, we see a significant portion of the heavy transport that operates between Sydney and Melbourne. The Hume Highway is the main road corridor, and a significant proportion of freight is moved between Sydney and Melbourne via the Hume Highway. It is certainly one of our busiest interstate corridors. It is estimated that 20 million tonnes of freight are moved via the Hume Highway each year.

On the corridor of the Hume Highway that lies within the bounds of my electorate of Werriwa there are 6,000 heavy transport movements per day—I happen to know the statistics because we had some discussions with the previous, coalition government about getting funding approved to widen the Hume Highway in my electorate—and it is for this reason that it is so critical that the Hume Highway be widened, particularly with the bottlenecks that occur between Ingleburn and Campbelltown.

I have urged this House to widen the Hume Highway on many occasions and took every opportunity when in opposition to raise the matter with the then Minister for Transport and Regional Affairs. I tried to get undertakings not for political reasons but because of the need; however, the undertakings were not forthcoming. So I was very happy when I was able to make the case to and persuade those holding the purse strings of the Labor Party as we entered the 2007 election. They saw merit in this $140 million project. They committed to the undertaking of that project and that is precisely what has occurred.

The federal government has committed $112 million, I think it is, to the widening of the Hume Highway in the very sensitive section of the highway in and about my electorate. It is fascinating that, every time I drive down it, work is proceeding. It is about six months ahead of schedule. It is one of those things that I think is very much a success story both for the trucking and heavy transport industry and for the other road users. This is a commitment that has been delivered upon. It was not matched by the other side of politics, but it will leave a long-term, positive legacy for our transport routes.
I would like to pay credit to George Kypreos, Managing Director of NACE Civil Engineering, which is a local company based at Prestons—again, in my electorate. His company won the contract for widening the road. His workers are out there working on that. They are working for a local company, doing the engineering, construction and asphalting of that road. The company is also employing many local people in a range of trades. Whilst that was not provided to us as part of the stimulus package, I know what the work that is being undertaken there is injecting into my local economy. I am confident that once this project is completed it will bring considerable benefits to our community and very significant benefits to all road users.

Sadly, the latest road fatality statistics are in. As I said, the trucking industry is the most dangerous industry. Twenty per cent of workplace deaths occur in the trucking industry. Horribly, four to six people on average lose their lives in trucking related incidents each week in this country. That is in the vicinity of 280 to 300 people each year. That is someone’s son, daughter, brother, sister, mother or father ripped away in sudden, dramatic and tragic circumstances. It is not just the workers driving the trucks; it is the carnage that occurs as a consequence of those accidents. Those figures are extraordinary. Apart from the pain, suffering, loss and grief burdened by the family members concerned, I also have feelings for members of the emergency services—the ambos and the police—who have to attend those horrific accidents. Bear in mind, there is also a very real and significant economic cost as a consequence.

I know that truck driving is pretty punishing work. As the member for Werriwa, I am aware of a large southern-bound truck stop on the Hume Highway—oddly enough, called Uncle Leo’s. I have been encouraged to drop in there, which I do, and talk to the drivers between 5.30 in the morning until eight o’clock at night. I know how punishing the work is, because they take the time to talk to me about it. For the ones who do not, you can still see the apprehension and the anxiety in their body language. Fatigue in that instance really does its own talking.

The shadow transport minister talked about developments in trucking. To that extent he was right, and there will be a lot more. He mentioned logistics and on-time delivery. That is something that has occurred and it has changed the face of trucking in this country. When I talk to the fellows at Uncle Leo’s in the mornings, they talk to me about the ‘just on-time delivery’. They are parked there not because they are resting but because they have been given slot times, like at an airport. They have been given slot times as to when they can arrive at their destination and offload. They are, on an unpaid basis, manning these mobile storage facilities. There is a lot of frustration for those people. Particularly the owner-drivers do not like the system where they and their vehicles are being used in such a way. They are not just complying with the regulatory requirements in terms of rest breaks; this is added on top of that—when they can go, stop et cetera. That is one of the frustrations that these people have. It is no wonder that some of that plays out on their physical and mental condition when they are driving these heavy vehicles on our roads.

When I go out there, I am normally in the company of people from the Transport Workers Union. I have to say—and this is probably not the right place for it because this is not a debate on workplace relations—that as an organisation they have been tireless in making a positive contribution to the development of health and safety in their industry, and that should not go unrecognised. In particular I would like to acknowledge Tony Sheldon, the national secretary
of the union, who on many of those occasions, because he actually lives not far from me, has
turned up at those meetings at that truck stop. I see what they do and I see the efforts they put
in to ensure that drivers see their work as professional, do not take shortcuts, and put health
and safety first and foremost when they go about their business. I commend the efforts of
Tony and the Transport Workers Union in leading the way in that respect in their industry.

This commitment to prevent road fatalities and serious injury is obviously shared by every-
body. By way of background, the Council of Australian Governments agreed in February
2008 that heavy vehicle charges should be adjusted to maintain cost recovery. This links in to
the standard of our roads, which has a direct correlation to the accidents involving heavy ve-
hicles, and the resulting fatalities that occur. In raw terms, it is about ensuring that there is an
appropriate charge applied against every heavy vehicle movement and is aimed at recovery
against infrastructure with respect to our roads. Essentially, it is about ensuring that heavy
vehicles pay their fair share for the impact they have on our roads.

This agreement that was struck with COAG was given effect through an automatic adjust-
ment formula in the Interstate Road Transport Charge Regulations 2009 and adjustments in
the heavy vehicle registration charge. They are highly dependent on the changes in the levels
of spending on roads, bridges and the entire infrastructure associated with our main transport
corridors. The previous speaker, Warren Truss, expressed a view that the government should
spend more, but I get really irked when I hear that coming from people who were in govern-
ment for 12 long years and failed to spend the money and give the matter the necessary prior-
ity when they had the opportunity. You cannot keep putting this down to the 13th year. They
stand up and lecture us—‘You should do more’—but the truth of the matter is that we have
done a lot. I have seen what has been done in my own electorate and the spending that is go-
ing into roads. On a broader scale, the spending that is taking place on the upgrading of our
roads, bridgework and transport infrastructure is making our roads safer and, as a conse-
quence, having an effect on the charges occurring in the heavy transport industry.

The purpose of the bill before us today is to amend the Interstate Road Transport Charge
Act 1985, which imposes registration charges on 20,500 vehicles registered under the Austra-
lian government’s Federal Interstate Registration Scheme. The passage of this bill will ensure
that from 1 July 2010 owners of trucks and trailers registered under the Federal Interstate
Registration Scheme will pay a registration increase of only 4.2 per cent as opposed to the
pre-adjusted figure, which was 9.7 per cent. As I stated, the adjustments to the heavy vehicle
registration charge are highly dependent on changes in the levels of spending on and usage of
the roads, bridgework and transport based infrastructure which heavy vehicles traverse. It is
only fair to make this adjustment, given that spending across all levels of government has in-
creased significantly in recent years and that an unexpected and substantial growth in the
number of large vehicles would result in a potential over-recovery of $116 million in the
2010-11 period if this adjustment was not made.

It should be known that all governments have agreed through their transport ministers to
amend their respective charges and regulations to modify the annual adjustment formula to
maintain cost recovery and therefore enable the 4.2 per cent adjustment to be made for 2010-
11. It is only fair that the charges reflect these changes. It is a sound decision and, whilst I
know the industry acknowledge the need to pay their fair share for road usage, this adjustment
is a preferable outcome. What we want to see, with our roads being further improved, is a
consequent adjustment in the safety of heavy transport fleets as they operate across this country. I commend the bill to the House.

Ms LIVERMORE (Capricornia) (7.45 pm)—The Interstate Road Transport Charge Amendment Bill 2010 amends the Interstate Road Transport Charge Act 1985 and in doing so ensures that heavy vehicle owners who operate under the Federal Interstate Registration Scheme are charged with a lower registration fee from 1 July 2010 than would otherwise be the case. Those owners will not be unfairly levied in comparison with vehicle owners who are registered in the state and territory systems. The bill does this by deleting subsection 5(6) of the Interstate Road Transport Charge Act 1985.

The Federal Interstate Registration Scheme applies to those heavy vehicles engaged solely in interstate operations. FIRS provides for uniform charges and operating conditions for those vehicles rather than requiring owners to comply with a number of different state regimes relevant to the states they travel through. Those vehicles registered under FIRS are subject to registration charges set out in the Interstate Road Transport Charge Act 1985. Those registration fees are intended to cover the fair costs arising from road usage by these heavy vehicles.

COAG has previously agreed that heavy vehicle charges should be adjusted annually to maintain cost recovery. In February 2008 the Australian Transport Council, made up of all the transport ministers, adopted the 2007 Heavy Vehicle Charges Determination. This ensures that the road user charges and heavy vehicle registration charges achieve cost recovery from the heavy vehicle industry for its fair share of road infrastructure and maintenance costs incurred by governments in Australia. In 2009 an agreed automatic adjustment formula was included in the Commonwealth Interstate Road Transport Charge Regulations for that year for application to the 20,500 heavy vehicles registered under the FIRS. That automatic annual adjustment to heavy vehicle registration charges applies from July of every year.

Adjustment to the heavy vehicle registration charges depend heavily on changes to the level of spending on roads and bridges and on changes in road usage by heavy vehicles. When factors such as the increased expenditure on roads and growth in the number of higher productivity heavy vehicles on those roads were fed into that automatic adjustment formula, the result showed a higher than necessary increase to the registration charge to apply from 1 July 2010.

If no adjustment was made the automatic annual adjustment formula would result in a registration charge increase of 9.7 per cent for the coming financial year. The federal government would be therefore recovering more money than was necessary in the current conditions from heavy vehicle owners registered under the FIRS. It was estimated that the potential national over-recovery through the registration increase would amount to $116 million in 2010-11. When this became apparent all transport ministers agreed to amend their respective charges legislation to ensure fair treatment for the trucking industry and to avoid a situation where the industry was being effectively overcharged in a way that was contrary to the original intent of the Heavy Vehicle Charges Determination.

Amendments have been made to relevant legislation to ensure that the formula neither under- nor overcharges the trucking industry and that this should be put into effect from July 2010. This of course is something that will be welcomed by the trucking industry as it is those owners and operators who will benefit from the reduced registration increase now calculated under the adjustment formula. The adjusted figure has been calculated by the National Trans-
port Commission and reflects the changes in the heavy vehicle mix on our roads that in turn changes the demands on our road network and the cost recovery equation. As it turns out, the adjusted registration increase is only 4.2 per cent for the next financial year as opposed to the original 9.7 per cent increase. This is good news for the trucking industry.

All governments have agreed to an amended calculation of a 4.2 per cent annual adjustment to take effect from 1 July this year. The states and territories are set to implement that change for the vehicle owners registered under their respective systems. The problem for the federal government and those owners with vehicles registered under the FIRS is section 5(6) of the Interstate Road Transport Charge Act. That subsection specifies that any regulation made for the purpose of section 5—and section 5 deals with the amount of charge—must not take effect earlier than the first day after the end of the disallowance period. The operation of section 5(6) means that it prevents amended regulations that would lower the annual registration charges adjustment, from a 9.7 per cent increase to a 4.2 per cent increase, from coming into effect from 1 July 2010. The reference in the subsection to the first day after the end of the disallowance period means that it would be late September before regulations putting in place the lower registration amount could come into effect for the benefit of FIRS registered owners.

Clearly, that section seeks to give protection to vehicle owners by providing that changes to the relevant registration charge must not happen without due parliamentary scrutiny. In this instance, however, the change will have the effect of reducing the registration fee, and the operation of section 5(6) will have the perverse outcome of leaving those registered under FIRS paying a 9.7 per cent increase in their registration while owners of vehicles registered under state systems can pay the lesser adjustment of 4.2 per cent immediately from 1 July. If left unchanged this would affect over 1,000 FIRS vehicle owners who would be charged the higher 9.7 per cent registration increase, rather than the proposed 4.2 per cent increase, because the adjusted charge would not come into effect until late September.

It is very important to note that the current act has no refund authority. There is no mechanism by which the government could return to the vehicle owners the overpayment of registration they would effectively be making for the period from 1 July 2010 till late September 2010. That is why the government has proposed this bill, to deal with the situation and ensure that heavy vehicle road users pay their fair share towards the cost of maintaining and improving our roads and that they are not hit unfairly by an over-recovery. The bill will allow the new regulation to take effect from 1 July 2010 and will see FIRS owners paying the lower 4.2 per cent annual adjustment from that time. I am sure we have the support of the opposition for this fair and sensible amendment.

This area of heavy vehicle registration charges illustrates the level of agreement and cooperation between the different levels of government as we try to streamline the regulation and administration of our road transport sector. Governments recognise the importance to industry of uniform standards and legislation to make life easier and more productive for heavy vehicle drivers and owners who currently have to understand and comply with multiple sets of rules and regulations at various levels of government. Under the Intergovernmental Agreement for Regulatory and Operational Reform in Road, Rail and Intermodal Transport, the National Transport Commission has been given the job of producing model legislation for state and federal governments and for overseeing the implementation of agreed reforms. The owners
and drivers of Australia desperately need greater national consistency in road transport laws in areas such as heavy vehicle registration charges, carriage of dangerous goods and road rules more generally. I am pleased to see that COAG has agreed that by the end of 2012 Australia will have a single national heavy vehicle regulator with responsibility for regulating all vehicles over the weight of 4.5 tonnes. That regulator will administer national heavy vehicle laws and the registration scheme.

One area that we absolutely must get right in both the content of regulation and its enforcement is fatigue management. This was brought to my attention just last week in a meeting with representatives from Kalari, Peter Renton and Margi Keyworth. Kalari is a major operator in the transport business and their trucks are a familiar sight on Central Queensland roads as they provide a vital service to the mining operations in our region, especially when it comes to transporting explosives. Peter and Margi came to see me last week to make me aware of some trouble that they have had with the operation of the Transport Operations (Road Use Management—Fatigue Management) Regulation 2008. This is of course a Queensland government regulation but it is based on the model regulations produced by the National Transport Commission.

One of the key requirements of the regulation is for drivers to maintain and have in their possession when they are driving a work diary that records relevant work activities that contribute to fatigue. Those work activities include things like driving a fatigue regulated heavy vehicle; instructing or supervising another person to drive a fatigue regulated heavy vehicle; perform another task, such as loading things onto or unloading from the vehicle; inspect, service or repair the heavy vehicle; clean or refuel the heavy vehicle. The list in the regulations of what amounts to work for the purposes of the law is pretty broad and comprehensive.

Peter and Margi are very supportive of this kind of regulation and see fatigue management and proper supervision and care for their drivers’ safety as an important part of their role within Kalari. The problem for them has been in the interpretation and enforcement of the regulations. At the end of last year one of their drivers was pulled up by an officer from Queensland Transport and he was asked to present his work diary. It is part of the management policy of Kalari that drivers record work activities beyond those listed specifically in the regulation, because those managers are of the belief that managing their drivers means being aware of all the things in their day that might cause them to be fatigued when they get behind the wheel of their truck.

When their drivers are hauling loads of explosives, who could blame them for being super cautious and going beyond the minimum required when it comes to recording activities in the work diary? One section of the regulations talk about work, including performing another task relating to the operation of a fatigue regulated heavy vehicle. It goes on to list some examples. Kalari chooses to interpret that section very broadly as part of fully managing fatigue in their drivers. It means that their drivers record things like—and I will paraphrase from an email I got from Margi—travel in a company vehicle for about 30 minutes from where they are staying out to a mine site before they start their shift, arrival at the mine site, before they get into a heavy vehicle, and attendance at a start-up meeting, which can be up to one hour long. Kalari has taken the view that those sorts of things should be recorded in the work diary.

The problem is that the Kalari driver who was pulled over last year was warned that he was in breach of the regulations for having those sorts of things in his work diary and that the en-
try in his work diary actually amounted to an infringement of the regulations. Queensland Transport informed Kalari it was an offence under section 105. This was understandably very distressing to the driver, who after all needs to stay on the road to earn his living, and Kalari want to know why he and they should be under threat of penalties for going beyond the minimum requirements of the regulations when they judge that to be part of fulfilling their duty of care to their drivers and other motorists.

The message from Peter and Margi was that, as we move towards uniform national regulation of things like fatigue management, those regulations should be seen as minimum standards, and transport operators should be encouraged to go beyond those minimum standards when it comes to managing their drivers. It is also important that the eventual national laws are interpreted consistently and enforced consistently from state to state or place to place around Australia.

I hope that this point of difference between Kalari and Queensland Transport can be worked out quite easily, and I will certainly be helping Kalari to have those discussions with Queensland Transport, but I guess it is a message to us that governments need to do everything we can to remove the complexity that is currently in the regulation of this important industry. That is what this bill does in its small way, and I commend it to the House.

Mr CRAIG THOMSON (Dobell) (7.59 pm)—It is a great pleasure to follow the member for Capricornia in relation to what she was talking about in her contribution about the safety of drivers, particularly interstate owner-drivers. It is something I know the Transport Workers Union and Tony Sheldon have been campaigning on for a long, long time. They have been particularly concerned about the pressure, from not so much the owners of the trucking companies but the suppliers, on owner-drivers in particular to meet the sorts of time lines that they are often expected to meet.

Sometimes, looking at the sorts of trips they take and the times that are set out there, it is simply impossible for a driver to get adequate rest. The member for Capricornia also raised these issues in an example from her electorate. These are important issues that we need to make sure we address. Two weeks ago I was at a ceremony at Ourimbah, commemorating workers who had passed away in the past year. Unfortunately, the largest group was truck drivers. It is an occupational hazard and one that we need to be working on. People should be able to go to work in safety. We need to always be mindful of what we expect truck drivers to do. I commend the Transport Workers Union, who for many years have put a lot of pressure on in relation to these issues and they are slowly making some progress. Tony Sheldon should be commended for that campaign.

The Interstate Road Transport Charge Amendment Bill 2010, which I rise to support today, will ensure that heavy vehicle owners who operate under the Federal Interstate Registration Scheme are not unfairly levied with higher registration charge increases next financial year compared with vehicle owners who are registered in state or territory systems. The bill will ensure that from 1 July 2010 heavy vehicle owners of trucks and trailers registered under the Federal Interstate Registration Scheme will pay a registration increase of only 4.2 per cent instead of the 9.7 per cent that was planned.

The bill proposes a minor technical amendment to delete subsection 5(6) of the Interstate Road Transport Charge Act 1985. The Interstate Road Transport Charge Act 1985 imposes registration charges for heavy vehicles registered under the Australian government’s Federal
 Interstate Registration Scheme to recover the cost of road usage by heavy vehicles. Subsection 5(6) of the act specifies that any regulation made for the purpose of section 5—amount of charge—must not take effect earlier than the first day after the end of the disallowance period.

The effect of subsection 5(6) is that it prevents amended regulations that would lower the annual registration charges adjustment from a 9.7 per cent increase in registration charges to a 4.2 per cent increase from coming into effect on 1 July 2010. Instead, the adjusted lower charge would come into effect after 15 parliamentary sitting days from when the new regulations are made, which would not be until late September 2010. This would affect over 1,000 vehicle owners who would be charged the higher 9.7 per cent registration increase determined automatically under the current regulations rather than the proposed 4.2 per cent increase, because the adjusted charge would not come into effect until late September. There is no administrative option available to deal with this issue. The act does not provide a refund power that would enable vehicle owners charged the 9.7 per cent increase to have the difference returned to them.

Deleting subsection 5(6) will not in any way remove parliamentary scrutiny. The provisions of part 5 of the Legislative Instruments Act 2003 that facilitate scrutiny by parliament will still apply to amendments to the regulations. Those provisions would still operate to disallow an amendment to the regulations that came into effect on 1 July 2010.

The bill will help implement the agreements by COAG that heavy vehicle charges should be adjusted annually to maintain cost recovery. In February 2008 the Australian Transport Council adopted the 2007 Heavy Vehicle Charge Determination, which ensures that the road user charge and the heavy vehicle registration charge achieve cost recovery from heavy vehicle industries for their fair share of the infrastructure and maintenance costs incurred by governments in Australia.

In 2009, an agreed automatic adjustment formula was included in the Commonwealth Interstate Road Transport Charge Regulation 2009 for application to the 20,500 heavy vehicles registered under the Federal Interstate Registration Scheme. The automatic annual adjustment to heavy vehicle registration charges applies from 1 July each year. Adjustments to the heavy vehicle registration charge depends heavily on changes in the level of spending on roads and bridges and on changes in road usage by heavy vehicles.

Road expenditure across all levels of government has increased significantly in recent years. At the same time there has been substantial growth in the number of higher productivity heavy vehicles using the road network. The effect of these factors in the current automatic annual adjustment formula results in a registration charge increase of 9.7 per cent and in a potential national over-recovery of $116 million from heavy vehicle owners and operators in 2010-11. All transport ministers agreed to address this over-recovery at their meeting of 30 April 2010 by amending their respective charges legislation to ensure that the formula neither under- nor overcharges the trucking industry.

They also agreed that the industry should benefit from this low adjustment from 1 July 2010. State and territory governments will implement the adjusted 4.2 per cent registration charge increase from 1 July 2010. The adjusted 4.2 per cent figure has been calculated by the National Transport Commission following appropriate adjustments to the current charges formula to address any over-recovery resulting from changes in the heavy vehicle fleet mix. The National Transport Commission undertook public consultation on the proposed charges
adjustment, consistent with requirements under the relevant legislation. It would be fair to say that the industry acknowledges it needs to pay its fair share for road usage and that the 4.2 per cent adjustment is a preferable outcome for it rather than the adjustment of 9.7 per cent. The legislative action will leave up to $800 per vehicle in the pockets of operators at a time when our economy is recovering from the worst global recession in 75 years.

Heavy vehicle registration fees are adjusted annually in accordance with a formula contained in the regulation we are now seeking to replace. The new regulation, with an amended formula, will make sure the trucking industry continues to pay its fair share of the costs associated with maintaining and upgrading the nation’s road network, and not a cent more. The existing formula underestimated the growth in the number of B-doubles that has occurred since it was first developed.

As well as restoring the fair share principle, the reforms implemented by the Rudd government in 2008 slashed registration charges for the owners of smaller trucks, which constitute a fifth of the nation’s almost 375,000 heavy vehicles. It is worth noting that even after the subsequent annual increases the owners of these trucks are still paying less today than they were in 2007. In the years ahead, all operators in the trucking industry will benefit from our decision to more than double the federal road budget, an investment that will deliver safer, less congested highways and major arterial roads. The principle of cost recovery has been broadly agreed by all governments and industry, and the charges aim to recover, not over-recover or under-recover, the heavy vehicle industry’s share of aggregated government road expenditure.

I mentioned earlier that many thousands of heavy vehicles pass through my electorate on the New South Wales Central Coast, where we have a major highway—the F3. It is important that we keep these trucks moving as efficiently as possible. On many occasions I have been to the truck stop just off Sparks Road to talk to truck drivers about their experiences and how they are coping with the costs that they have in keeping their rigs on the road. This sort of legislation is important to make sure that they pay their fair share, but not more than that.

The government also recognises the need for balance between road and rail freight. Like so many of our other major highways and national roads, the F3 is shared by commuting motorists in their private or company vehicles and the large heavy vehicles that we are talking about today in this bill. There have been many incidents on our major road link, and most recently we again heard the collection of frustrating stories from motorists trying to get home to the Central Coast in peak hour but stuck on the freeway because of an accident involving a heavy vehicle. On the last occasion they were stuck for more than nine hours.

The government has committed funding to improve the Sydney to Brisbane rail link. Improving rail links on this major freight corridor will make rail more competitive for moving freight and it will take some of the pressure off our major roads. The government has already spent $15 million to accelerate planning and design work on its $840 million investment on a new dedicated freight line between North Strathfield and Gosford. A dedicated freight line will mean a number of things: more room for passenger trains on the existing line and more freight services on the dedicated line, bringing with it increased capacity and therefore more competition with road freight. Of course, if there is less road freight because there are more rail freight services it means there will be less heavy vehicle traffic on major links like the F3.
In the meantime, governments have been spending more on roads. More and heavier vehicles have been using roads. The charges need to reflect these factors. This government is working successfully through COAG with all states and territories to deliver national streamlined heavy vehicle regulation that will provide an even, certain and transparent playing field for the heavy vehicle industry. We need to be sure that this extends to all areas of industry operations, including registration charges. The passage of this bill is necessary to ensure that federally registered vehicles will not be differently and unfairly charged compared to vehicles registered under state or territory law.

The bill will ensure that heavy vehicle owners who operate under the Federal Interstate Registration Scheme are charged with a lower registration charge—4.2 per cent—from 1 July 2010 and this has been made possible thanks to all of the transport ministers agreeing to address the potential over-recovery at their meeting of 30 April 2010. As mentioned, they have amended their respective charges legislation to ensure the formula neither undercharges nor overcharges the trucking industry. It is great to see that all states and territories working together with the federal authorities have been able to achieve this outcome. I commend the bill to the House.

Mr GRAY (Brand—Parliamentary Secretary for Western and Northern Australia) (8.10 pm)—I rise to speak on the Interstate Road Transport Charge Amendment Bill 2010. The purpose of this bill is to amend the Interstate Road Transport Charge Act 1985, which imposes registration charges for heavy vehicles registered under the Australian government’s Federal Interstate Registration Scheme, by deleting subsection 5(6). Subsection 5(6) prevents regulations from coming into effect earlier than the first day after the end of the disallowance period. Deleting this provision will enable subsequent regulation amendments that reduce the 2010-11 annual automatic charge adjustment from 9.7 per cent to 4.2 per cent to take effect from 1 July 2010.

I thank members for participating in this debate. In particular I thank the Leader of the Nationals for his observations. Unfortunately, in the process of his observations he left it necessary for me to make some substantial corrections. He claimed that the New South Wales and Queensland state governments have let truckies down by mishandling fatigue laws and have not provided enough rest stops. That is true. The model fatigue legislation was agreed to by transport ministers at a meeting in February 2007, which was chaired by the then minister for transport, Mark Vaile. However, the Howard government, which sponsored those laws, put no money into rest stops. Once again the Leader of the Nationals has tried to rewrite history and airbrush the neglect and failings of the Howard government from our memory.

The Leader of the National Party’s empty rhetoric is again exposed when it comes to road safety. The coalition opposed our $70 million heavy vehicle safety and productivity package—$70 million more than was spent by the Howard government over 12 years. They opposed our additional $150 million to improve safety at rail level crossings as part of the economic stimulus package. They opposed our additional $150 million to the black spots program to fix dangerous sections of the road network. The Rudd government has doubled road funding under the Nation Building Program to improve the road network and make up for 12 years of underinvestment by the former government. The story continues. The opposition had promised 500 rest stops over a 10-year period. Those 500 rest stops, we are now told, have been discontinued as part of cost-saving measures announced last week.
So I thank members for participating in this debate. Heavy vehicles should pay their fair share of road infrastructure and maintenance costs incurred by governments. This is a principle that has widespread support including from industry and from unions, otherwise they get an unfair advantage over other transport businesses.

Transport ministers agreed in February 2008 that heavy vehicle charges should be adjusted annually to maintain cost recovery and to keep the size of adjustment adjustments manageable. Under the current charging formula contained in the regulations, increased road spending and substantial growth in the number of higher productivity vehicles would result in an annual adjustment to heavy vehicle charges of 9.7 per cent. However, this over-recovers by $116 million. Transport ministers agreed to address this by implementing an adjusted annual increase of 4.2 per cent from 1 July 2010. This adjusted increase will be contained in new regulations to be made shortly.

However, subsection 5(6) of the Interstate Road Transport Charge Act prevents this lower charge from coming into effect until the end of the parliamentary disallowance period, which is late September. This affects over a thousand heavy vehicle operators who would continue to be charged the higher rate. The bill will delete subsection 5(6). This will enable the regulation to lower the charges to take effect from 1 July 2010. The bill does not remove the scrutiny of parliament; an amended regulation that comes into effect on 1 July can still be disallowed. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

INSURANCE CONTRACTS AMENDMENT BILL 2010
Second Reading

Debate resumed from 17 March, on motion by Mr Bowen:

That this bill be now read a second time.

Mr HARTSUYKER (Cowper) (8.15 pm)—I welcome the opportunity to speak on the Insurance Contracts Amendment Bill 2010. The coalition supports these amendments to the Insurance Contracts Act. The amendments arose from a process started by the former government—the Howard coalition government—and will aid the efficiency and coverage of insurance laws in Australia.

In government, the coalition held a review into the operation of the Insurance Contracts Act in 2004, which concluded that the act continues to operate effectively as an instrument regulating the formation and operation of insurance contracts. However, the review did recommend some minor changes which would be beneficial, given the passage of time since the act was originally enacted, developments in the insurance market since that time, and judicial interpretation of the act’s provisions. The coalition released a draft exposure of amendments to the Insurance Contracts Act in February 2007 with the intention of working with the industry to refine the legislation. To the current government’s credit, it upheld this process and has brought forward a bill that has been accepted by those in the industry and consumer groups as comprising important amendments to insurance laws.
The bill makes changes to rules regarding third party beneficiaries, the duty of good faith, bundled insurance contracts, the duty of disclosure, and remedies, each of which I will discuss in turn. The bill also makes some minor amendments to laws regarding subrogation, and the electronic communication of insurance contracts and contractual obligations. Firstly, new definitions will be inserted into the Insurance Contracts Act to ensure that individuals who have rights under a contract of insurance, but who are not the insured, have access to particular rights and obligations currently held by insureds. This includes giving third parties the right to claim against the insurer where the third party has a claim of damages against the insured, who cannot be found or who has died. ASIC will now have powers to bring representative actions on behalf of third-party beneficiaries, and will have the power to commence or continue representative action on behalf of an insured where that party has suffered damage or there has been a breach of the Insurance Contracts Act.

Remedies for misrepresentation and non-disclosure will be available in relation to contracts of life insurance offered as part of a group scheme and unrelated to superannuation. In terms of the duty of utmost good faith in insurance contracts, the act will be amended to ensure that a failure to comply with the duty is a clear breach of the act. This duty is also extended to third-party beneficiaries where the contract has already been entered into by the respective parties.

The bill will allow bundled insurance contracts that include insurance cover for compulsory workers’ compensation purposes and cover for liability to employees at common law arising from employment-related personal injury exempt from ambit of the Insurance Contracts Act. However, bundled contracts will be ‘unbundled’ so that a contract of insurance that includes elements of cover exempt from the Insurance Contracts Act as well as cover that falls under the Insurance Contracts Act is treated as exempt from the act only in respect of the exempt elements.

The bill also makes a number of changes to the duty of disclosure obligation placed on insurers. For instance, the mixed objective-subjective test in section 21 for whether an insurer has breached a duty is clarified by including a non-exclusive factor to which the court may have regard when determining whether a reasonable person in the circumstances could be expected to know a matter was relevant to the decision of the insurer. This factor involves the nature and extent of the insurance cover under the contract. Insurers will be prevented from asking ‘catch-all’ questions relating to the risk of the contract as a means of avoiding the duty, and must ask specific questions with relation to each aspect of the risk involved in the contract. This must occur both on formation and renewal.

With regard to remedies, the bill makes a number of minor changes. These include having the insurer change the expiry date of a life insurance contract where that date has been incorrectly stated by the insured and extending the framework for the cancellation of general insurance contracts to include life insurance contracts. Finally, an insurer will be able to avoid a contract to which these remedies apply on the basis of non-disclosure or misrepresentation only if the insurer would not have entered that particular contract on any terms.

I commend these amendments to the Insurance Contracts Act, but I also question the government’s commitment to reform of red tape and taxation treatment affecting the insurance industry sector. We all know that the Rudd government loves tax. Tax allows them to spend all the taxpayer money they want and to win votes, and when the money runs out they simply
introduce new taxes. Is it any wonder that the recommendation in the Henry review, which offered real reform of taxation treatment afforded to various entities in Australia, were ignored? It is recognised by most involved with the industry that taxation collected on insurance contracts involved too much of a regulatory burden on insurers, and this is preventing Australians from accessing much needed levels of insurance.

I have mentioned many times that insurance is a positive product, the purchase of which we should be encouraging. It is not like smoking, for instance, where it could be argued that there is a community good in discouraging it. Insurance is a product—a service—which we should be encouraging the consumption of. It is quite a ridiculous situation where effectively we are levying extremely high rates of taxation on insurance, which is really counterproductive. We should be encouraging the community to have a greater take-up of insurance, not putting roadblocks in the way. We have a situation where effectively we are charging higher rates of tax on insurance products compared with similar services out in the market. We are effectively taxing the seatbelts at a higher rate than we are taxing the car, and everyone would agree that the installation of seatbelts in a car is something we would encourage. We should not be having that effect on insurance—actually discouraging people to take it up.

Indeed, these very high levels of taxation and the high cost of insurance are a major deterrent to the take-up of this very important service. But, unfortunately, our state governments are very, very dependent on the cash flows that are provided by insurance. For example, in Victoria 10.1 per cent of all state taxes collected in 2006-07 were taxes on insurance. In New South Wales that figure was 6.9 per cent.

The coalition introduced the GST, with the states agreeing that inefficient state taxes would be abolished. Unfortunately, many inefficient state taxes, such as insurance taxes, remain, and they continue to push up the price of premiums. It is absolutely amazing to see what this has done to the cost of premiums. For homeowners in New South Wales, for instance, the price has inflated by some 43 per cent as a result of insurance taxes. Business premiums have increased by 65 per cent as a result of taxation.

Ken Henry followed a trend of many reviews of taxation at both Commonwealth and state levels by making recommendation 79 in his report, which states:

All specific taxes on insurance products, including the fire services levy, should be abolished. Insurance products should be treated like most other services consumed within Australia and be subject only to broad-based consumption tax on consumption.

But, as with 136 of Mr Henry’s recommendations, we have no idea what the Rudd government thinks, because they have decided to shirk any real tax reform and continue with more populist policies rather than address the very difficult issues of genuine reform within the taxation system. We have a situation where the recommendation in the Henry review was not adopted in the review and the very important issue of taxation on insurance was not addressed.

Insurance companies are involved in the financial future of Australia and encouraging people to consume insurance is absolutely vital. The government’s plan for the mining tax first appeared in the press on 13 April, and since that date resources stocks have plummeted in value. We have seen resource stocks collapse by over 20 per cent in value since the mining tax was leaked to the press. This is over $90 billion being ripped out of the savings of Australians’ superannuation accounts. The government has been out there blaming the performance of
Australian shares on the situation in Greece, but this ignores the fact that in recent times the share market has acted as a safe haven for foreign investors, who are now staying away because of the perceived sovereign risk that the Rudd government has placed on the market.

The Rudd government is also attacking foreign investors. How ironic is it that the government has finally responded to the Johnson review about turning Australia into a financial hub and encouraging foreign investment whilst at the same time it is effectively telling foreign investors in New York and London that Australia does not want them here; that we are going to impose this massive great big new mining tax, and that that mining tax will be effective retrospectively? It will have a massive impact on our sovereign risk.

Mr HARTSUYKER—Indeed I will, because insurance companies depend on return on investment for a very large part of their income stream. And that return on investment is a factor in determining their ability to service premiums and so on. So the potential adverse impacts of that tax which I referred to previously, on investment returns for insurance companies, is an element that is relevant to insurance. Can I say, in conclusion, that we certainly concur with the legislation that has been put before the House. Would you like me to continue talking?

Mr HARTSUYKER—We certainly agree with this legislation that is before the House. It has the support of the coalition. It is important, as with all legislation, that it be reviewed from time to time to ensure that it is up to date with the needs of the industry. We live in a very dynamic time for financial markets and it is important that our insurance products meet the needs of a modern society. So it is with great pleasure that I commend the bill to the House.

Debate (on motion by Mr Dreyfus) adjourned.

Main Committee adjourned at 8.28 pm
QUESTIONS IN WRITING

Medicare: Bulk-Billing
(Question No. 1275)

Mr Dutton asked the Minister for Health and Ageing, in writing, on 25 February 2010:
What are the General Practitioner bulk-billing rates by Federal Electorate from 2006 to 25 February 2010 by
(a) quarter,
(b) financial year, and
(c) calendar year.

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

General Practitioner (GP) bulk billing data for Federal Electorates, using Medicare Benefits Scheme data, has been published twice since 2006.
(a) Medicare data is not published by Federal Electorate by quarter.
(b) 2008-09 Financial Year – based on 2007 electorate boundaries (Attachment A).
(c) 2006 Calendar Year – based on 2004 electorate boundaries (Attachment B).

ATTACHMENT A

Medicare non-referred (GP) attendances (excluding practice nurse items) Number and percentage of services bulk billed by Commonwealth Electoral Division (based on patient enrolment postcode) 2008-09 (year of processing)

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<th>Electorate</th>
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QUESTIONS IN WRITING
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Notes:
- Bulk billing figures for non-referred GP attendances do not include Practice Nurse items.
- Only health services receiving a Medicare benefit rebate appear in Medicare data sets.
- Where a postcode boundary overlaps different electorate boundaries, the postcode data is allocated to the respective electorates using a postcode to CED concordance file, built by the Department of Health and Ageing, using Australian Bureau of Statistics (ABS) population data. This assumes that Medicare postcode data is geographically distributed in the same proportions as the population was distributed for these split postcodes. This may result in some postcode-based service and funding data being allocated to an electorate different to that of the address of the service provider or user.
- Where possible, PO Box postcodes have been allocated to an electorate using geospatial programs and a PO Box/delivery area postcode file from Australia Post.
- Electorate data should not be aggregated to produce state and national totals as some postcode data cannot be allocated to electorate.
It is important to note that some people would receive assistance from services outside this electorate, and similarly services located in this electorate may provide assistance to people living in other electorates.

ATTACHMENT B

Medicare non-referred (GP) attendances (excluding practice nurse items) Number and percentage of services bulk billed by Commonwealth Electoral Division (based on patient enrolment postcode) 2006 (year of processing)

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<tr>
<th>Electorate</th>
<th>2006 Services bulk billed</th>
<th>Total services</th>
<th>% Bulk Billed</th>
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<td>541,002</td>
<td>691,193</td>
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<td>562,664</td>
<td>713,155</td>
<td>78.9%</td>
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<tr>
<td>Hume</td>
<td>437,945</td>
<td>606,121</td>
<td>72.3%</td>
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<tr>
<td>Hunter</td>
<td>362,027</td>
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<td>759,390</td>
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<td>406,627</td>
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<td>572,113</td>
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<td>321,871</td>
<td>544,157</td>
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<td>446,614</td>
<td>675,578</td>
<td>66.1%</td>
</tr>
<tr>
<td>Electorate</td>
<td>2006 Services bulk billed</td>
<td>Total services</td>
<td>% Bulk Billed</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------</td>
<td>----------------</td>
<td>---------------</td>
</tr>
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<td>Lindsay</td>
<td>687,425</td>
<td>750,776</td>
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</tr>
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<td>Lingiari</td>
<td>122,736</td>
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<tr>
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<td>754,912</td>
<td>817,512</td>
<td>92.3%</td>
</tr>
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<td>Lyne</td>
<td>528,260</td>
<td>684,350</td>
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<td>475,326</td>
<td>648,967</td>
<td>73.2%</td>
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<tr>
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<td>504,661</td>
<td>678,694</td>
<td>74.4%</td>
</tr>
<tr>
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<td>557,241</td>
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<td>Maranoa</td>
<td>406,728</td>
<td>594,629</td>
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<tr>
<td>Maribyrnong</td>
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<td>82.4%</td>
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<td>Mayo</td>
<td>396,679</td>
<td>631,283</td>
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<td>467,745</td>
<td>665,281</td>
<td>70.3%</td>
</tr>
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<td>471,923</td>
<td>601,436</td>
<td>78.5%</td>
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<tr>
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<td>547,173</td>
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<tr>
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<td>84.1%</td>
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<td>345,863</td>
<td>538,767</td>
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<td>445,434</td>
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<td>Prospect</td>
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<tr>
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<tr>
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<tr>
<td>Richmond</td>
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<td>521,047</td>
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<td>Robertson</td>
<td>566,914</td>
<td>709,744</td>
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<tr>
<td>Ryan</td>
<td>311,913</td>
<td>538,112</td>
<td>58.0%</td>
</tr>
<tr>
<td>Scullin</td>
<td>741,733</td>
<td>827,144</td>
<td>89.7%</td>
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<tr>
<td>Shortland</td>
<td>466,998</td>
<td>633,116</td>
<td>73.8%</td>
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<tr>
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<td>132,479</td>
<td>229,144</td>
<td>57.8%</td>
</tr>
<tr>
<td>Electorate</td>
<td>2006 Services bulk billed</td>
<td>Total services</td>
<td>% Bulk Billed</td>
</tr>
<tr>
<td>-------------</td>
<td>---------------------------</td>
<td>----------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Stirling</td>
<td>477,322</td>
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<td>Sturt</td>
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<tr>
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<td>417,079</td>
<td>561,084</td>
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<td>561,383</td>
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<td>784,248</td>
<td>822,243</td>
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<td>524,712</td>
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<tr>
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<td>436,731</td>
<td>638,800</td>
<td>68.4%</td>
</tr>
<tr>
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<td>911,495</td>
<td>953,623</td>
<td>95.6%</td>
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<td>Werriwa</td>
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</tr>
<tr>
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<td>567,215</td>
<td>737,932</td>
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<td>Wills</td>
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<td>845,825</td>
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</tr>
<tr>
<td>Unallocated</td>
<td>447,614</td>
<td>676,098</td>
<td>66.2%</td>
</tr>
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</table>

Notes:

- Medicare bulk billing data is based on year of processing by Medicare Australia (formerly the Health Insurance Commission) and may not be the same as the year in which the patient received the service.
- These statistics relate to non-referred (general practitioner) attendances that were rendered on a fee-for-service basis for which benefits were processed by Medicare Australia. Excluded are details of non-referred GP attendances to public patients in hospital, to Department of Veterans' Affairs patients and some compensation cases.
- Electorate level data should be considered as estimates only. Allocations of services are based on the reported postal address postcodes of patients. Therefore some data will not accurately reflect the address of where the patient actually resides.
- Where a postcode overlapped electoral boundaries, the statistics were allocated to electorate using a concordance file derived from Population Census data. This can result in some data being erroneously allocated to an adjoining electorate. Data have also been excluded if postcodes were not present on the concordance file.
- Postcode data recorded using a post office box or private mailbag are excluded from electorate reporting in the cases where they cannot be accurately allocated. This is notable in the electorates of Lingiari and Solomon in the Northern Territory, where approximately 25% of bulk billed non-referred GP attendances were claimed against post office boxes or private mailbag addresses.
- It is important to note that some people would receive assistance from services outside this electorate, and similarly services located in this electorate may provide assistance to people living in other electorates.