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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

Printed by authority of the House of Representatives
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<tr>
<td>Washer, Malcolm James</td>
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<td>Windsor, Anthony Harold Curties</td>
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<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
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<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
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PARTY ABBREVIATIONS
ALP—Australian Labor Party; LP—Liberal Party of Australia;
Nats—The Nationals; Ind—Independent

Heads of Parliamentary Departments

Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—A Thompson
RUDD MINISTRY

Prime Minister
Hon. Kevin Rudd MP

Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion
Hon. Julia Gillard MP

Treasurer
Hon. Wayne Swan MP

Minister for Immigration and Citizenship and Leader of the Government in the Senate
Senator Hon. Chris Evans

Minister for Defence and Vice President of the Executive Council
Senator Hon. John Faulkner

Minister for Trade
Hon. Simon Crean MP

Minister for Foreign Affairs and Deputy Leader of the House
Hon. Stephen Smith MP

Minister for Health and Ageing
Hon. Nicola Roxon MP

Minister for Families, Housing, Community Services and Indigenous Affairs
Hon. Jenny Macklin MP

Minister for Finance and Deregulation
Hon. Lindsay Tanner MP

Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House
Hon. Anthony Albanese MP

Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate
Senator Hon. Stephen Conroy

Minister for Innovation, Industry, Science and Research
Senator Hon. Kim Carr

Minister for Climate Change, Energy Efficiency and Water
Senator Hon. Penny Wong

Minister for Environment Protection, Heritage and the Arts
Hon. Peter Garrett AM, MP

Attorney-General
Hon. Robert McClelland MP

Cabinet Secretary, Special Minister of State and Manager of Government Business in the Senate
Senator Hon. Joe Ludwig

Minister for Agriculture, Fisheries and Forestry and Minister for Population
Hon. Tony Burke MP

Minister for Resources and Energy and Minister for Tourism
Hon. Martin Ferguson AM, MP

Minister for Human Services and Minister for Financial Services, Superannuation and Corporate Law
Hon. Chris Bowen MP

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

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<tr>
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<td>Hon. Alan Griffin MP</td>
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<tr>
<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
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<tr>
<td>Minister for Home Affairs</td>
<td>Hon. Brendan O’Connor MP</td>
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<tr>
<td>Minister for Indigenous Health, Rural and Regional Health and</td>
<td>Hon. Warren Snowdon MP</td>
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<td>Regional Services Delivery</td>
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<tr>
<td>Minister for Small Business, Independent Contractors and the Service</td>
<td>Hon. Dr Craig Emerson MP</td>
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<tr>
<td>Economy, Minister Assisting the Finance Minister on Deregulation</td>
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<td>and Minister for Competition Policy and Consumer Affairs</td>
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<tr>
<td>Assistant Treasurer</td>
<td>Senator Hon. Nick Sherry</td>
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<tr>
<td>Minister for Ageing</td>
<td>Hon. Justine Elliot MP</td>
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<td>Minister for Early Childhood Education, Childcare and Youth</td>
<td>Hon. Kate Ellis MP</td>
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<td>and Minister for Sport</td>
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<td>Minister for Defence Materiel and Science and Minister Assisting</td>
<td>Hon. Greg Combet AM, MP</td>
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<td>the Minister for Climate Change and Energy Efficiency</td>
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<td>Minister for Employment Participation and Minister Assisting the</td>
<td>Senator Hon. Mark Arbib</td>
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<tr>
<td>Prime Minister for Government Service Delivery</td>
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<tr>
<td>Parliamentary Secretary for Infrastructure, Transport, Regional</td>
<td>Hon. Maxine McKew MP</td>
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<td>Development and Local Government</td>
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<tr>
<td>Parliamentary Secretary for Defence Support and Parliamentary</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Secretary for Water</td>
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<tr>
<td>Parliamentary Secretary for Western and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<tr>
<td>Parliamentary Secretary for Disabilities and Children’s Services</td>
<td>Hon. Bill Shorten MP</td>
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<td>and Parliamentary Secretary for Victorian Bushfire Reconstruction</td>
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<tr>
<td>Parliamentary Secretary for International Development Assistance</td>
<td>Hon. Bob McMullan MP</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister and Parliamentary</td>
<td>Hon. Anthony Byrne MP</td>
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<td>Secretary for Trade</td>
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<tr>
<td>Parliamentary Secretary for Social Inclusion and Parliamentary</td>
<td>Senator Hon. Ursula Stephens</td>
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<td>Secretary for Voluntary Sector</td>
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<td>Parliamentary Secretary for Multicultural Affairs and Settlement</td>
<td>Hon. Laurie Ferguson MP</td>
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<td>Services</td>
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<td>Parliamentary Secretary for Employment</td>
<td>Hon. Jason Clare MP</td>
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<td>Parliamentary Secretary for Health</td>
<td>Hon. Mark Butler MP</td>
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<td>Parliamentary Secretary for Innovation and Industry</td>
<td>Hon. Richard Marles MP</td>
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<td>Parliamentary Secretary for Victorian Bushfire Reconstruction</td>
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<tr>
<td>Leader of the Opposition</td>
<td>Hon. Tony Abbott MP</td>
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<tr>
<td>Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition</td>
<td>Hon. Julie Bishop MP</td>
</tr>
<tr>
<td>Shadow Minister for Trade, Transport and Local Government and Leader of The Nationals</td>
<td>Hon. Warren Truss MP</td>
</tr>
<tr>
<td>Shadow Minister for Energy and Resources</td>
<td>Hon. Ian Macfarlane MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workplace Relations and Leader of the Opposition in the Senate</td>
<td>Senator Hon. Eric Abetz</td>
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<tr>
<td>Shadow Treasurer</td>
<td>Hon. Joe Hockey MP</td>
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<tr>
<td>Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House</td>
<td>Hon. Christopher Pyne MP</td>
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<tr>
<td>Shadow Attorney-General and Deputy Leader of the Opposition in the Senate</td>
<td>Senator Hon. George Brandis SC</td>
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<tr>
<td>Shadow Minister for Defence</td>
<td>Senator Hon. David Johnston</td>
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<td>Shadow Minister for Health and Ageing</td>
<td>Hon. Peter Dutton MP</td>
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<tr>
<td>Shadow Minister for Families, Housing and Human Services</td>
<td>Hon. Kevin Andrews MP</td>
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<tr>
<td>Shadow Minister for Climate Action, Environment and Heritage</td>
<td>Hon. Greg Hunt MP</td>
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<tr>
<td>Shadow Minister for Indigenous Affairs and Deputy Leader of The Nationals</td>
<td>Senator Hon. Nigel Scullion</td>
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<tr>
<td>Shadow Minister for Regional Development and Water and Leader of the Nationals in the Senate</td>
<td>Senator Barnaby Joyce</td>
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<tr>
<td>Shadow Minister for Agriculture, Food Security, Fisheries and Forestry</td>
<td>Hon. John Cobb MP</td>
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<tr>
<td>Shadow Minister for Small Business, Deregulation, Competition Policy and Sustainable Cities</td>
<td>Hon. Bruce Billson MP</td>
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<td>Shadow Minister for Broadband, Communications and the Digital Economy</td>
<td>Hon. Tony Smith MP</td>
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<td>Shadow Minister for Immigration and Citizenship</td>
<td>Mr Scott Morrison MP</td>
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<tr>
<td>Shadow Minister for Innovation, Industry, Science and Research</td>
<td>Mrs Sophie Mirabella MP</td>
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<tr>
<td>Shadow Minister for Finance and Debt Reduction and Chairman of the Coalition Policy Development Committee</td>
<td>Hon. Andrew Robb AO MP</td>
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[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
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Thursday, 27 May 2010

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

COMPETITION AND CONSUMER LEGISLATION AMENDMENT BILL 2010

First Reading

Bill and explanatory memorandum presented by Dr Emerson.

Bill read a first time.

Second Reading

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs) (9.01 am)—I move:

That this bill be now read a second time.

Introduction

The Competition and Consumer Legislation Amendment Bill 2010 will give effect to two important reforms to strengthen and clarify our competition and consumer laws.

The bill will implement the government’s election commitment to enact laws to deal with creeping acquisitions by amending section 50 of the Trade Practices Act 1974. The amendments will give greater clarity to the provisions regulating acquisitions. They will ensure the Australian Competition and Consumer Commission and the courts have the power to reject acquisitions that would substantially lessen competition in any local, regional or national market.

The bill also enhances and simplifies the unconscionable conduct provisions of the Trade Practices Act and the Australian Securities and Investments Commission Act 2001.

The unconscionable conduct amendments are central to the implementation of uniform consumer laws throughout Australia. They were agreed and endorsed by my state and territory colleagues on the Ministerial Council on Consumer Affairs at our meeting in Perth on 30 April 2010.

These amendments will ensure that the courts will have a clear message about the way in which parliament intends the law to apply.

They will place the ACCC and the Australian Securities and Investments Commission in a better position to take more effective enforcement action.

Creeping Acquisitions

There has been a longstanding concern in the community about creeping acquisitions, mainly in the context of supermarket acquisitions.

Creeping acquisitions are a series of small-scale acquisitions that, individually, do not substantially lessen competition in a market, but collectively may do so over time.

Most recently, concerns about creeping acquisitions were raised in the lead-up to and following the release in July 2008 of the ACCC’s report of the inquiry into the competitiveness of retail prices for standard groceries. In its report, the ACCC expressed its support for the introduction of a general creeping acquisitions law.

Subsequently the government undertook extensive public consultations in 2008 and 2009 to seek the community’s views on possible reform options.

Through its consultations, the government identified two amendments which would clarify the operation of section 50 as it is currently interpreted by the ACCC, as set out in its November 2008 publication, Merger Guidelines.

The first amendment in the bill is to subsection 50(6) of the Trade Practices Act which has the effect of limiting the scope of
section 50 to acquisitions in markets that are ‘substantial’ in a state or territory or region of Australia.

The amendment to this subsection will provide greater certainty regarding the current practice of the ACCC of considering acquisitions in local markets. The Merger Guidelines state that the ‘substantiality criterion’ can be satisfied in many ways, including by the number of customers, total sales or the geographical size of the market.

The Merger Guidelines do not have the force of law. While the interpretation of the ACCC of subsection 50(6) has not been tested by the courts, it was considered by Justice French in his 2003 decision in the Federal Court in the case of AGL and the ACCC.

While expressing no conclusive view, his Honour left open the possibility that whether a market is considered ‘substantial’ under subsection 50(6) may be determined with reference to Australia as a whole. If this view were to become established in law through the accumulated weight of legal precedent over time, then it could well preclude acquisitions in geographically confined markets from being considered under section 50. This would prevent the application of section 50 to local markets where creeping acquisitions have been identified as a concern.

The bill therefore deletes the word ‘substantial’ from subsection 50(6). This removes the risk highlighted by Justice French that a court could in the future adopt the view that acquisitions in geographically confined markets may not be considered substantial and therefore not fall within the scope of section 50.

The government’s amendment to section 50 will remove that possibility, allowing the ACCC or a court to continue to examine acquisitions in all markets, including in relatively small, local markets.

The bill will also amend section 50 of the Trade Practices Act to replace references to ‘a market’ with references to ‘any market’. This amendment will clarify the ability of the ACCC or a court to consider multiple markets when assessing mergers.

The amendment will clarify that businesses cannot challenge a decision to block a proposed acquisition on the grounds that the substantial lessening of competition identified was in one or more markets other than the primary market in which the acquisition would occur.

The ACCC and the courts will be able to consider the totality of the competitive effects resulting from an acquisition, including impacts in upstream and downstream markets, not just impacts in ‘a market’.

Together, these amendments will strengthen the acquisitions provisions of the Trade Practices Act under section 50 by clarifying the scope of the law and increasing certainty around its application to markets where creeping acquisitions have been a concern.

In addition to these amendments, when announcing the way it would respond to concerns about creeping acquisitions, the government also confirmed the power of the ACCC to act in relation to the acquisition of greenfields sites. The ACCC already considers it has the power to review acquisitions of greenfield sites whether through purchase or lease. However, if the ACCC is challenged on this in the future, the government has stated it will not hesitate to confirm this power.

The government has responded to community concerns regarding creeping acquisitions by targeting specific problems with specific remedies rather than responding with general remedies that could have unintended consequences for overall economic activity and employment.
Unconscionable conduct

The amendments the bill will make to the unconscionable conduct provisions of the Trade Practices Act are the product of a recommendation of the Senate economics committee, which inquired into the statutory definition of unconscionable conduct in 2009.

The Senate economics committee recommended that the government set up an inquiry process to determine whether examples or a statement of principles would enhance the unconscionable conduct provisions of the Trade Practices Act.

On 5 November 2009, I convened an expert panel. Professor Bryan Horrigan, Mr Ray Steinwall and Mr David Lieberman—all of them experts in trade practices law and distinguished in their professional fields—agreed to serve on the panel to consider the issues raised in the Senate economics committee inquiry.

The panel members applied their considerable knowledge and experience to provide me with their final report earlier this year. The government is grateful for their work—which included many hours on top of their already busy schedules—and the obvious enthusiasm they brought to this task. In its work, the panel was ably assisted by officials from the Treasury and the Department of Innovation, Industry, Science and Research.

The government is also grateful to those who made submissions to both the Senate committee and to the expert panel. This helped to ensure the range of perspectives that exist in relation to this issue were understood.

The expert panel found that the unconscionable conduct provisions have been regularly enforced since their inception, and that the case law is still developing.

Having said that, the panel also noted that the provisions are not easily understood and could be clearer for businesses, consumers, enforcement agencies and the courts. However, the panel found that a list of examples of unconscionable conduct would not be helpful. Indeed, the panel said such a list might give rise to misguided expectations about the scope and application of the law to specific factual scenarios.

Instead it recommended that the inclusion of some interpretative principles in the Trade Practices Act would assist.

The government has adopted all of the panel’s recommendations concerning unconscionable conduct, including the introduction of interpretive principles.

The first principle will deal with concerns that the practical application of the equitable concept of unconscionable conduct is too narrow when applied to business and consumer relationships. Courts have tended to stick closely to the traditional equitable concept when applying the statutory prohibitions in sections 51AB and 51AC of the Trade Practices Act and sections 12CB and 12CC of the ASIC Act.

For example, the common law required victims of unconscionable conduct to establish that they were at a ‘special disadvantage’ through factors like infirmity, age or a difficulty understanding English, before a court would recognise that unconscionable conduct had occurred. The present statutory prohibitions on unconscionable conduct sought to remove limitations such as these on the ability of people to seek redress when subjected to unconscionable conduct.

The bill amends the law to make it clear that the prohibition is not limited to the equitable or common-law doctrines of unconscionable conduct. The courts should not limit the application of the provisions by
reference to ancient common-law doctrines that are not part of the statute book.

The second interpretative principle will clarify that courts can examine the terms and the manner and extent to which the contract is carried out.

This principle makes it clear that unconscionable conduct is not limited to the bargaining practices leading to the formation of a contract. Unconscionable conduct can also be apparent in the way in which a party exercises its rights under a contract or in the way in which a party behaves once a contract is made. It can also apply to the way in which contracts are renewed, renegotiated or terminated.

This interpretative principle will ensure that any unconscionable conduct—not just that occurring before contracts are made—is subject to the full force of the law.

The final interpretative principle to be introduced by the bill is that the prohibition on unconscionable conduct applies to systemic conduct or patterns of behaviour and that there is no need to identify a person at a disadvantage in order to attract the prohibition.

Unconscionable conduct is not limited to individual transactions or events. A pattern of systematic conduct or patterns of behaviour occurring over a period of time—which might include an accumulation of minor incidents—can also amount to unconscionable conduct.

This interpretative principle ensures that conduct, rather than individual transactions or events, is the focus of the provisions.

Further, as the focus is on the conduct rather than the victim, this principle reinforces the point being made clear in the first interpretive principle that there is no need to identify a person who is at a disadvantage in order to enforce the prohibition.

Other amendments

The bill will also remove the potentially confusing distinction in the existing provisions between unconscionable conduct that affects businesses and that which affects consumers.

It combines the existing sections 51AB and 51AC of the Trade Practices Act and sections 12CB and 12CC of the ASIC Act into one section and rationalises their drafting to apply a single set of factors for the court to consider.

This amendment will eliminate the potential that the concept of unconscionable conduct in the two existing provisions could diverge, through a false assumption that the existence of two provisions signals a distinction which does not in fact exist. Any divergence would confuse things further, and the distinction should be removed before any such notion develops. The amendments will also ensure that a single, cogent body of legal precedent can develop around the statutory concept of unconscionable conduct as it applies to both consumers and businesses.

The unconscionable conduct provisions of the Trade Practices Act will form part of the Australian Consumer Law once the Trade Practices Amendment (Australian Consumer Law) Bill (No. 2) is passed by the parliament.

The application of the Australian Consumer Law as a law of the Commonwealth and of the states and the territories presents many advantages, one of which is that it can be enforced by courts at all levels in a consistent fashion.

In some states and territories the courts, including lower courts and tribunals, will be applying the prohibition on unconscionable conduct for the first time. Providing clarity in the interpretation of these provisions will do much to ensure the consistent application
of the new national consumer law across Australia.

I can also inform the House that the Ministerial Council for Corporations was consulted in relation to the amendments to the laws in the national corporate regulation scheme, namely the amendments to the ASIC Act, and has approved them as required under the Corporations Agreement.

Conclusion

Together the amendments contained in this bill will bring greater clarity and certainty to the application of key provisions of our competition and consumer laws.

The amendments to section 50 will ensure that the ACCC and the courts can assess the totality of the competitive effects associated with acquisitions which occur in geographically confined, local markets.

The amendments to the unconscionable conduct provisions will ensure there is a much clearer understanding of the conduct with which these provisions have always been intended to deal.

The amendments will protect Australian small businesses, but without creating market distortions which would only reduce their competitiveness and their resilience.

The amendments will protect consumers by ensuring that competition is protected and fostered.

They will strengthen the prohibition against conduct that is designed to stifle competition through the imperceptible development of market dominance or through unacceptable and unethical business conduct.

All Australians prosper when there are competitive markets. These amendments will ensure that competition can be more effectively promoted and conduct designed to undermine it is stopped.

I commend the bill to the House.

Debate (on motion by Mr Billson) adjourned.

COMMITTEES

Public Works Committee

Approval of Work

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (9.15 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Fit-out of new leased premises for the Australian Taxation Office at 735 Collins Street, Melbourne, Victoria.

The Australian Taxation Office proposes to undertake an integrated fit-out of new leased premises in the Melbourne CBD, at an estimated out-turn cost of $50.88 million, exclusive of GST. The new premises will replace the ATO’s existing five leases in the Melbourne CBD. The leases for four of these properties will expire in 2012, with the remaining lease due to expire in 2017. It is expected that the co-location into a single new building will provide the ATO with considerable advantages in terms of building design, performance and long-term viability and maintenance.

In its report, the Public Works Committee has recommended that these works proceed. Subject to parliamentary approval, the proposed integrated fit-out works are scheduled to start in December 2010 and be completed by 30 March 2012. The developer has initiated work on site, with excavation and pier drilling of the basement areas. Ground works will begin in May this year. The ATO is expected to take up occupancy of the building in April 2012. On behalf of the government, I would like to thank the committee for its
support and I commend the motion to the House.

Question agreed to.

Public Works Committee
Reference

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (9.18 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed development and construction of housing for the Department of Defence at Largs North (Bayriver), Port Adelaide, South Australia.

Defence Housing Australia proposes to develop an 8.8 hectare site at Largs North in Port Adelaide. The site is owned by the Land Management Corporation of South Australia, which has invited DHA to undertake the development on its behalf. The proposal will provide an additional 35 homes for Australian Defence Force personnel and their families posted to RAAF Base Edinburgh, Keswick Barracks and, in the future, the nearby Australian Submarine Corporation facilities at Osborne, where the Air Warfare Destroyer project will be based.

Known as Bayriver, the site will be subdivided into 123 lots capable of accommodating a total of 185 dwellings, mostly detached homes but also some medium-density terrace style houses. The lots not required for defence will be sold to the general public, creating a mixed civilian and defence community and reducing DHA’s net outlay. Bayriver is part of a major effort to construct housing for families moving to Adelaide in connection with the relocation of the 7th Battalion from Darwin. It will also replace houses that are reaching end of lease or that do not satisfy updated defence housing standards.

In this regard, community standard housing is important to attracting and retaining the right people in the ADF. On a personal note, may I welcome back the ‘pig battalion’ to the family of stand-alone units in the Royal Australian Regiment.

The site is 25 kilometres from RAAF Base Edinburgh and 18 kilometres from the Adelaide city centre. It is only minutes from the Australian Submarine Corporation facilities at Osborne and is very well serviced by social infrastructure. Only minutes from the beach, Bayriver will deliver an excellent lifestyle opportunity for defence families. The development of the site and the construction of 35 houses will be managed by DHA and delivered through a number of contractors. Housing will accord with DHA’s national performance and design specifications.

The total out-turn cost of the proposal is estimated at $37 million, inclusive of GST and land acquisition, with the net costs reduced through the sales of surplus lots. Subject to parliamentary approval, construction will commence in April 2011 and housing construction in November 2011. Housing construction will be complete in November 2012. I commend the motion to the House.

Question agreed to.

RENEWABLE ENERGY (ELECTRICITY) AMENDMENT BILL 2010

Cognate bills:

RENEWABLE ENERGY (ELECTRICITY) (CHARGE) AMENDMENT BILL 2010

RENEWABLE ENERGY (ELECTRICITY) (SMALL-SCALE TECHNOLOGY SHORTFALL CHARGE) BILL 2010

Second Reading

Debate resumed from 26 May, on motion by Mr Gray:
Ms HALL (Shortland) (9.21 am)—The Renewable Energy (Electricity) Amendment Bill 2010 and cognate bills enshrine in legislation the changes to the Renewable Energy Target Scheme that will take effect from January 2011. This is landmark legislation. This very important legislation recognises the importance of Australia reducing its carbon footprint. This legislation will also make the Renewable Energy Target Scheme work a lot better. The legislation will divide the existing scheme into two parts: the Small-scale Renewable Energy Scheme, the SRES, and the large-scale renewable energy target, the LRET.

Mr Speaker, it is a pleasure to be making this speech while you are in the chair. I do make quite a few speeches in the other House. The new LRET and the SRES combined are expected to deliver more renewable energy than the existing 45,000-gigawatt-hour target in 2020. The degree to which this 20 per cent target is exceeded will depend on the uptake of the small-scale technologies by households, small businesses and community groups. Within the Shortland electorate there has been great enthusiasm from these groups in their desire to take up energy efficient technologies and renewable energy.

The people of the Shortland electorate are really keen to link into this scheme. At a meeting recently in my electorate a number of people were discussing solar panels. They were saying they were thinking of installing them on their houses. They could see this would not only benefit our environment but also lead to them having to pay less for their electricity. It is a win-win situation. The LRET portion of the target will be increased to ensure the 20 per cent by 2020 target is still met if the uptake of small-scale technologies is lower than anticipated. But, as I have already stated, I think it may end up being higher than anticipated, particularly in my area.

Under the existing Solar Credits initiative, the new fixed price of $40 per REC will see an average house in Shortland that installs a 1.5 kilowatt solar panel system in 2011 benefit from an upfront subsidy of $6,200 through the RECs. That is quite an incentive. There is also the added bonus of receiving cheaper electricity. The number of systems receiving support under the SRES will be uncapped to ensure small-scale installers have certainty. A problem with the previous scheme was that it was capped. There was no certainty and that did cause a problem for some people.

The purpose of the Renewable Energy (Electricity) Amendment Bill 2010 is, as I have already stated, to separate the large-scale renewable energy target and the Small-scale Renewable Energy Scheme. The changes will provide greater certainty for large-scale renewable energy projects and installers of small-scale renewable energy systems. The enhanced scheme will further strengthen the government’s commitment that the equivalent of at least 20 per cent of Australia’s electricity will come from renewable sources by 2020. As I have already stated, I think it will be greater than 20 per cent. That is testimony of the government’s commitment to bring about change. It is committed to renewable energy and lowering our carbon footprint. This scheme will benefit all Australians. We need to protect and look after our environment and this is one way of ensuring that that happens.

I would quickly like to touch on some of the initiatives that have been taken locally in the region I come from. The CSIRO Energy Centre in Newcastle has set a new benchmark in ecologically sustainable design by showcasing energy generation initiatives,
building demand reduction and supply options. It is a focal point in Australia for energy research in the fields of sustainable energy, environmental impacts, and cost-competitive and environmentally-acceptable fossil fuel research. It has undertaken a lot of research. The work it has done has been groundbreaking. The government has supported the Energy Centre’s work.

In addition to that, in the Shortland electorate Delta Electricity has two power stations: one at Mannering Park and one at Lake Munmorah. The Lake Munmorah power station is very outdated and needs to be upgraded. A project is taking place to introduce gas-fired facilities, which will be used in times of high demand. The old technology will be replaced with new technology. Delta is working towards improving its impact on the environment.

Delta Electricity is an electricity supplier that is mindful of the need to look at lower emissions and a sustainable future for generating electricity. It is looking at diversifying its electricity portfolio and is reflecting community and government expectations in changing its technology and working with the community and governments to lower emissions. It is looking at sustainable energy generation, at minimising the impact of existing coal fired plants and investing in the latest technologies and working with governments. It is investing in low-emission, renewable energy generation and developing new low-emissions energy technologies such as carbon capture. So Delta have indicated to me on a number of occasions that they are very mindful of the need to change. They are very mindful of the desire of governments to lower carbon emissions and, as such, they are introducing technologies to address this need. They meet with the state member and me on a regular basis to keep us informed of the changes that are taking place within their organisation, both locally and throughout the state. The member for Swansea and I both encourage Delta Electricity to continue to look at cutting-edge technologies and new ways of generating energy.

Slipping back to the renewable energy targets issue, that is part of a suite of government policies to encourage people to switch to cleaner energy to complement the renewable energy target. The government is making significant investment in the generation of renewables through the $4.5 billion Clean Energy Initiative. The initiative includes: the $1.5 Solar Flagships program to support the construction of large-scale grid-connected solar power stations operating in the market; the Australian Solar Institute, which will help to retain Australian solar expertise and develop the next generation of Australian solar researchers; and the Australian Centre for Renewable Energy. The Department of Climate Change and Energy Efficiency estimates that the RET will add less than $4 per year to the average household electricity bill.

I remind members and those people who are listening to this debate that people can now elect to receive 100 per cent, or a lower percentage, of their electricity from renewable sources by discussing this with their provider of electricity. That is something that I do. I have elected to receive part of my electricity from a renewable source and I would encourage other members to do so. A discussion paper was published in March 2010 which looks at enhancing the renewable energy targets. It examines all the issues that are in this legislation and, again, I would suggest that people have a look at that discussion paper. The submissions closed in April and we do have the legislation before the parliament at the moment. There is a lot of information out there for people to read to enable them to understand the reasoning behind this legislation. I would encourage smaller consumers and community groups to
utilise the benefits of this legislation through the SRES when it comes into force. It makes a considerable contribution towards the cost of installing solar panels. I would encourage schools to use the scheme that is available for them to have solar panels installed and I would encourage businesses to look at the initiatives that are available for them to transfer to and use the rebate schemes that are available.

The one available for schools is the National Solar School Program. It offers schools $50,000 in solar power grants and up to $100,000 if it is a dual campus school. They are a couple of examples of the types of initiatives out there. I would encourage all Australians to embrace the spirit of this legislation. I urge larger companies and organisations to use the LRET, and community groups, individuals and schools to link into the SRES. I commend the legislation to the House.

Mr WINDSOR (New England) (9.36 am)—I know that the Renewable Energy (Electricity) Amendment Bill 2010, the Renewable Energy (Electricity) (Charge) Amendment Bill 2010 and the Renewable Energy (Electricity) (Small-scale Technology Shortfall Charge) Bill 2010 are going to proceed through the parliament with the support of both sides of parliament, but there are a number of issues that really do need to be considered in a clearer light, and I know that the member for Lyne will be raising some of those concerns in his speech. There is concern in the community that the small people may well be brushed over in relation to issues such as the feed-in tariff arrangements that have been put in place in some of the states.

Here again we see probably the hallmark of the last decade of this parliament—and other parliaments—in relation to renewable energy policy generally. It has sent so many mixed messages to consumers that consumers really do not know what the policy is. They get the buzzwords and hear about the percentages of renewable energy. They feel good about that. They look at the fine print of the policy and they become confused. They see changes in the policy, as we have recently seen in the insulation arrangements. They see variations between policy direction at the state level and the federal level. They see competition going on between some of the various energy providers, not necessarily on price but to make it look as though various business entities are more in line with a sustainable and renewable future. They see the changes in relation to Green Loans, for instance. They see a myriad of changes. The most recent change is that the government has removed itself from the building in terms of its emissions trading scheme. People quite understandably are confused. A lot of people are quite happy that the government has changed its policies, but a lot of other people are very confused as to what these messages are.

These bills before the House were actually designed to plug into a broader scheme, the Carbon Pollution Reduction Scheme. Now that is not happening, and we still have these bills. On the surface, they are feelgood bills. The words sound appropriate. The words from John Howard a decade ago, in 2001, when he put in place renewable energy targets, were appropriate at the time. The people in voter land listened and received the message that the government was serious about renewable energy and had put in place targets. On the surface, they are feelgood bills. The words sound appropriate. The words from John Howard a decade ago, in 2001, when he put in place renewable energy targets, were appropriate at the time. The people in voter land listened and received the message that the government was serious about renewable energy and had put in place targets. But the putting in place of a target does not necessarily deliver anything. Many, particularly those in the coalition, would or should remember that the renewable energy target for biofuels back in 2001 was 360,000 megalitres. There is less biofuel in Australia now than before the Howard government put the target in. There is nowhere near 360,000
megalitres. So we had this feelgood announcement and a number of initiatives and grants—some of which were rorted and some of which were politically motivated in terms of where they went in the various electorates—rolled out through those coalition years. Nothing happened. Absolutely nothing happened in terms of promoting renewable energy, in that case biofuels, either biofuels as a value-add to an existing process or first or second generation biofuels that could have assisted agriculture.

Then along comes climate change, a great concern. ‘What can we do to maintain sustainability at a range of levels? What about renewable energy? That might help. Let’s develop a policy that makes it look as though we’re actually doing something about renewable energy.’ The member for Braddon, a man that I have many disagreements with in this House—

Mr Perrett—A fine member!

Mr WINDSOR—I notice his close colleague the member for Moreton is in the building. He may well report to the member for Braddon that he has been verballed in the parliament. But the member for Braddon made one of his better speeches yesterday, I thought.

Mr Oakeshott—that was easy!

Mr Perrett—A low base!

Mr WINDSOR—Yes, it was not difficult to have one of his better speeches delivered. I am sure he is listening. He made the point that, irrespective of who has been in government, this parliament has not delivered any certainty in any fashion in the signals that consumers receive. In the recent budget, the government announced something like $600 million for a Renewable Energy Future Fund. The coalition is going to remove that fund.

On the surface of it, we might say that it is a great idea to have a Renewable Energy Future Fund to put in some money to encourage industries to start up et cetera, because there is concern about where we are going in relation to solar, wind, geothermal, biofuels and so on. But in the same budget there is a tax on biofuels, a renewable energy. I think it starts to ratchet up in 2012, although I may be corrected on that. So what is the message? Why are we starting up a Renewable Energy Future Fund to encourage renewable energy and then, a couple of pages further on in the document, actually imposing a fossil fuel tax on a renewable fuel? It is no wonder that people are getting confused.

It is becoming a bit like the superannuation debate, where originally it was a good idea for people to save for their retirement, then someone said, ‘There’s a lot of money in there; we could get some tax,’ and then the government said, ‘Okay, let’s tax it.’ So we taxed it twice and then we taxed it three times. I think it is back to twice now. But the message the consumers took was: ‘Why are we saving for our retirement if we are only saving to have the money taken away before we retire?’ Anybody that has been looking at the various superannuation funds in recent years, particularly through the financial collapse, would have to ask the question: ‘What have we been doing? What is the policy message in all of this?’

Now we have the new resource rent tax. I do not disagree with a resource rent tax. I think it is a much fairer way of receiving a share of our resources than a royalty, which takes money before any profit is made. I have some issues with the entry point. I think the long-term bond rate is too low. The government should have a very close look at that, even if it means that the total revenue stream drops off. There are some very real issues with having an entry point at the long-term bond rate. I am encouraged that there
are discussions taking place on that issue. I would encourage the various industries themselves, the miners, to take up the challenge that the Prime Minister and the Treasurer have issued that they are serious about negotiations and consultations with various industries. I think dealing with the Minerals Council is dealing just with politics. I think we really need to get down to the nub of this—what it actually means for real businesses in different structural circumstances, in different company structures and at different levels of development. We need to see what this, in a sense, blanket tax actually means to those various companies. So I encourage the companies. There was an issue raised yesterday—I think it was from Queensland—concerning an aglime mine. Those people sent me an email as well. In reading their email—

Mr Perrett interjecting—

Mr WINDSOR—The member for Moreton might like to talk about this in his delivery, because he probably knows more about it than I do. It seems to me that the government should have a very close look at their circumstances, because they are dealing not only with a product that they have dug up out of the ground and sent overseas with no value adding taking place but with a product that goes into a lot of domestic businesses, including agriculture, soil conditioning and a whole range of other things.

If we are serious about sustainability, we have to make sure that some of these policies are sending the right signal. Here again, on the margin of the resource rent taxation issue, we see an area where that signal could become very blurred and it actually impacts on things that other aspects of policy are trying to encourage. So I suggest that the miners themselves take up the option of the Treasurer and the Prime Minister and get into those one-on-one discussions about how the tax is going to impact on their company structures and the long-term profitability of their companies.

As I said, I think the member for Braddon made a very important point yesterday. I would agree with him that, for the last decade, we have talked about renewable energy and done very little. We have these confused messages out there—and the member for Lyne will talk about some of those—with the various state and Commonwealth arrangements. This is a Commonwealth arrangement. Essentially it was to have been piggybacked on to the Carbon Pollution Reduction Scheme; nonetheless, it is here now. Again there are some blurred areas, including what it is going to mean for consumers, households and, particularly, the smaller end of the market where the real field for renewable energy is.

People want to be involved in doing things better. They want to be encouraged, but they want policy that does not penalise them when they get there. The Leader of the National Party made a very significant point the other day on the issue of natural gas, I think it was. The issue is similar to the ethanol issue that I just raised. Why did we encourage people to go into LPG cars and then penalise them when they did? Why do we do this? What was the point of doing it in the first place if not to trap them? I am not suggesting that liquid petroleum gas is a renewable fuel, but it is a better fuel in terms of emissions than some of the other fossil fuels that we have been using.

We constantly get these mixed messages. There are some good things happening in Australia. I do not think these things are being encouraged enough. The member for Moreton may well talk about some of the things that are happening. I know the member for Dawson raises the issue of cogeneration in sugar mills. The only reason we have
a sugar industry now is renewable energy. The Brazilians removed themselves from the world market, in a sense, for sugar as a food product. They then moved back into producing energy from that food product, the sugar—producing bagasse and other things from the residues and then producing renewable energy at source. That is starting to happen along the Queensland coast and we should be encouraging that. We should be really encouraging those sorts of activities. Not only do they add value to an agricultural pursuit but they are renewable energy sources. You open up the areas where that particular primary industry exists. I do not have any sugar cane in my electorate, but I think it is an important area that we should be looking at—food production, renewable energy production and electricity production as well as molasses and other activities. It becomes a much more important and significant industry than that of just growing a plant and shipping the sugar as food to someone else overseas.

The member for Parkes would know the small town of Ashford in my electorate. Some years ago it relied very heavily on tobacco and, then, on a coalmine and a relatively small power plant which closed down. The town has been searching for activities that it can lend itself to. In recent years they have been trialling industrial hemp. The member for Lyne might remember from a previous lifetime that, in the New South Wales parliament, I was instrumental in introducing what was essentially a legalisation, a licensing, of industrial hemp, excluding high-THC—dope-smoking hemp—to be grown as a product. That industry has not gone far. There are a number of people that are actually looking at it in Ashford as we speak. Only the other day the Inverell Shire Council passed a motion to look at promoting what the small community group in Ashford is trying to achieve. That group had trials last year. They have established a small market. They need assistance to try and grow the business and find out where the pitfalls are. They have the ingredients: the water, the land and the expertise and capacity to farm that land.

They are asking for some degree of help. I will be very supportive of that, because we never know where that goes. Industrial hemp, for instance, is a sustainable product. Cars used to be built out of industrial hemp rather than out of the materials they are constructed from now. Industrial hemp has been used for a whole range of things, not just for ropes, tarpaulins and various clothing products. You can make furniture out of industrial hemp. It is a renewable product. We should be looking at and encouraging these sorts of people. I do not think the bills we are looking at today actually encourage the little people to motivate themselves too much. In fact, if you relate these bills to what is happening at the state level, they may in fact be counterproductive for the little people trying to make their contribution to a sustainable future. Mr Acting Speaker—

The DEPUTY SPEAKER (Hon. Peter Slipper)—It is Deputy Speaker.

Mr WINDSOR—Mr Deputy Speaker. I do apologise. I recognise that it is of significant—

The DEPUTY SPEAKER—I do thank you for the promotion!

Mr WINDSOR—I know it is of significant difference to you, as I have had past indiscretions.

Mr Deputy Speaker, I was involved last year in a study tour to Europe and we looked at renewable energy sources, specifically in relation to climate change. I still cannot get over the enthusiasm of the researchers in those various countries. The researchers at the Scottish Crop Research Institute at Dundee were incredible in their enthusiasm for
looking at various renewable futures. As I have mentioned in this place on a number of occasions, the European cropping systems are based on baling the stubble, because they have a narrow window of opportunity to plant the next crop. Currently, they bale the stubble and use it as bedding for animals or whatever else. Rather than just stop there, the Scottish are developing enzymes that will create biofuels from that biomass. In Copenhagen, for instance, I went to an electricity-generating plant that was fed by pure waste. The garbage trucks go out of a morning, pick up the rubbish, bring it back, dump it in these massive incinerators—and there are two of those—and create enough energy for half a million people in Copenhagen. That is yesterday’s fish and chips creating tomorrow’s power. There is nothing else involved. A by-product of that is central heating for people’s homes and businesses.

There is an enormous amount that can be done. The member for Braddon made that point. None of us—no party—has done anything other than touch the dictionary and touch the surface on renewable energy. I hope that, if we are serious about renewable energy this time, we will actually start to do something and allow the people on the ground to be partners in doing those things. Whether that is in terms of the farm sector and carbon in the soil, value adding through biomass to renewable fuels, solar, wind, geothermal or using the number of incentives put in place by these bills, we have to make sure that we start to go down that road rather than be trapped at a locked gate.

Mr PERRETT (Moreton) (9.56 am)—I rise to speak in support of the Renewable Energy (Electricity) Amendment Bill 2010 and related bills. I want to thank the member for New England for his contribution and say particularly that it is always good to see him go on the record praising the member for Braddon. I will make sure I pass that on to the member for Braddon, because he would be surprised to hear that occasionally there are slights raised from unnamed sources! I thank him for his contribution.

I want to start by going on the record to make sure that people understand the fundamental premise that I bring to this speech: that climate change is real. The second premise I bring is that acting later will cost far more than acting now. The other premise that I bring to this speech is that I am not any more valuable than a person in future generations. I have exactly the same value and they have the same value as me. Therefore, I need to consider their lives and their future in the things that I or we do now. They are the three premises with which I start this speech.

The Rudd Labor government are committed to real action on climate change. Late last year, we had our efforts to introduce the CPRS torpedoed by the Nationals, by the Greens, by Steve Fielding, by Nick Xenophon and by most Liberals in the Senate. Nevertheless, we will continue to transition our economy to a low-carbon future. If you want to know which party will take action on climate change, you just have to look at the votes on the CPRS in the Senate. The Nationals did not vote for it, the Greens did not vote for it and most Liberals did not vote for it. Only Labor senators and two dissenting Liberal Party senators did. The courageous Senator Boyce from Queensland and Senator Judith Troeth from Victoria voted with their convictions and had the courage to say that they were of the same value as future generations and they were prepared to make a decision. They did that even though it was harmful on the day when Tony Abbott won the coalition leadership on an anti-climate change ticket.

The DEPUTY SPEAKER (Hon. Peter Slipper)—The honourable member for Moreton ought to know that he should refer
to the Leader of the Opposition by his title, not by his name.

Mr PERRETT—The member for Manly, the Leader of the Opposition, won the leadership—

The DEPUTY SPEAKER—The member for Warringah.

Mr PERRETT—Sorry, I am showing my old Rugby League background! The irony is that, if the Greens had given their support to the Rudd government’s CPRS in the Senate, we would have had a Carbon Pollution Reduction Scheme ready to commence from 1 July 2011. The Prime Minister, Kevin Rudd, and the minister for climate change, Penny Wong, would have taken this starting point to the climate change conference in Copenhagen. Who knows what might have flowed from that if we had gone to the world and said we, one of the biggest per capita emitters in the world, have a starting point and a platform. Who knows what could have transpired. Copenhagen did bring some positive outcomes and that should be recognised rather than seeing it as the member for Warringah does. However, it was not humanity’s finest hour that is for sure.

That did not happen last year. Instead, the Greens senators chose to play a strategic and self-serving political game along with the National and the Liberal senators. Not only did they sell out the environment in a big way, they sold out their supporters, who had trusted the Greens to stick up for the environment. It is only the Labor Party who is standing up for the environment and for the future of this planet. As we face up to the realities of a less-than-receptive Senate, the Rudd Labor government is more determined than ever to do what we can now to tackle climate change. As I said, the fundamental premise we start with is that to act late will cost more than acting now. That is why every dollar from the deferral of the CPRS is being invested in renewable energy.

The beauty of renewable energy is that it is generated from unlimited sources, as is the case with wind, solar, biomass, geothermal and hydro. Our planet produces these resources naturally. For the most part, renewable energy is also clean energy, producing little or no greenhouse gases or toxic waste. In a carbon constrained future we will need renewable energy technologies to provide low-cost emission-free baseload energy. Australia’s geology, climate resources, expertise and skilled workforce have us ideally placed to develop renewable energies like geothermal, solar and wind. Unfortunately, Queensland is not as blessed as some of the other states when it comes to wind. As technology improves, renewable energy is becoming more cost effective and efficient and, as I said, it can provide baseload power. The more we can rely on renewable energies, the more we can reduce our overall greenhouse gas emissions. The more certainty we can provide for the renewables sector, the more investment we will see to drive innovation and the development of new technologies. It will also make green jobs the boom of the future.

The Renewable Energy (Electricity) Amendment Bill 2010 will deliver greater certainty to the renewable energy sector, both large-scale projects and small-scale installers. It does so by separating the Renewable Energy Target Scheme into two parts—the large-scale renewable energy target and the Small-Scale Renewable Energy Scheme—from 1 January 2011. This will help ensure Australia meets its 20 per cent renewable energy target by 2020. In fact, with the increasing uptake of renewable energies from households, small businesses and community groups, and with the changes in this bill, we can expect to exceed the 20 per cent target by 2020—45,000 gigawatt hours
of electricity from renewable energy by 2020. That 45,000 gigawatt hours number just rolls off the tongue and I will come back to what a gigwatt is in a minute. 45,000 gigawatt hours would be the equivalent of using the same hairdryer continuously for 2.5 million years. That is what we are going to remove from the system. It is a lot of hair drying obviously—2.5 million years with the one hairdryer.

Not only are we providing incentives for large-scale renewable energy producers, we are also giving Australian households the tools to do their bit to conserve energy and switch to renewables. This bill reduces the annual targets under the large-scale renewable energy target by 4,000 gigawatt hours, with the shortfall to be generated under the Small-Scale Renewable Energy Scheme. Now what is a gigawatt? For the edification of students who are not scientists, the most basic energy unit is a joule. Lifting a pen about metre in the air would require one joule of energy. A watt is the work done by one joule every second. So lifting the pen one metre in the air in one second would be working at the rate of one watt. People understand watts because we can talk about the old 40-watt or 60-watt light bulbs. As we have the minister for the environment here, he would be thinking of an 11-watt fluoro downlight rather than a 60-watt light bulb from days gone by. A fluoro downlight is about 11 watts and when we talk about a gigwatt we are talking about 90,909,090 fluoro downlights, to break it into understandable terms.

The new SRES will support installers of small-scale systems like solar panels and solar water heaters. It will create a new small-scale technology certificate priced at the fixed amount of $40. This means a householder installing a 1.5 kilowatt solar system would receive certificates worth about $6,000. A 1.5 kilowatt system is about a one metre by 1.5 metre solar panel on your roof, or maybe even slightly smaller. It is not much at all and most roofs could fit one.

The Office of the Renewable Energy Regulator will be required to estimate the number of STCs expected to be created each year to maximise certainty for liable entities. The annual targets will be adjusted each year to account for the actual number of small-scale technology certificates created in the previous year. Existing bank renewable energy certificates will only be eligible for use in the large-scale renewable energy target. Therefore installers from small-scale technologies will be required to surrender RECs at $40 each.

This bill reflects the Rudd Labor government’s commitment to a greener future. In addition to the renewable energy target, the government is also investing in generation-scale renewables through the $5.1 billion Clean Energy Initiative, including the Solar Flagships program, to support the construction of large-scale grid connected solar power stations. The Rudd Labor government remains committed to developing a sustainable solution to climate change for Australia and our region over the long term. This bill is another stop along the way. I commend the bill to the House.

Mr OAKESHOTT (Lyne) (10.06 am)—Whilst I am a massive supporter of seeing greater engagement in alternative energy options to both secure and make more affordable our energy supply for the future, I do have some significant reservations about the implications of this move for small schemes and the development of a small renewable energy scheme. There are implications of that on households and on the culture of ownership in both supply and demand management in regard to our future energy, environmental and economic needs of this country. Whilst I fully recognise that the Re-
newable Energy (Electricity) Amendment Bill 2010 and cognate bills will proceed through the parliament there are many aspects that are to be supported and lauded. Increasing investment security in large-scale investment is something to be endorsed. I have enough reservations at this time not to support this legislation because of the increased exposure that small households will have as a consequence. And there is the contextual question on what is the full package from government for these economic and environmental questions of our time.

I am uncomfortable supporting just one part of a package which 12 months ago I was being told had to be linked to a CPRS scheme from government. They were intimately entwined and there was no way possible that they could be broken. Yet now the proponents of that message, who only 12 months ago were saying this was all part of the one package, now say to me, ‘Oh no, it is fine to split them. We will push through the renewable energy certificates; the splitting of the large and the small. It is nothing to do with CPRS; nothing to do with emissions trading schemes. Don’t you worry about that.’ I am therefore uncomfortable sitting on this very wild train ride through environmental and economic policy when it comes to how we build the best, most sustainable, most secure and most affordable energy supply for the future of this country.

I am flagging that I will be voting against this and I am sure both major parties have already indicated they are fully supporting this. It will not create too much of a ripple, but I will outline the reasons why I continue to express my concerns. I live in a country—I hope I live in a country—where we do not leave people behind in policy. In regard to the development of a small scheme with a fixed price, I think the very reason behind the development of a scheme that is split between large and small is to increase investment security for large investors, but it is a zero sum game in my view. We are also, as a direct consequence, increasing the exposure of the household and the small-scale technology that does want to contribute and does have a want to participate and does have a desire to own this issue. If we are going to start with the broad philosophical, it is this clash of ideals that I am feeling with the two major parties now jumping into bed and saying that large investment is the way forward in policy for energy security and renewable energies at the expense of the small-scale systems and households.

I take a counterview and I do think there are alternative policy options in the marketplace that have been rejected by government and opposition that say we choose a much smarter path by looking towards the ownership culture of both the problem and the solution and of both the demand and supply side. Those options are there. A national feed-in tariff scheme has been brought into this parliament by several people—and has been rejected by government—to get some consistency in the way this country deals with one of its greatest energy supplies, and that is the sun above us. Households can engage in a national electricity market, both on a supply and demand side, and manage their own issues of energy supply and use. Yet that has been rejected by government, because the ‘suits’ in Canberra go into the offices of the various players and win an argument that the culture of investment in large-scale infrastructure is the best and only way forward for this country in regard to clean, green energy supplies and affordable and secure energy supplies for the future.

By no means is this to deny the role that large-scale investment plays, but I do not think that in a policy sense we are being as creative as we can be and as responsible as we can be in chasing large-scale investment at the expense of households and small-scale
technology. If anything, we have an obligation as policymakers to embrace and encourage the ownership culture. I make that point for several reasons. One is that we will fail if every single household is not engaged on this. If people are not very aware on a daily basis of their electricity use in their own households and take some ownership of that and are supported in owning that through financial means, then we will fail. It will not matter what level of investment—large or small—we want to see committed. As well, I would hope policymakers consider on a broader scale the difference and the contrast between having several large investment sites, with the poles and wires and everything that has to go with that in getting it to the retail market, compared to the contrast in a policy sense of a large number of sites with a smaller investment needed to get it to the market.

Every household potentially has the ability to be the mini generator that we all desire. The beauty in a policy sense is that it is demand side and supply side at the one point of contact. There is no need for the double handling of getting supply to market. That should be considered an advantage when establishing policy frameworks and therefore is an alternative option which is worthy of greater consideration. There are some ironies in this legislative package. I will begin by identifying the irony that this is a mini CPRS. This is a cap-and-trade scheme which is already in operation in the marketplace and already accepted by many operators. It is having minimal impact. The figures have been released today in estimates that it is about $2 a year in regard to RET schemes into the future, having minimal impact on the electricity supply at every household.

There are some political ironies here in that we have had some of the most unholy of punch-ons in regard to putting a price on carbon and whether we as a nation are comfortable with a market based response to these natural resource questions. And at the same time, over the last five years we have been doing it because we have a scheme in place. This is the Mini-Me of CPRS schemes which has the full endorsement and support of the coalition. It will be voted on and supported today by the coalition. So the great big tax of the last six months is no good but the quiet little new tax is okay within a RET scheme—some political irony. The figures out today in estimates show that it will lead to some increases in household electricity prices but minimal increases with benefits attached. All of this has to be a contextual debate.

I do not have a problem with the scheme itself. I think there are huge ironies in the fact that both the government and the opposition do not have problems with the scheme, considering their broader positions on market based responses on climate and energy questions, but in the detail of how this has been designed we are leaving people behind. We are increasing the exposure of households who want to participate, and ownership and the culture of ownership is a critical opportunity which will be lost if we go down this path of focusing purely on how many large investments, wind farms, we can get operating in this country. That is one that might sit well in political mythology when ministers are standing on the campaign box and saying, ‘My scheme will deliver $19 billion worth of investment by 2020 and we are 22 per cent rather than 20 per cent ahead of where we want to be.’ Unless we engage the Australian population on this and on the range of packages available, we are going to fail.

While I have the chance, I throw into this basket the green loans scheme and the insulation scheme, and I throw them in from an angle which is different from everyone in this place. I am a fan. I think they are sensi-
ble, conceptual schemes for exactly the reasons I have been talking about for the last 10 minutes. They engage households in both the problem and the solution. Home sustainability is an option for dealing with the moral challenges of our times and is an eminently sensible policy approach. Yes there were delivery questions but they, over time, can and should be resolved. It disappoints me and I know many in the community. You only have to look at the polling: at the moment the disappointment is reflected at the ballot box.

The government seem to have walked away from engaging the home in a sustainable and affordable future. I would hope the green loans scheme survives. At a cost to government it is minimal in the overall budget and the return on the demand side, in growth areas particularly like the one I represent, is significant. It means Country Energy, for example, does not have to increase electricity prices by 40 per cent as their recent New South Wales report said, and largely that increase is due to lack of investment in poles and wires. If we can get the demand side under control through engaging households we will minimise the overall cost to all in rising electricity prices and therefore home sustainability. Any programs from government that engage households in the problem and the solution are very welcome initiatives for the majority of taxpayers.

Likewise, for all the wrongs of dodgy insulators—and there are stories that will be revealed to all and the naming and shaming will continue—the underlying concept of the program was and is a good one. I think allowing people to take ownership and engage is an eminently sensible policy approach.

In the development of this and in the context of all that has gone on in this place in the last six months where we have seen the 180-degree turn from government, from ‘Sensible Kevin’ to ‘Nervous Kevin’, we need—

The DEPUTY SPEAKER (Hon. Peter Slipper)—The honourable member Lyne ought to refer to other honourable members by their position and not by their name.

Mr OakshottThe ‘sensible’ Prime Minister; the ‘nervous’ Prime Minister, the change from the member for Wentworth to the member for Warringah—these are the 180-degree flips that have occurred within the last six months that have the community confused. There is currently a sense in the community of a policy void in government. It will take an enormous amount of work from government in a particularly wired election environment to recover the moment and to put in place a policy strategy that the community believes in, that is deliverable and that engages the community and government in working together, rather than one that creates the current policy void and confusion.

I take this opportunity to raise the issue of the smoking guns that I have seen over the last six months. I smelt a rat in the shift that I saw and what looked to be—to their credit—a very well organised and very well-funded campaign from the likes of JoNova and Viv Forbes. There is more going on in those stories than meet the eye and they have seen the two major parties scat on the issue of action on climate change and on an affordable and secure energy supply for our future. The shifts that we have seen from both sides have created an unstable energy market and are a great disappointment. Again, I think there are a whole range of interests other than the national interest at play in the political process in this place that point to further smoking guns.

Another point I want to make and one that I hope Minister Garrett and Minister Com-
bet, who are at the table, will consider is my concern about the contrast between government policy and the people who I see in my community, either as a household or as a small business, who want to embrace many of the issues around renewable energy and broader energy security. They are doing it; they are basically getting on with it. However, the policy development and advice from the energy and environmental departments looks to be given ‘with fear’ and ‘with favour’; it is found wanting. In my view, those departments show an inability to contribute without fear or favour to robust policy development in this country. Further, the delivery of those outcomes looks to be a bit of a smoking gun. I think these two departments have been found wanting. This has been captured more by some of the old school culture of the energy department rather than some of the vibrant new minds that we might find in the public sector. I hope I am wrong but there have been too many policy misfires for me to think otherwise. That is one for the ministers at the table to consider.

Whilst I will be voting against the legalisation, I think there is a way forward. We do need the question of a price on carbon answered—and quickly. It is creating an unstable environment. There are a range of doables now, and I would encourage the ministers at the table to look at what ClimateWorks Australia have been doing. They gave some excellent presentations in this place this week. There are some really positive steps that can be taken now to set us up well for the future.

The small-scale energy security is a question that has me really baulking today. This legislative package increases the insecurity around small-scale business and household engagement. There is still a policy void regarding the question of home energy sustain-
renewable energy generation projects. Modelling released by the government yesterday shows that the changes are expected to deliver more renewable energy than the original 20 per cent target, reaching around 22 per cent by 2020, which will help transform the electricity sector and support investment in both large- and small-scale renewable energy projects. This is a very important initiative. Further, the enhanced renewable energy target is expected to drive up to $19 billion in total investment in large-scale renewable energy generation in the period 2020-30. Importantly, these changes are only expected to add $2 per year to a typical household’s annual electricity bill.

On the issue of the renewable energy target support for emerging technologies, it has been suggested that the RET should be banded to ensure the deployment of less mature renewable technologies. The RET Scheme encourages the deployment of renewable energy without picking winners within the target. As I have indicated, the renewable energy target is in fact very large. It increases the current Mandatory Renewable Energy Target Scheme by over four times. Due to the large size of the target, the RET will pull through a range of technologies including wind, biomass, solar and geothermal energy. The RET is complemented by significant direct support for the development, commercialisation and deployment of emerging renewable energy technologies through the $5.1 billion Clean Energy Initiative announced by the government.

The government has now committed more than $200 million to accelerate geothermal energy technology development, demonstration and deployment in this country, leveraging a total investment in excess of $720 million. Funding for several geothermal projects has already been announced. In that context it is not considered appropriate to be banding, as it has been described, the renewable energy target.

There has been some suggestion of rorting of government support for heat pump water heaters. The government became aware last year that some installers of heat pump water heating systems had been inappropriately claiming renewable energy certificates under the RET Scheme, introduced by the previous government in 2001. Some concerns were raised that multiple heat pump hot water systems or excessively large systems were installed above the capacity actually required by the user in order to generate the certificates. In September 2009, regulations came into force to address that issue. These regulations were put in place to prevent the over-sizing of heat pumps. The regulations require statutory declarations to ensure that, for units with a capacity of over 700 litres, the unit is appropriately sized for its intended use and that there is an intention that it remain in its original configuration and location for the life of the unit. This has had a significant impact in ensuring that renewable energy certificates are claimed only for appropriately sized heat pumps and addresses the issues that have been raised.

Furthermore, there has been some commentary on the closure of the Solar Homes and Communities Plan. Solar credits under the Renewable Energy Target Scheme replace the support previously provided through rebates under the Solar Homes and Communities Plan for installing rooftop solar photovoltaic systems. By legislating support, solar credits will provide increased certainty to industry and the community with respect to the solar PV systems.

On the issue of government support for renewable energy generally, the renewable energy target is, as I have said, a part of a suite of government policies encouraging the switch to cleaner energy. In particular the
government is providing funding for research, development and demonstration of clean energy technologies, including renewables, through the $5.1 billion Clean Energy Initiative. This incorporates the recently announced in the budget Renewable Energy Future Fund, which will provide an additional $652.5 million over four years to support Australia’s response to climate change.

The Australian Centre for Renewable Energy is a key plank in Australia’s commitment to clean energy technologies and to deploying these technologies around Australia. It draws together more than $560 million in order to accelerate the development, commercialisation and demonstration of renewable energy technologies and it will, therefore, complement the government’s investment in generation-scale demonstration projects under the Solar Flagships program and the sustained commitment to household and community-scale renewables through initiatives such as the Solar Cities program and the National Solar Schools program. In addition, the Prime Minister’s Task Group on Energy Efficiency will report shortly, in mid-2010, on other important new energy efficiency measures.

In conclusion, the amendment bills before the House today will encourage the deployment of both major renewable energy projects and household-scale renewable energy systems. The renewable energy target is a key measure in Australia’s climate change policy and these changes will deliver significant and timely sets of enhancements that will reduce Australia’s emissions. The enhanced renewable energy target will drive significant investment, accelerating the deployment of a broad scale of renewable energy technologies like wind, solar and geothermal. These changes will ensure that 20 per cent of our electricity supply comes from renewable sources by the year 2020. These bills represent a major step forward towards the transformation of the Australian economy and the building of Australia’s low-pollution future. I commend the bills to the House.

Question agreed to, Mr Oakeshott dissenting.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr COMBET (Charlton—Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency) (10.36 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

RENEWABLE ENERGY (ELECTRICITY) (CHARGE) AMENDMENT BILL 2010

Second Reading

Debate resumed from 12 May, on motion by Mr Gray:

That this bill be now read a second time.

Mr COMBET (Charlton—Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency) (10.37 am)—I do not propose to make any further submissions in relation to this bill. I did comment upon it in summing up the previous bill. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr COMBET (Charlton—Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency) (10.38 am)—by leave—I move:

That this bill be now read a third time.
Question agreed to.
Bill read a third time.

RENEWABLE ENERGY (ELECTRICITY) (SMALL-SCALE TECHNOLOGY SHORTFALL CHARGE) BILL 2010

Second Reading

Debate resumed from 12 May, on motion by Mr Gray:

That this bill be now read a second time.

Mr COMBET (Charlton—Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency) (10.38 am)—Once again, I do not propose to make any further submissions in relation to the bill. I did speak upon it in relation to the main bill. I commend the bill to the House.

Question agreed to.
Bill read a third time.

Third Reading

Mr COMBET (Charlton—Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency) (10.39 am)—by leave—I move:

That this bill be now read a third time.
Question agreed to.
Bill read a third time.

PAID PARENTAL LEAVE BILL 2010

Cognate bill:

PAID PARENTAL LEAVE (CONSEQUENTIAL AMENDMENTS) BILL 2010

Second Reading

Debate resumed from 12 May, on motion by Ms Macklin:

That this bill be now read a second time.

Dr STONE (Murray) (10.40 am)—I rise to talk about the Paid Parental Leave Bill 2010 and the Paid Parental Leave (Consequential Amendments) Bill 2010. There is currently no universal legislated right to paid parental leave in Australia. These bills introduce that right for the first time. There should of course have been mandated, paid-for parental leave in Australia for a very long time. We, apart from the USA, are the last society to ensure that all working families have paid leave to assist parents in the workforce, particularly to help with the mothers’ recovery and to make sure we offer the very best possible start for our newborns. Given that it has taken Australia so long and there are decades of other developed nations’ policies and practices for us to learn from, it is astonishing that the Rudd Labor government are asking the working families of Australia to accept such a shambolic and limited paid parental scheme. That is what is before us today in the parliament.

Labor’s policy is so poor that even their own National Foundation for Australian Women, in their submission to the Senate Community Affairs Legislation Committee inquiry into these bills, stressed that Labor’s Paid Parental Leave scheme must only be seen as a first step and must be enhanced over time. This begs the question: why should the NF-AW and the ACTU be so cowed and contrite? Who do they think they really represent? They should not be so grateful for just a few crumbs. Why should Australian working women be fobbed off with a small, cheap, one inadequate step at a time policy from this Labor government? Australian families deserve a scheme that is equal to the best there is—that is, which offers them at least six months to bond with their babies, to recover from the birth and to exclusively breastfeed if they can or wish to. But this government is only putting 4½ months, or 18 weeks, leave on the table.

Why should Australian working women be denied superannuation while they are on
paid parental leave? The Rudd government know full well that Australian women’s working lives are too often interrupted, given they undertake the vast majority of parenting, and caring for the disabled, the aged and infirm. Stop-start careers or part-time work interrupts continuous superannuation contributions—we all know that—and this erodes women’s capacity to accumulate sufficient superannuation or savings to retire independently. Seventy-five per cent of Australia’s age pensioners are women, because they cannot support themselves adequately in their old age. Labor are happy, apparently, to have this sad situation perpetuated. Their policy denies continuing superannuation to parents taking parental leave.

The second income in an Australian household is now very often necessary to help families buy a home and to meet other costs associated with raising a family. Not all are in the privileged position of being able to rely on a single breadwinner earning sufficient income to establish and maintain the home and lifestyle that most Australians aspire to. As well, ironically, Australia’s women are among the best educated in the world. The majority of our women want to use that education to develop a career so they can fully participate in our society and the economy. So, not surprisingly, over the past 30 years the growth in female workforce participation in Australia has risen steeply, particularly for those of child-bearing age. For example, the participation rate of 25- to 34-year-old partnered women has risen from 45 per cent in 1978 to over 70 per cent in 2008. On average, some 62½ per cent of women giving birth in Australia were in the workforce before the birth and, of these, some 74 per cent want to return to work if they can.

So this mandated paid parental leave scheme is essential for our country, but it has to be a good scheme. Labor’s Paid Parental Leave scheme is not a replacement salary scheme for women who have been in the workforce up to the time of the birth. They are offered only the minimum wage for all. This is what Labor is offering. There is no doubt that many women will do their sums and will not be able to afford to take the leave offered by Labor’s miserable scheme. The government acknowledges this, and so it is including a calculator on its website to help the parent or parent-to-be estimate whether or not they will be better off monetarily sticking with the baby bonus and struggling back to work as soon as they can. This is, of course, a tragic option for mothers of newborn babies and families who want to properly parent those newborns. The choice of baby bonus or Labor’s very cheap and miserable Paid Parental Leave scheme should not be a choice forced on our working families. Labor is perpetuating the situation where too many women regret for the rest of their lives the fact that they simply could not afford to be with their newborn for a suitable period of time because they could not afford to keep paying the bills on a single income or less than they had earned before.

If you read Minister Jenny Macklin’s second reading speech, you will see that she is fully aware that Labor has cheated Australian families of a proper and decent paid parental leave scheme. She has said that she expected, and indeed hoped, that parents would top up her scheme with the privately negotiated paid parental leave schemes that are already in existence across the economy in Australia. This is, of course, a mean and cruel expectation. It, in fact, perpetuates the haves and have-nots—the gross inequalities that have affected parents in Australia for many, many years. It is simply un-Australian.

Some more or less paid parental leave has long been provided by businesses wanting to keep their skilled women staff. This paid parental leave has been offered through
workplace agreements or by legislation which, in particular, caters for the very fortunate women in the Public Service—for example, the Maternity Leave (Australian Government Employees) Act 1973. As well, there are state awards and state legislation which ensure that state government public servants and some others have some paid parental leave. Private arrangements for women to access paid maternity leave have, in fact, increased from only 36 per cent in 2003 to 41 per cent in 2005—that is according to the ABS. Over the five-year period to August 2007, the proportion of full-time employees who are entitled to paid maternity leave rose from 43 per cent to 60 per cent. However, for part-time employees it only rose from a very low 18 per cent to 27 per cent. Of course, that is less than half the percentage offered parental leave compared to full-time workers.

In August 2007, the ABS estimated that 45 per cent, or 1.8 million, of Australia’s four million female employees were entitled to paid parental leave in their main job, but access to paid parental leave varied not only according to the hours worked but also according to pay levels. For example, 84 per cent of women earning over $1,200 per week have access to paid parental leave. This has to be compared with only 24 per cent of those on wages under $500 per week being offered parental leave. Sixty per cent of women designated as professionals use paid maternity leave, while only about half that percentage—some 31 per cent—of those designated as intermediate clerical, sales or service workers can access such leave. In 2005, 76 per cent of the fortunate women employed in the public sector in their last main job while pregnant used paid maternity leave, but this compared to just 27 per cent of women employees in the private sector. Eighty per cent of women whose last main job while pregnant was in the public service, government administration or defence, and 68 per cent of those in education departments across the country, used paid maternity leave. There were also higher levels of paid maternity leave access in the finance and insurance industries. But let me stress that in the industries with the lowest proportion of female employees with paid maternity leave entitlements—these were the industries with the lower paid women or part-time women, in accommodation, cafes and restaurants—only 14 per cent had paid leave. In retail, only 21 per cent had paid parental leave.

So access to paid maternity leave in Australia depends at the moment on your pay rates, your skill levels, the hours you work, your industry or occupation and whether you were in the public service or the private sector. This leave varies from two days on offer to 18 weeks. What this government has done is perpetuate that inequality, and the advisers listening to this debate should be ashamed that they allowed the minister to persist with this policy. You should have advised differently.

This is an appalling continuation of the have and have-nots, because what this government has said is: ‘Yes, we know our scheme is inadequate. It’s very mean and poor. It only offers 18 weeks at the minimum wage, with no superannuation. But you go away and have it topped up by your employer.’ The poor women of Australia, the lower paid, the part-time workers and the self-employed do not typically have those alternative private sector or public sector schemes to top them up and give them a decent period of leave from their workplace. I think that is disgraceful. I think this Labor government should stand condemned and ashamed, and I cannot understand why the ACTU stands by and says, ‘Oh, well, at least we’ve got something.’ ‘Something’ is simply not good enough for Australia’s working families.
I hope that I have made it absolutely clear that lower paid women and those more likely to be in part-time work are far less likely to have a top-up scheme of paid parental leave, and they have to have that top-up scheme, as I have said, to make Labor’s meagre offering affordable. Of course, our coalition will aim to amend this scheme to offer something far better, and our leader will introduce those amendments shortly.

Lower paid women working in hospitality, tourism and retail and the self-employed and contract worker women across the country will inevitably be forced to rely exclusively on Labor’s offer of only 18 weeks of leave while their better paid sisters can add their employer’s scheme on top to give them at least six months leave or an even better salary outcome. How can Labor sustain the argument that lower paid women need less time to recover from a birth, are less likely to breastfeed or are able to recover faster from a pregnancy than better paid women in, say, the Public Service or the banking sector?

The longstanding inequity of access to paid maternity leave for women in Australia has always had impacts on Australia’s productivity and on women’s career development and attachment to their workplaces. Their accumulation of superannuation and savings and ultimately their financial independence have long been affected by the current inequities of access to paid parental leave in Australia. Labor is perpetuating this problem. The coalition will not stand for it.

Labor is introducing only 18 weeks of paid parental leave, to be paid at the minimum wage, for those who have worked at least 330 hours in 10 of the last 13 months. Primary carers earning over $150,000 will not be eligible and the paid parental leave is to be taxed. I have no doubt that Labor’s offer of only 18 weeks of paid parental leave without superannuation and only at the minimum wage will see many women in families dependent on a second income forced back to work earlier than is optimal for the mother and the baby’s wellbeing. That is not what families in Australia expected from any government—although perhaps they thought it was more likely they would be let down by a Labor government. After such a long wait for a mandated universal scheme this is a bitter disappointment.

The coalition’s scheme is world’s best practice. It offers six months of leave at the mother’s salary up to $150,000 or the minimum wage, whichever is greatest, and superannuation is paid—currently this is at nine per cent. We have the same eligibility criteria for access to paid parental leave as has been identified by Labor. We also make sure that women who are self-employed, who are in partnerships or who are contractors are able to participate in this scheme. There will be appropriate eligibility criteria.

In most countries with paid parental leave the parents may decide which parent takes leave or takes part of the leave and claims the income support. However, in Sweden, Iceland and Norway the governments have chosen to structure their paid parental leave to reflect their societies’ gender equity objectives, the benefit to the baby of some early close association with the father and the sharing and diminishing of what would otherwise be the mother-only experience of an interrupted career and superannuation reduction.

Unlike Labor, the coalition also recognises that the father, or non-primary carer, also often wants to have a close bonding experience and parenting experience with their newborn. Often the father has to be encouraged and given an opportunity to assist the mother and to bond with the newborn with special workplace leave arrangements. Hence, the coalition’s scheme includes a
two-week use-it or lose-it period of leave. We have to change the attitudes of our society about the needs of parenting couples and their babies. The coalition intends to assist with this cultural change in the interests of ushering in a new era of a more caring, family-friendly and nurturing society.

We know that, along with paid parental leave, we must have greater flexibility in the workplace. We must have businesses understand that, while it may be different to what they have done traditionally, they can and should consider part-time work, job sharing, working from home where it is possible and certainly different workplace arrangements, particularly when a parent is in the early years of having to support their young children. Flexible workplace arrangements of course do not only meet the needs of workers with young children; flexible workplace arrangements enable workers to manage their responsibilities for caring in the community, perhaps for older relatives or disabled children. Unfortunately, under Labor’s new industrial relations regime that flexibility is a lot less possible. We regret that. The coalition will ensure that in the future our workplace relations will foster and encourage more family-friendly workplaces in our country, because, quite simply, nothing else will do.

Labor’s paid parental policy does more than disadvantage the poorer part-time women, who are less likely to have another paid parental leave offer to fall back on or to supplement Labor’s impoverished, meagre and inadequate scheme. Labor has also failed to address the administrative burden that its scheme will add to small and medium sized businesses. We were hoping that the Paid Parental Leave scheme would not upset businesses who may have resisted the notion of giving, particularly women, paid parental leave, knowing that it is often inconvenient when a replacement worker needs to be found.

Unfortunately, Labor’s policy has exacerbated the additional red tape, the administrative burdens and complications. Labor has inadequately consulted with the business sector. Although they had two years from the campaign announcement of ushering in the Paid Parental Leave scheme, they seem to have left the scheme’s administration arrangements to the very last minute in consulting with the states and businesses.

Labor was determined to advance women’s workplace attachment by requiring their employers to still have the paid parental leave wage go through the companies’ books—in other words, to have the worker retained on the payroll. It seems that a company is to receive the government contribution into their enterprise and must churn it through their payroll and out into the community, where the parent is on leave.

Clearly, this arrangement has implications for payroll tax—in some states more than others. And there are other add-on costs when a worker is retained on your payroll. But the minister has failed totally to understand those complexities and she has not consulted with the states in time to make any sense of what businesses are to do or what extra costs they will be up for or, indeed, what concessions might be made for this particular situation. It is no surprise that the business sector is very angry. They have made significant representations to the Senate inquiry expressing their concern and frustration and anger. Even businesses who have long supported their skilled women workers and who want to make sure that they have paid parental leave are disgusted with the lack of proper consultation and due regard to the complexities that this scheme will now add.
They are not placated by the fact that, recognising that there has been a huge stuff-up in this case, they are to be given six months moratorium in terms of these payments being directed through their payrolls and out to the worker who is on paid parental leave. Unfortunately, six months is not all that great a concession to the businesses. They have no idea how to manage after the six months commencing on 1 January 2011, when the full requirements of the scheme commence. We just have to hope that the coalition is returned to government well before 1 January 2011. We have committed to introducing our alternative scheme, which places no such burden on businesses, so that the small and medium sized business sector in particular will not have to personally manage and manipulate the salaries on their way through. We will have the Family Assistance Office manage all that red tape and administrative detail.

What Labor has done in its misunderstanding of what was required in relation to administering such a scheme is exactly the opposite to what this country needs right now when we have skills shortages and an ageing demographic and we also have the right of women to have a fair go in the workplace. Yes, I am concerned that some businesses, knowing what is ahead of them with Labor’s Paid Parental Leave scheme, with all the additional red tape and administration, will look the other way when a woman of child-bearing age presents at a job interview. That is exactly the reverse of the outcome that we need in the introduction of Australia’s first mandated paid parental leave scheme. Realising that, yes, they have mishandled the administration arrangements for the policy’s implementation, the minister has now, I admit, delayed the requirement that businesses pay the parental leave worker for the first six months. I just have to repeat, this is very cold comfort for the businesses out there.

We also are yet to really understand how this Labor program will manage the contractor woman, the woman doing seasonal work, the parent who is self-employed, the farming woman who is in a partnership, perhaps in a business which has not made any income for a number of years but where she has certainly put in the hours of work which make her eligible for paid parental leave. All of that is still a mystery when it comes to this scheme. It should not be a mystery. This government had nearly two years to work out the details and to put those details out into the community for careful consideration and feedback.

Australia has not had a universally accessible and equitable policy providing real choice for the working women and families in relation to paid parental leave. Universal paid parental leave offered to mothers and/or fathers must help to change the culture in the workplace, which currently can discriminate against women returning to work after pregnancy or, indeed, when they ask for paid parental leave. A national paid parental leave policy must assist and engender greater recognition of the public good of parenting and the fact that parenting is an absolute necessity when it comes to the regeneration of any society.

But good parenting is what this country needs and, more and more in our society, good parenting requires a juggling between workplace or workforce commitments and the responsibilities at home. Women take most of the responsibility for parenting and for caring onto their own plate. It is essential that both men and women in the workforce are given special support, that they are given a scheme that makes sense and is, in fact, world’s best practice.
What they have got in Labor’s scheme is something that is meagre. It perpetuates the inequalities which are currently in the workplace and experienced by women every day. I cannot understand why Labor refused to put on the table a far better scheme when they had so many other developed countries’ schemes to consider in detail. They had feedback from the women advocates across the country saying: ‘Please, give us at least superannuation. Make sure that we have at least six months of time away from the workplace when we can bond with and nurture our newborn and recover from the pregnancy.’ That is not to happen with Labor’s scheme. I repeat, it is a meagre, cheapskate scheme which sells Australia’s working families short. To say that it does not matter because women can go away and get a top-up from some other scheme offered privately or by the public sector is to perpetuate the inequalities where unskilled or lower paid women or women in part-time work are a lot less likely to have access to those alternative schemes. What a mean thing to do to Australia’s working women!

I feel quite ashamed, I have to say. As a working woman myself, I want the best for all the women of Australia, and here I stand in this parliament with a piece of legislation like this on the table. It should have been much better. You can be assured that the coalition understands what is right and proper for Australia’s working families. We will be attempting to amend this scheme. On the other hand, of course, we have put it on the record that we understand that half of something is better than nothing at all. So we have said that at the end of the day, if we cannot get our appropriate amendments through, we will wave this impoverished scheme through. But it will a sad day for Australia and Australia’s working families.

Mr HAYES (Werriwa) (11.07 am)—It is an honour to participate in this debate on the Paid Parental Leave Bill 2010 and the Paid Parental Leave (Consequential Amendments) Bill 2010, particularly with the government’s Minister for the Status of Women at the table. Tanya has been gracious enough to visit my electorate on a number of occasions to talk to local parents on this issue, and she knows full well the importance placed on paid parental leave in the area in which I live. It is fundamental.

All of us in this place who have been blessed with children—and those of us who are a little more mature, such as you and me, Mr Deputy Speaker Scott, who are very boastful of grandchildren—know that there is nothing more important to us than ensuring that our kids are safe. We do everything we can to give them the best opportunities in life so they can grow into adulthood and fulfil their potential. That is something innate in parenting, something that comes from unqualified love.

We know very clearly that young children, babies in particular, need the full-time care of their parents, particularly in those vital early months of life. The social, cognitive and physical development of the child are very important. When each of our three kids arrived, Bernadette could not work. There was an absolute necessity for her to spend time with our kids. And in those days there was not access to maternity leave, certainly not paid maternity leave. They are the kinds of decisions that parents have to make at that stage. That is why this is very important legislation.

It is extremely important to recognise that the primary caring responsibility normally falls to the woman. I fully understand how difficult it is to take time off work for many parents, particularly women who want to remain connected to the workforce. There is an economic reality in modern life, particularly in the outer metropolitan areas of Syd-
ney, where I come from: the mortgage needs to be paid; the bills need to be paid. There is an economic reality to staying in touch with paid employment.

Prior to the last election, the Labor Party indicated that we would ask the Productivity Commission, as an independent body, to investigate the options for a paid parental leave scheme. After accepting most of their recommendations, we have the legislation before us today. This legislation addresses the modern challenges which I have raised and is Australia’s first paid parental leave scheme. This is a major win for working families, who have been waiting for decades for such a scheme. Importantly, the scheme gives babies the best start in life, which, as I indicated earlier, is critical for their development. Once the scheme is delivered, we will have finally caught up with the rest of the world. It is a shame that Australia is one of only two OECD nations that have not so far had paid parental leave.

It should be said that our scheme will be funded by the government and therefore it is fair for families and, particularly, for businesses. It is not just the government claiming that this is a great achievement. Elizabeth Broderick, the federal Sex Discrimination Commissioner, at the launch of the draft legislation, said:

It’s a great thrill to be here today as the Sex Discrimination Commissioner and to see a piece of legislation which has the words ‘paid parental leave’ on the top.

Sharan Burrow, the retiring ACTU President, said:

This is a magical moment. To see a piece of legislation with paid parental leave on the front of the cover is a 30-year, long-awaited moment of justice for working women.

She went on with some very stern words about the Leader of the Opposition and some reasonably contentious remarks about the opposition’s wish list. She is not alone in her views. Paid parental leave has long been an issue in the minds of people in my electorate. South-west Sydney, like any other outer metropolitan area, is the mortgage belt. These are hardworking families, families that have been waiting for the government to address their concerns, and they have been looking forward to us giving them real options to balance work and family life. We have listened and that is why we are introducing the scheme.

I do not want to be like a broken record—because I probably tend to say this a little too often in the House—but I have to say something after listening to the critical comments that the member for Murray, Dr Stone, made about this legislation, although the coalition are not going to oppose it; I understand that. The opposition spokesperson for the status of women was in government with John Howard over the whole period of 12 years. You have got to start asking yourself: if these criticisms are being levelled at this government about the introduction of this legislation now, what did the coalition do over the 12 years that they held the reins of office? Surely there cannot have been an extraordinarily long-range plan that in the 13th year they were going to do all these things. They had 12 years, and what did they do about paid parental leave? I will tell you, Mr Deputy Speaker. They did absolutely nothing.

Our commitment to working families through this scheme is in stark contrast to the absence of any effort to acknowledge paid parental leave throughout the whole 12 years of the Howard government. They refused to deliver paid parental leave. By the way, they have a track record. It was not just a refusal. They had a very committed position. The Leader of the Opposition has now articulated a position—on the very day of International Women’s Day—but do not forget he is also on the record as saying:
... compulsory paid maternity leave, over this Government’s dead body …

That was their position in government. He was very clear and very precise in his characteristic offhand way, but it certainly acknowledged that their position on the issue of paid parental leave was ‘over their dead body’.

I do not know. Perhaps he did have an epiphany. Maybe there is something in that ‘road to Damascus’. I am not quite sure. Far from simply being converted, he has now come to a position without the consent, support or urging of any other member that sits on the coalition side. On the very day of International Women’s Day, he decided to come out and say: ‘We are going to have six months paid paternity leave, paid at whatever rate people are earning. So, if you are earning $150,000 a year, you will get $75,000 paid to you. But we are going to tax big business’—what he now refers to as ‘big business’ is any business that has a profit line of $5 million—’We are going to slug them so that not only are they going to pay for the parental leave of people in their own business, but they are going to pay for the parental leave of anyone else out there in the workforce, any other businesses.’

Mr Deputy Speaker, I do not know about you, but I have actually had a look to see how many businesses in my electorate fall under the $5 million profit line and I have to say that there are a heck of a lot of them. The last time we looked, I think about 98 per cent of all businesses in my electorate would, under Tony Abbott’s big new tax on business, have some other business paying for the parental leave of their people. No wonder the coalition were a bit taken aback by that. They wanted to make some criticisms on issues about tax before, although one thing is that they did not see this as a tax. They saw it as a levy, so therefore it was not a tax. In that case, it can be Tony Abbott’s big new levy on all businesses that earn over $5 million.

To participate in this debate you need some credibility and there is no credibility in that approach. There is no point in people over there scurrying around and wanting to put their head in the sand. The truth of the matter is that nobody other than the Leader of the Opposition was aware of what he was going to say on that day. No-one, including the opposition spokesperson on the status of women, knew that this was going to be said. Maybe it is just one of those things. You turn up for this international function and you really do not have anything to say, so you think: ‘Let’s fill in the gaps. Let’s just make this grand new announcement on the basis: we know we can’t deliver it, but we will say it anyway.’ That is not really participating in a constructive debate on something that is as serious for this country as paid parental leave.

The opposition claim to be the friends of business. I think that claim is a bit spurious, but if it is true that part of the motivation of those on the other side of the House is to be the friends of big business, it is very interesting to see what big business have to say about this. I will sum up their total reaction, but I will not attribute it to anyone. The reaction, according to business, is ‘Over our dead body’—that is, if you take the comments of the Business Council of Australia and the Australian Chamber of Commerce and Industry as being any indication of their view on the approach being adopted. So you can see that the opposition and, in particular, their leader cannot be trusted when it comes to this debate. Without authority, without planning and without looking at numbers—because we know he does not like economics and does not like looking at numbers—he just wants to throw something into the mix. This is not the way you have a dialogue on a
piece of social policy as important as this issue.

We might also need to check their comments and find out if this promise to working families was scripted. I know a lot has been said about gospel truth on the other side, but, unless this is in writing, maybe it was not really a serious opposition position. However, I just noticed here that, in the amendment to the motion, it is now, ladies and gentlemen, in writing. So it must be the case that it is now their policy position to put a new tax on all businesses. It is their position to pay everybody for six months at the rate they are earning up to $150,000. If you are a solicitor in Sydney or Melbourne earning that sort of money, the Leader of the Opposition is out there trying to take care of you.

But what he is proposing is designed never to be implemented. He knows it will never be implemented. He is simply trying to join in the debate without coming to the table and saying that the government got it right. They do not have the intestinal fortitude to say: ‘Look, we had 12 years to do something on this matter. We did not give it priority, but we actually agree with what you are doing and we will support it because it is the right thing to do for the Australian people.’ They will not do that because they simply want to play politics. They want to go to an election on the basis of claiming to have some affinity with working families. People in my electorate will see through that and there is no way they are going to take that sort of risk.

Today I have tried to keep my remarks to the benefits of the scheme for families, but the scheme contained in the bills will also benefit employers. What most employers say is that they want to be able to retain their good staff and they want to be able to keep those skills. These are things they want to be able to do. We saw that when this whole debate really started a number of years back, when the Catholic University here in Canberra wanted to ensure that they retained their tutorial and lecturing staff. They voluntarily introduced paid maternity leave for their employees. We want to assist business to retain their skilled and valued employees, and this is what our legislation will do once implemented.

This is good for the country, and it is good for the country as a whole. It is good for the economy. Therefore, it will not be an impost on business. This is being borne by government. This is budgeted for. This is not going out and putting a great big new tax on enterprise. What this is doing is budgeting for the result because the introduction of this legislation will deliver true and meaningful benefits to our economy. It is no surprise that the move has been welcomed by thousands of businesses. I know, from talking to businesses in my region, that they look forward to having the opportunity to retain their valued staff in their respective business enterprises. It is certainly being looked forward to by working families throughout the southwest of Sydney. The only logical way to minimise the scheme’s impact on employers was, as I say, to ensure that it was addressed as an economic package and provided for in the budget. We have not imposed on business as a consequence.

Our scheme will come in on 1 January 2011 and eligible parents will for 18 weeks receive government funded paid parental leave at the national minimum wage. It is important at this stage of the debate to outline who will be eligible, as working people will need to make various decisions. For this reason I would like to take members through the criteria for eligibility for paid parental leave. The scheme will be available to people if they: are the mother of a newborn child or initial primary carer of a recently adopted
child; have met the paid parental leave work test before the birth or adoption occurs; have an individual annual income of $150,000 or less; and are living in Australia and are an Australian citizen or permanent resident. It is also important to note that, in planning this, people who have worked just over one day a week over the 10 months prior to the child’s birth will have access to this paid parental leave.

The work test will, for the first time, ensure that women working in seasonal employment, casual employment or contract employment or who are self-employed will have access to the scheme. That is because the scheme will not be an impost on their employer; the scheme will be funded out of the budget. There is no doubt that those workers will be the big winners. But so again business will be. It is true that under the current voluntary system parental leave tends to be available to workers in the higher-paying categories in some areas of enterprise where they are regulated by industrial awards and indeed in the Public Service. This will ensure that all women will be able to benefit from the scheme, that all women will be able to do what we take for granted—that is, provide that initial primary care of their child when it is most important, in the child’s first 18 weeks of life.

It is estimated that there will be approximately 148,000 eligible new parents per year who will be able to spend more time at home recovering after giving birth and nurturing their infants. It is about time women in the country got what they deserved and children got what they needed—nurturing and care by their mother. I commend the bills to the House. I am very proud to be part of a government that is bringing these bills forward. I look forward to the contribution of the Leader of the Opposition, as most businesspeople will, on the big new tax the coalition will attempt to foist on them.

Mr ABBOTT (Warringah—Leader of the Opposition) (11.27 am)—I am happy to rise in this chamber today. As I do, I am conscious of the example and the inspiration of none other than Sir Robert Menzies, who was the first Prime Minister to propose a serious benefit to families when his government proposed child endowment back in 1941. They were the dark days of war, but Sir Robert Menzies and his government were sufficiently committed to the families of this country and sufficiently committed to the welfare of the children of this country to introduce child endowment at that critical juncture in our nation’s history.

We are debating the government’s Paid Parental Leave Bill 2010 and the related bill to introduce a very modest form of paid parental leave. The scheme the government is bringing forward is a small step in the right direction, but it only costs $263 million a year. That is not an inconsiderable figure, but when you divide that amongst the families to whom the benefit will go it will be something like $2,000 per child. No-one who has gone through the business of managing a family budget would think that $2,000 a child was going to make a big difference. This is a step forward, it is an improvement, but it is a very small step forward and it is not much of an improvement.

In particular, the government scheme does not provide to the mothers of this country their full wage for the full six months that it is recommended they spend with their newborn baby. Our position, by contrast, is that mothers in the workforce should be paid real money for real time to bond with their newborns. Our position is founded on a clear understanding that over the past few generations society has changed, expectations have grown and lifestyles are different. We understand that in a way that I think the government does not, given the very limited
nature of the measure which they are proposing to this parliament now.

There should be no limits placed on what the women of Australia can aspire to and achieve. There should be no role which is denied to women. There should be no bar placed on women and certainly the women of this country should be able to aspire to any role and any job beyond the traditional role of wife and mother. They should not be forced to choose between career and family. They must be allowed to choose both if that is what they want. That is what this policy of ours is designed to achieve.

As is well known, my views on this issue have evolved. I have changed my mind. I am pleased that I have been open on this subject to the wisdom of others. I am pleased that on this issue I have been able to grow. I am pleased that, over the years, on this issue in particular I have listened to other people. I have listened to my wife. I have listened to my daughters. I have listened to my colleagues. I have listened to my friends. I have tried as best I can to enter into their experience and to understand their hopes and their dreams. That is why I am so proud to stand up in this parliament today and advocate the policy of the coalition for a fair dinkum paid parental leave scheme, which is long overdue and which sadly was not delivered by the former government and is certainly not going to be delivered by the current government.

We have to face the facts of modern life and a fact of modern life is that most families need two incomes to survive. If we are going to facilitate those families, we must facilitate their ability to maintain their income. The paid parental leave scheme that the coalition has adopted is good for women because it finally gives them a real choice, good for families because it supports their income when they are at the most financially vulnerable time in their family lives, and good for the economy because it will keep some of the most productive and potentially productive people more engaged in the workforce.

There is no more important challenge before this country than trying to ensure the productivity of our economy because, in the end, you cannot have a community without an economy to sustain it. The stronger that economy, the more prosperous, the more cohesive and most likely the happier that society will be. We look to the intergenerational report, which talked about the various long-term challenges that our country faces. Over several editions, that report has consistently talked about the three Ps—population, participation and productivity. A paid parental leave scheme is good on all three counts. It will increase our population. It will certainly increase the participation of women in the workforce and it will increase our productivity by keeping experienced workers engaged in the workforce. This is not just a visionary piece of social policy; it is an important economic reform. As a member of the party of good management, as a member of the party which above all else wishes to improve and strengthen the Australian economy again, I am proud to put this proposal to the parliament.

Of course, all policies have to be paid for. Only members opposite think that there is some endless source of finance, some magic pudding from which to pay for all the things that they desire to create a better society. I make no bones about the fact that this policy
will be paid for by a levy of up to 1.7 per cent on taxable company incomes over $5 million a year. I wish it were otherwise. Were circumstances different, it could have been different. If we had a $20 billion surplus, we could have done it differently. But given the situation that this government places us in, given the fact that this government in just 2½ years has turned a $20 billion surplus into a $57 billion deficit, given that this government has put us in the position where we are borrowing $700 million a week, this is the least bad way to bring about an effective paid parental leave scheme any time soon. And it must be done soon. The women of Australia and the families of Australia have waited too long and they ought not be denied this visionary piece of social policy, this important economic reform, any longer.

It is interesting that members opposite have talked about a great big new tax. Doesn’t it show how that refrain is getting under their skin? It is getting under their skin, isn’t it? It really is getting under their skin. I make three points. First, this is an extremely modest levy compared to the $9 billion a year hit that they want to put on the resources sector, let alone the $15 billion a year additional hit that they want to put on our economy through the emissions trading scheme that they are still committed to but too gutless to talk about. The second point I make is that this is a genuine reform. It is not just a tax grab to feed their insensate spending habit. Third, I want very much to ensure that this is only a temporary additional burden even on large business and, once we have debt and deficit under control, once we have been able to reduce personal income tax, I would like also to reduce corporate tax so that there is no long-term additional benefit even on those large companies earning corporate incomes over $5 million a year.

This is a very important social reform. It is a very important piece of economic reform. By doing it the way the coalition has proposed, it does not discriminate against younger women because it is a levy on business regardless of any particular business’s employment practices. It does not hurt small business because it is a levy on taxable income over $5 million a year of larger companies. It does not add to the administrative burden of business because the work will be done by the Family Assistance Office. It should not add to bureaucracy because all that it should require to implement is a tax return and a doctor’s certificate. So this is the simplest, the fairest and, ultimately, the cheapest way of bringing about an important economic and social reform.

As I said, the government’s measure is a small step in the right direction. I believe we should go much further and that is what the amendment in my name will do. I say to members of this House that, if you want to see a long overdue reform, it is important to support the coalition’s policy on this point. If we are to have a better society in the future than that which we have experienced in the recent past, it is important to change the government. If you want to stop the great big new tax on mining, you have to change the government. As was clear from the announcement that the coalition made this morning, if you want to stop the boats, you have to change the government. And, if you want to give families a fair go through a decent paid parental leave scheme, you have to change the government. I move:

That all words after “That” be omitted with a view to substituting the following words: “whilst not declining to give the bill a second reading, the House:

(1) affirms its commitment to supporting all Australian families and supports policies which give choice and flexibility to parents to enable them to choose what is right for their individual circumstances, whether they are at home or in the paid workforce;
(2) recognises that parents have different patterns of family responsibilities and paid work over their life cycle;

(3) recognises that due to rising costs of living and a housing affordability crisis, the majority of families require two incomes to make ends meet;

(4) notes that Australia remains only one of two OECD countries that does not provide a paid parental leave scheme and that introducing a paid parental scheme is critical to the needs of working families and our national productivity more broadly;

(5) rejects the Government’s representation of a paid parental leave scheme as a social security measure and instead affirms that it is a valid workplace entitlement that must come with a superannuation component to arrest the gross inadequacy of female retirement incomes;

(6) notes the Government’s proposed paid parental leave scheme is inadequate in its current form and should be amended to better reflect the requirements of Australian working mothers, and families more generally;

(7) supports the ability of casual, part time and fulltime women to access paid parental leave provided that they have met the qualifying criteria;

(8) recognises that a paid parental leave scheme is only one part of government’s important role in supporting families as they raise the next generation of Australians;

(9) acknowledges that the bill does not:

(a) provide paid parental leave for a period of 26 weeks to afford all mothers the opportunity to breastfeed their infant for the minimum six month period recommended by the World Health Organisation;

(b) provide women with a replacement wage, to a cap or minimum wage ( whichever is greater), and so does not adequately support working families when they are at their most financially vulnerable;

(10) acknowledges that the bill places a totally unnecessary impost on Australian businesses by requiring employers to act as paymasters for eligible employees; and

(11) calls on the Government to make such amendments to the bill as would rectify these flaws.”

The DEPUTY SPEAKER (Hon. BC Scott)—Is the amendment seconded?

Dr Stone—I second the amendment.

Ms KING (Ballarat) (11.41 am)—I rise to support the Paid Parental Leave Bill 2010 and Paid Parental Leave (Consequential Amendments) Bill 2010. I am absolutely delighted to speak after the Leader of the Opposition and, as one of the women in this parliament, I welcome his extraordinary road to Damascus conversion on this issue. I do find it, I must admit, unbelievable. This is coming from the man who is on the record as saying there would be a paid parental leave over his dead body. This is also from the man who seems to think that it is only women who iron the shirts in households. I seem to think this road to Damascus conversion really is not quite the gospel truth. I certainly welcome his contribution, though, to the Paid Parental Leave scheme debate.

The introduction of this legislation on 12 May represents one of the most significant achievements of the Rudd government. I was delighted to be in the chamber when the Minister for Families, Housing, Community Services and Indigenous Affairs introduced the scheme because it is truly a historic moment for Australian parents. I am delighted to speak in support of this legislation today. I see this reform as one of the most historic in our nation’s history. As a result of our reform, mum and dads across the country and my own electorate of Ballarat will now have access to up to 18 weeks paid parental leave. This is big news for Australian families. The bill reflects the hard work of many people over a long period of time. I note particularly
the Leader of the Opposition saying this has been too long in coming. Yes, it has. I do find it interesting that obviously this was something that they were going to do in their 13th year. It was on the never-never, unfortunately, and their own paid parental leave scheme is also just that, on the never-never. This bill certainly reflects the Rudd government’s commitment to Australian families. It is a historic moment for those families who have contacted me since I was elected in 2001 asking why Australia does not have a paid parental leave scheme.

Babies require devoted support from their parents, and this is no more apparent than during those first few weeks of life. The bill provides parents with peace of mind, the knowledge that they can look after their child with significant financial support through a paid parental leave scheme. Not only does this allow parents financial support but also it allows parents to spend time with their new baby during those early months when it is most needed. It also allows those parents to get time to get to know their baby and to get used to the significant adjustment that is required when you have a new baby in your household. Having a baby and working out not only how best to care for them but also how your life is now to be organised differently does take some getting used to. Those precious first months with a new baby are critical and they are not months that are repeated. They are critical not only for a baby’s development but also for the long-term attachment that they will have with their parents.

With this legislation we have introduced a significant reform for families, for today and into the future. With this legislation we hope to provide parents with a better chance to balance paid work and supporting their children. This is not only good news for families; it is also good news for industry, particularly for staff retention. Industry has been faced with a brain drain, often losing skilled workers. I hope this legislation will go a long way to ensuring that parents are able to retain their strong connection with the workforce and that industry will be able to keep skilled workers engaged. This is good news for the estimated 148,000 people across the country who are estimated to be eligible.

This Paid Parental Leave scheme—unlike the Leader of the Opposition’s scheme, a bit of a thought bubble in a book—has been developed with a great deal of consultation over a considerable period of time. We made a commitment back at the last election in 2007 to assist parents balance their work with family life. Lots of work was done in opposition researching paid parental leave schemes. Upon coming to government we then acted quickly. We called on the Productivity Commission to look into what support was needed for parents and their children. The Productivity Commission looked at the benefits of a paid maternity, paternity and parental leave scheme, the funding models to provide support to parents and the impact of such a scheme.

The Productivity Commission produced a 584-page report, which concluded that Australia desperately needed a paid parental leave scheme. The determination was concluded following lengthy consultation. In total, 416 public submissions were received by the Productivity Commission. Many of these submissions supported the commission’s research and analysis that Australia needs a paid parental leave scheme.

Following the government’s receipt of the Productivity Commission’s report, we announced our intention in last year’s budget to commit over $250 million a year to a paid parental leave scheme. When I spoke in parliament in support of the 2009-10 budget, I outlined my strong commitment to this Paid Parental Leave scheme. My position has not
changed in the last year— unlike members opposite.

The Rudd government’s Paid Parental Leave scheme will assist women to stay connected with the workforce and their careers while they have children. In ensuring that we maximise our productivity and work effectively to tackle an ageing population, we need measures such as this to maintain our skills and our workforce. By keeping women connected to the workforce, we are helping them to continue with their careers long after having children. This is good news for business as it will save in staff training and skills loss. It is good news for women who will see an increase in life-long earnings.

Since I last spoke on the 2009-10 budget, the government have continued to consult on the Paid Parental Leave scheme. We have had consultations on this issue since being elected. A further 32 consultations were undertaken following the 2009-10 budget, which made the announcement that Australia would have a paid parental leave scheme. We wanted to ensure we got the design of this scheme correct for parents and, very importantly, correct for industry. So for the first time, from 1 July 2011 many parents will have access to parental leave. We are implementing a work test, an income test and residency requirements to determine eligibility under this scheme.

Eligible parents will now have access to 18 weeks parental leave and at the current rate of the national minimum wage this results in $543.78 per week before tax for 18 weeks. We will continue to support parents whether they are in paid work or at home. Parents who are not eligible under our Paid Parental Leave scheme will still have access to the baby bonus and to the family tax benefit. To be eligible for the scheme, parents need to be in paid work and have worked continuously for at least 10 of the 13 weeks prior to the expected birth or adoption date, have undertaken a minimum of 330 hours of paid work in the 10-month period prior and earn less than $150,000 annually.

Following the implementation of our scheme, we have undertaken to conduct a review after its first two years. As part of this review, we will consider those Productivity Commission recommendations that were not taken up amongst other things. Our scheme is fully funded and does not create an unnecessary burden on business. I am in good company in supporting this legislation. Not only have we broad support through our consultation process but we have support from industry. The CEO of Australian Industry Group, Heather Ridout, has called the Rudd government’s scheme a ‘sensible approach’. She said:

A taxpayer funded scheme providing payments to working mothers of 18 weeks of leave at the minimum wage, is consistent with the recommendations of the Productivity Commission and is largely consistent with Australian Industry Group’s proposals.

The introduction of an appropriately designed paid parental leave scheme will provide many benefits to the community, not least of which is increased participation by women in the workforce. Increased participation is vital to address Australia’s ageing population and growing skill shortages as the economy continues to recover. Australian Industry Group has also said:

Superannuation obligations around paid maternity leave had been an issue of concern for employers and it’s good that the Government has indicated that employers will not be required to pay superannuation on the Paid Parental Leave entitlements.

This is a positive response from one of the major industry bodies in Australia. But who else supports our scheme? The Council of Small Business Organisations of Australia former CEO Jaye Radisich has said:
What this scheme means is that life is going to be easier for a lot of people. We can do nothing but support that.

Federal Sex Discrimination Commissioner Elizabeth Broderick said:
That’s got to be good for Mums, it’s got to be good for babies and ultimately, it’s got to be good for our country.

ACTU President Sharon Burrow has said:
This is a magical moment. To see a piece of legislation with paid parental leave on the front of the cover is a 30-year, long-awaited moment of justice for working women. And we’ve got a message to Tony Abbott. Don’t you dare; don’t you dare oppose this legislation.

It is also important to note the hard work of Sharon, along with the trade union movement, in running a very strong campaign for paid parental leave over a long period. The New South Wales Commissioner for Children and Young People, Gillian Calvert, has said:
Research shows the continuous interaction between baby and parent in the baby’s first 12 months of life shapes the brain wiring—affecting how a child regulates emotions, communicates, solves problems, thinks logically and reacts to the world.

Senator Xenophon has said:
When you consider the social benefit in giving mums paid maternity leave, I think it’s a good thing to do right now, irrespective of the fact that things are relatively tough.

Even the member for Indi has also spoken about the need for a paid parental leave scheme, including how urgent it is, and she stated in parliament that:
The Labor Party cannot come up with any funding for a paid parental leave scheme about which it has built such high expectations.

Well, member for Indi, here we are, debating legislation for a fully-funded paid maternity leave scheme. She also said:
They have included paid parental leave in this year’s budget even though they are delaying it.

Again, here we are, putting this scheme in place. If the member for Indi is so concerned about the rollout of a paid parental scheme then she may wish to work with her parliamentary colleagues to ensure they do not block this bill. She may wish to remind the Leader of the Opposition that his alternative has not had adequate consultation with stakeholders and has not been well received by the community or by business—

Ms Plibersek interjecting—

Ms KING—Or any consultation. I was being generous there, member for Sydney. The Leader of the Opposition’s plan for the paid parental leave scheme that he is so committed to and that is so important got only one line in his budget-in-reply speech. I think most of the business community have come out and said fairly roundly that the tax that he proposes to impose on business is not something that they support at all. It is interesting that he cannot even bring himself to say the word ‘tax’. He has used the kinder word ‘levy’. However, it is a tax; it is a 1.7 per cent tax on industry to pay for the opposition’s paid parental leave scheme. The Leader of the Opposition should have been speaking with industry. It has strongly rejected his business tax. Mr Abbott’s 1.7 per cent levy will tax thousands of businesses right across the country.

What do others think of the Leader of the Opposition’s plan? The Australian Chamber of Commerce and Industry stated:
[the] proposal by the Leader of the Opposition to impose a new levy on larger businesses to fund a paid parental leave scheme is an unfair impost which will not be well received by Australian employers. Taxing businesses to fund social policy is double counting given that employers already contribute substantially to Commonwealth revenues.

Doing so for paid parental leave purposes is contrary to independent analysis released by the Productivity Commission which found that schemes
such as these should be funded through general revenue given that the primary beneficiaries are the employees concerned rather than their employers.

The ACCI went on to say:

Business will seek further information from the Opposition but will not support a tax on business of this type, nor a bidding war between Government and Opposition at the expense of the business bottom line.

If I can say this to ACCI: I wish them well in seeking further information from the Leader of the Opposition. So far, we have clearly seen a lack of details on the part of members opposite. If ACCI do manage to get details of the coalition’s plan, absolutely make sure you have it in writing.

The Australian Industry Group, another leading business group, has stated that, under the Leader of the Opposition’s plan, the costs on business are just far too great. Ai Group CEO Heather Ridout has stated, in relation to the coalition’s paid parental leave policy:

...it puts a huge cost on big companies. It will be antithetical to the employment of women. It will be—it’ll cause a bias towards the employment of men.

That is a substantial policy failing with the opposition’s scheme. In terms of tax policy, it will deter investment in the sense that, in Australia, we already have a high reliance on capital taxes such as company tax compared with other countries. Small to medium sized economies like ours are reducing their company tax rate, not putting it up. That—putting it up—will deter investment in Australia and particularly in sectors that are not going to be among the big darlings of the mining boom. If the Leader of the Opposition does not want to listen to industry then he should have a chat with his party room colleagues because, as we heard on Tuesday, some want to abolish his business tax and support our plan.

While on this side of the House we want to support industry by reducing company tax from 30 per cent to 28 per cent, the Leader of the Opposition has said that he will not support a reduction in company tax but instead impose a great big new tax on business. He wants to increase business taxes to pay for his unfunded paid parental leave scheme.

The Rudd government have had a consistent position on paid parental leave for a very long time. We have been advocates of such a scheme for a very long time. The member for Sydney, who is at the table, has been a very strong and loud advocate for such a scheme not just during her political career but prior to entering parliament. We have not shied away from this issue. We have been open and transparent on it from the start. Yet, members opposite have failed to let the Australian people know their policy on paid parental leave. Actually, I stand corrected; they have spoken about numerous positions on it. Their positions include not supporting our scheme, introducing their own scheme that taxes small business and—my favourite, which is this week’s position—some member’s support us and others do not know what they are going to support at the end of the day. I will be very interested to see when the vote comes on this bill what members opposite decide to do.

I am proud to be part of the Rudd government because it is the only government that has shown the commitment to introduce a paid parental leave scheme across Australia. It is all very well for the coalition to talk about a paid parenting scheme while in opposition—and they have been in opposition for only a couple of years—after they have had 12 years in government to do something about it.

While our country has achieved so much in its short history, it has been a long time coming in finally catching up with other major economies in terms of support for paid parental leave. It is not good enough that we
are one of only two OECD countries that do not have a comprehensive paid parental leave scheme. I urge every one of the members opposite to support this bill. I urge them to subsequently lobby their party room colleagues in the Senate.

I want to finish by recognising the hard work of Minister Macklin and that of many groups across the country who have worked tirelessly to see this country get a national paid parental scheme. The scheme is practical; it is measured. We have broadly consulted with all stakeholders. Also, we have broad support for this scheme among the Australian community and business, but those opposite do not. This is a great moment for Australian families. I am very proud to support this bill and I commend it to the House.

Mr CHESTER (Gippsland) (11.58 am)—I rise to speak on the somewhat modestly titled Paid Parental Leave Bill 2010. Given this government’s penchant for hyperbole, surely it could have squeezed ‘super parenting’ or ‘baby revolution’ somewhere in the headline. I would like to stress from the outset that I am not opposed to the principle of paid parental leave but I do have some reservations about the bill before the House and the current public debate on some of the alternative approaches. I note that the bill does help to recognise the important role that women play in our workforce. Certainly the criteria in the legislation recognises casual workers and farmers, and that will be well received in regional areas. I believe this is a positive, if modest, first step, but it presents more questions for the mature national debate that we will need to have in the years and months ahead.

This debate on paid parental leave legislation is of more interest to Australian families than many of the more abstract pieces of legislation which come before the House. Other speakers have already touched on the fact that it goes to the heart of the most important job, the most rewarding job and perhaps the toughest job that most of us will ever do—that is, raising our children. The interests of children must be paramount in the decisions we make about supporting families in our community, and it is from this perspective that I make my contribution to the debate today.

As I indicated, I have several reservations about the bill. My concerns relate to a few key areas: equity and fairness, an apparent preference for one form of motherhood over another and the long-term impacts on the social and economic life of our communities. I, like you, Mr Deputy Speaker, am a regionally based MP, and I suspect that I therefore approach this legislation from a different perspective to those of many of my suburban counterparts. That is an important distinction to make in this debate. In regional areas, we depend more heavily on volunteers, have higher transport costs to attend our community and sporting events and have less access to full-time or high-paying jobs, all of which are important factors when considering any system of paid parental leave, one of which is the subject of public debate at the moment.

On the positive side, though, in regional areas we have more affordable housing, which often means it is more achievable for a family to meet its financial obligations with one partner working and the other remaining at home as the primary carer for the children, probably with some casual or part-time work to increase the household income during the early years of a child’s life.

It is from this perspective that I raise my key concerns with equity and fairness and the not-so-subtle message that this legislation sends to the community, either intentionally or inadvertently. It does not really matter whether the message is intentional but this legislation sends a message that the govern-
ment values one form of motherhood more highly than another. In her second reading speech on this bill, the Minister for Families, Housing, Community Services and Indigenous Affairs basically concedes my point:

Eligible families will be able to choose whether to take paid parental leave or the baby bonus, according to their individual circumstances.

The government estimates that more than 85 per cent of families will be better off taking paid parental leave. These families will, on average, receive around $2,000 more than if they chose the baby bonus. This is after tax has been paid and all interactions with other family assistance have been taken into account.

The key points here are the phrase ‘eligible families’ and the sum of $2,000. Under this scheme, if you have met the workforce eligibility criteria—that is, you have worked continuously for at least 10 of the 13 months before the birth or adoption of the child involved and at least 330 hours in that period—you will receive more money from the government than a stay-at-home mum. I use the term ‘mum’ rather than ‘parent’ because, in the overwhelmingly majority of families we are talking about, the mother will undertake the primary care in the first months of a baby’s life.

It is my contention that this is unfair and inequitable to stay-at-home mums and sends a message to the community that the government places more value on the offspring of working mothers than on the offspring of stay-at-home mothers. I am not saying that this is the government’s intention, but the message is clear. By providing an additional government funded payment to the mothers of babies in the paid workforce, we are sending that message. I do not understand the logic of that position. Both mums forgo income to have their child and both face increased costs associated with setting up their home for the new arrival. The eligibility criteria and the situation facing parents becomes almost farcical if they have subsequent children. We risk creating a yo-yo effect, where mums will return to work briefly to achieve the workforce criteria in order to pick up the extra $2,000 on offer from the government, and that is not in the best interests of either the child or the mother. My view is that we should be supporting and encouraging a parent—more than likely, as I said, the mother—to remain at home longer after having a child. Again I refer to the minister’s second reading speech:

Paid parental leave will give babies the best start in life. It means one parent has the financial security to take time off work to care for their baby at home during the vital early months of their baby’s life. It will give mothers time to recover from birth and bond with their baby.

The references to ‘babies’, ‘months’ and ‘bonding’ simply do not gel with me. It is not just the vital early months we should be talking about but also the vital early years—the bonding process is certainly not completed in 18 weeks. I do not contend that the minister is suggesting that at all, but I think we should be careful not to get too carried away with the legislation before the House as if it were some panacea for the issues facing working mothers and stay-at-home mothers. I believe it is critical that we recognise that Australian families come in all shapes and sizes. It is difficult to legislate in any way that provides the fairness and equity that I am talking about, but this legislation clearly discriminates against stay-at-home mothers. That being the case, it is reasonable to ask, ‘Does that really matter?’ In my opinion, it certainly does. It is my view that the ideal environment for children to spend their formative years in is a loving family home with one of the parents in the role of primary carer for an extended period. That view is the subject of constant debate and research, but it is relevant to the comments I make here today.
I argue that the interests of children are best served when one of the parents has the role of primary carer, at least until the child starts school. I do not believe that outsourcing to childcare centres the majority of the care of children in their early years is the ideal situation, particularly if children are attending formalised care for upwards of 30 to 40 hours per week from a very early stage in their lives. Some may argue—and I am sure plenty will—that this is an old-fashioned view of the world. I am happy to have that debate at another time, and it is an important debate to have in the context of this and other legislation which promotes a government sanctioned model of motherhood. Under this legislation and under our system of rebates for child care, the mother who decides to stay at home and look after her own children is financially disadvantaged in terms of the comparative level of support offered by the government. This has been a gradual and bipartisan process over many years. We now have a government sanctioned model of motherhood which promotes a view that mums should go back into the workplace as soon as possible, probably within months and not years of giving birth.

I would have less of a problem if this were a fair and equitable system where all mums, subject to income and assets tests where relevant, were treated equally. But it simply is not. I hesitate to use an emotional term such as ‘social engineering’, but there is a strong element of that in both this legislation and previous legislation dealing with income support for families. I do not seek to force my preferred model of parenting and motherhood onto my community, but the government does through these decisions that provide more financial support for working mums than for stay-at-home mums. Our government sanctioned system of raising children rewards people who send their children to outsourced care over those people who adopt a system of parental care.

We seem to be promoting a culture that places more value on becoming a productive member of the economy by returning to paid work than on parents who make the decision to raise their own children rather than outsource a significant part of that responsibility to some type of formal child care. We are sending a message that our government values your economic contribution more than your contribution to raising well-adjusted, responsible and resilient children. I stress that I strongly support measures to assist women to have productive and meaningful careers. That is not an issue. I think the increased participation in the workforce by women over the past 30 years has been an overwhelmingly positive development and assisted in creating greater financial independence for women in our community. It is important that women stay engaged in the workforce, update their skills and be involved in training wherever possible during their child-rearing years. It is important because it helps to provide mothers with the confidence to return to the workforce at a later stage and keeps them connected with their work colleagues. There are also some real benefits in terms of increased lifelong earnings, a subject that has been discussed by members on both sides already today.

When it comes to government funding for policies assisting with the raising of children I fear that we are heading in the wrong direction—and I am not the only one who has reservations. I refer to a joint submission made by the Australian Family Association and the Kids First Parent Association of Australia to the Senate Community Affairs Legislation Committee. The two organisations presented similar arguments to the ones I have raised today. They said:

The scheme would unfairly discriminate by giving an average 37% more birth funding to subside...
dise wages and support families with paid work mothers, than to families whose mothers make a career and childcare choice for parental care.

The submission calls in its recommendations for an equal parent benefit:

The federal government should redistribute birth support and ongoing day-to-day childcare subsidies direct to parents through a single Parent Benefit to recognise that every family gives up income to pay for childcare. This would give the same funding to every child in the relevant age group, to free families to choose parent care, grandparent care, daycare or other care from birth.

They also argued that the government has not accurately modelled the true net cost to the community if more mothers move from community and charity work to paid work as a result of this scheme. This is a key issue in regional communities. I confess that I have no real knowledge of the suburban experience, but let me tell you what happens in regional areas like Gippsland. One partner—normally the male partner—will have full-time work after a child has been born, and the mother will be home with a couple of children. For the sake of the debate, let us say one is at primary school and other is two years old. The stay at home mum does not spend her time cooking scones or having coffee with other mums in the same situation; she is called on constantly to assist with a whole range of community activities. You will quite often find young mothers taking remedial reading classes in our primary schools—classes not even involving their own children. They are often called on to do that kind of work in the education sector. I would dread to think what would happen if our government had to pay for the number of hours mothers in particular and some fathers are putting into our education sector, supporting disadvantaged students just with reading classes and providing extra support to teachers in the classroom. It is a very practical example of what stay at home mums tend to be doing in whatever spare time they have.

These mums are often called on to ferry children to community and sporting activities after school—and in regional areas a lot of the time it tends to be a car-pooling situation where the mother driving will be ferrying working mums’ kids around. There is no angst about that in my community; it is a simple fact of life that some of the mothers are working full time and they have to make a whole range of arrangements to get their children to, for example, sporting activities. Again, it is the stay at home mums who tend to pick up that load. It is an important contribution that they make in their own right to the community. Stay at home mums have more time to be involved in parent clubs or the school canteen or the school council, and they also cop the job of washing the Auskick footy jumpers at the end of the weekend. These are all practical contributions these mothers are making to our community, and I do not believe we are recognising that in the context of this legislation.

I should not even be using the term stay at home mums, as it suggests they are sitting around playing Lego with the kids when in fact they are out there working just as hard as anyone else and they are making an enormous direct contribution to the wellbeing of regional communities like those in Gippsland. These are direct and tangible benefits to the community that can only be achieved when these mothers have some spare time to assist with school, charity and sporting groups. The flexibility to choose the form of child care which suits individual families is a critical issue for our nation, but the decision to reward one form of parenting more highly than another runs the risk of pushing more families in the direction the government wants to take. I believe regional community life will suffer as a result in the longer term.
If the paid parental leave legislation acts as an incentive for more mums to return to work sooner, then communities will inevitably lose a reliable source of volunteers for a wide range of important initiatives. If mothers feel compelled to return to work more quickly after their first child in order to qualify for the paid parental leave for any subsequent child, we will have the yo-yo effect I referred to earlier where family life will be disrupted, and in my view children will be adversely affected, as the routine of families is compromised.

As I said at the outset, I am not opposed to paid parental leave, but I am opposed to any system that discriminates against one form of motherhood over another. I count myself extremely fortunate that I was brought up, and I have been able to bring up my own children, in a country town where it has been possible for a relatively modest single income family to meet its financial obligations. I accept that is not always possible in today’s society, and for various social and economic reasons many families require two incomes just to survive. I accept all those points; they have been well made by speakers on both sides of the House. I would contend, however, that some families could lower their financial obligations by reducing some of their material wealth aspirations, but that is an entirely separate issue. We could debate that for hours on end.

It is a regrettable fact of life in many areas that two incomes are essential, and I accept the need for a system of paid parental leave. But returning to work and putting children into child care often creates a giant money-go-round where no-one is happy. The mum tends to feel guilty because she wants to spend more time with her kids at a young age; the young children can be disadvantaged from extended stays in child care; and the financial benefits of two incomes are eroded by the costs of child care, which incidentally are about to increase under this government’s reduced subsidy. The whole work-life balance discussion is a national debate of importance that is directly related to this legislation before us. We are all torn by the desire to spend more time with our families but still meet our financial commitments. The explosion in housing prices and cost of living increases make it difficult, if not impossible, for some families to survive economically without two incomes. Without question—and this is a positive outcome—this legislation will provide some additional assistance for some workers who have missed out in the past, particularly low-income workers.

Families which choose to have one parent stay at home face similar costs and are also forgoing income. It lacks logic to suggest that they are somehow less deserving of government support. I refer to the $2,000 sum that the minister in her second reading speech indicated would be the cost-benefit, if you like, of choosing between the baby bonus and the Paid Parental Leave scheme. Of course, the scheme is only available to those mothers who meet the workforce criteria. I do welcome the government’s commitment to undertake a review of the impact of this legislation in the months and years ahead, as I believe the big issue we are really not doing enough about is the cost of living pressures and concerns over affordable housing. I do not believe policies such as this, which are designed to push women back into the workforce, often before they are ready, will necessarily address the core of the problem we are presented with in our community.

We do need to be developing policies which make it affordable for more parents to take on the primary caring role, rather than pushing more kids into child care and more mums back into the workplace regardless of their personal preference. Flexibility and choice are key issues in this debate, and I fully support a family’s right to decide that
both partners need to return to work. But let us not delude ourselves into thinking that there are no consequences as a result of that decision. Paid parental leave will guide some families to that decision, but this is a much bigger issue than providing 18 weeks pay at the federal minimum wage. This is about looking after the interests of children, keeping families together and building stronger communities. As I said earlier, parenting is by far the toughest and most rewarding job any of us will ever do. If the community and the government consider it is important to provide financial support to assist families, it should be equally distributed to all families.

Ms McKEW (Bennelong—Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local government) (12.15 pm)—It is a proud day for me to be able to speak to the Paid Parental Leave Bill 2010 to introduce Australia’s first paid parental leave scheme. This is a long-awaited reform that will massivly benefit the working women of Australia. I must say I have been outspoken on this issue of paid parental leave for my entire working life, but now the talk is coming to an end and the legislating is beginning.

I acknowledge first and foremost the tireless work and advocacy of the Minister for Families, Housing, Community Services and Indigenous Affairs. In a policy sense, this is very much her baby, although many of us in this place have a sense of maternal pride in this bill. It is important to note that Labor’s Paid Parental Leave scheme has had a careful and very considered gestation period that has brought us to where we are today. The Rudd government has seen this scheme through a Productivity Commission inquiry, through last year’s budget announcement and through extensive consultations with the community, with business, with family groups, with industry groups and with unions, and I think the minister’s patience and dedication has been something of a marvel.

From my work in the early childhood portfolio, I know how important the early years are in setting up children for life. Learning, as we all know, begins at birth. If mothers are stressed and anxious about a premature return to work, that is a less than ideal start for them and for their young babies. There is certainly a social and an economic dividend in allowing mothers to be given more time to connect with their children. As the Deputy Prime Minister, Julia Gillard, pointed out yesterday, independent modelling undertaken by Econtech shows that the government’s fully funded 18-week maternity leave scheme could result in an additional 126,000 jobs each year on average to 2040. Let me also acknowledge the work of the member for Hasluck, who I know is also due to speak on this debate. The member for Hasluck is a champion for women in this House. Her work on gender pay equity, through the Making it Fair report, is a very important benchmark—and haven’t we been talking about the issue of pay equity for years as well. For decades, actually!

Back in 1975, I remember, in my previous life as a journalist, producing numerous news stories around the United Nations International Women’s Year. The hot issues then, in 1975, were affordable child care, pay equity and paid maternity leave. As we progressed through those decades, certainly the equal pay cases of the 1970s were important. Then there were the big reforms of the Hawke-Keating governments centring on sex discrimination legislation and the creation of the Affirmative Action Agency. But, even after these significant reforms, we still have a situation today where women earn around 82c to the male dollar. This situation explains the very hard work that the Rudd government is doing on what I would call the big troika: affordable child care, paid parental
leave and pushing on gender pay equity. And when you consider the combined work across many ministries—be it the work of the families minister, the Deputy Prime Minister or the Minister for the Status of Women—there is only one conclusion you can draw: the Rudd government is not only a government of great women; it is also a great government for women.

When I think back over my own working life, I recall that in 1975 my female colleagues at the ABC, along with those in other government agencies, were able to access Public Service maternity leave provisions. But for our sisters in other industries it was a much longer wait. By 2007 around 54 per cent of female employees and 50 per cent of male employees had access to some form of paid parental leave, but only one-third of employed women who actually had children received paid parental leave from their employer. Of course, the women left out were low-income workers—women who worked in child care, in retail and in cleaning industries. These women will be the real beneficiaries of this legislation.

The beauty of what is proposed is the government’s 18 weeks parental leave at the minimum wage will come on top of existing industrial arrangements that working women have already won. Primary carers will be able to take the government’s paid parental leave concurrently or sequentially. In other words, they can take their employer’s leave, where it exists, and the government’s leave at the same time. Alternately, they can ‘stack’ it, taking their employer’s leave first and then the government’s 18 weeks on the minimum wage afterwards. All but the highest paid women in the workforce—those earning $150,000 or more a year—will have the opportunity to access this basic entitlement.

Labor’s Paid Parental Leave scheme is fair for families and, importantly, it is very fair for business. Everyone knows what to expect. Labor has delivered a balanced, considered scheme of up to 18 weeks at the minimum wage for women who give birth or those who adopt a child. This leave will be available to all primary carers who meet the eligibility criteria of work, income and residency tests. The payment will also be transferable to the other parent or carer in exceptional circumstances. It is a fully costed, fully funded, responsible scheme.

I note that there have been a number of third parties who have appreciated the government’s steady hand through these consultations. Jaye Radisich, the CEO of the Council of Small Business Organisations of Australia, COSBOA, had this to say:

What this scheme means is that life is going to be easier for a lot of people. We can do nothing but support that.

He said the paid maternity leave scheme will not mean an added burden for business. The Chief Executive of the Australian Industry Group, Heather Ridout, told the *Sydney Morning Herald* last year that this is exactly the sort of scheme that business wants to support:

Over time it will prove to be another step in getting participation up in the economy.

That is a very important point because, as we know from the material in the *Intergenerational report*, the future needs of the Australian economy are in many ways reliant on a significant boost in the female participation rate and paid parental leave has a very important part to play in this. These are just a few endorsements. There are many, many more. Locally, in my own electorate of Bennelong, the head of the Ryde Business Forum, Andrew Bland, told me last year this is just the kind of business-friendly approach that his small law firm needs. Andrew and
his wife gave up careers in one of the big
top-tier law firms in the city. What they did
was set up a small practice in North Ryde.
Andrew and his wife employ five women, all
working mums, in an overall staff of seven.
Andrew told me that they see a family-
friendly workplace of the type that he and his
wife have crafted as absolutely central to
their business success and being able to have
a life and engage in professional experience
as well and that the government scheme is
just what his firm needs.

I think it is worth pointing out as well that
the government’s new Fair Work system
complements the Paid Parental Leave ar-
rangements with 12 months unpaid parental
leave for new parents—one of the 10 legis-
lated National Employment Standards which
came into effect on 1 January this year. Also
there is a parent’s right to request flexible
work arrangements like returning to work
part time or an additional 12 months of un-
paid leave to help care for children under
school age. These provisions sit very well
together. They are complementary, I stress
that employers like Labor’s scheme because
it allows them to retain valued skilled staff—
and that is of course a cost saver. If you are
not constantly going out in the market to re-
cruit extra people after the loss of staff that is
certainly a cost saver for business.

If the government can successfully pass
this bill through the parliament, and I cer-
tainly hope it does, eligible primary carers
will be able to lodge their claims through the
Family Assistance Office from 1 October this
year. For families who are not eligible, the
baby bonus as it exists now and the family
tax benefit will still be there—a very impor-
tant point. The introduction of legislation on
Australia’s first universal paid parental
scheme is a historic and overwhelmingly
positive occasion. However, I have to note
there are no guarantees here. This bill is not
yet through the parliament. I was pleased to
hear the Leader of the Opposition admit ear-
lier in the debate that he had been wrong for
all these years in his personal opposition to
paid parental leave. I do wish he had told me
that when we were having lunch at the invi-
tation of the Bulletin magazine just a few
years ago because, boy, would I have had a
great scoop! It would have been on the front
page—‘Tony Abbott supports paid parental
leave’—because certainly at the time that is
not what he was telling others. As many have
noted, this is the same man who said that
paid maternity leave would happen over his
dead body.

Mrs Bronwyn Bishop—He said he’d
changed his mind.

Ms McKEW—Indeed, yes, he did say
that.

Mrs Bronwyn Bishop—He’d changed
his mind. He’d listened to his wife and chil-
dren. Some of us have them.

Ms McKEW—I have heard that, but I
have also heard what he has said in the past,
and what we have to ask now is: is this the
gospel truth? It is one thing for the Leader of
the Opposition to stand up and say this now,
and I hope he is right on this, but we do
know that he is already burdened by the fact
that Australian women do not really trust him
on a lot of these issues. I know that Aus-
tralian women actually nurse a suspicion, well
founded, that the Leader of the Opposition is
likely to be just a bit too intrusive when it
comes to how women manage their day-to-
day lives. Modern women do not want a bar
of this.

So I think the Leader of the Opposition
has belatedly dreamt up a paid parental leave
scheme of his own, one which is not entirely
supported by his party but one which he says
is bigger and better and will be funded by big
business. It is a reckless and irresponsible
scheme that slugs big business, who will no
doubt have to pass the costs on. Fundamen-
tally, the opposition leader has failed to make the case for the design of his scheme, which will include women on high incomes of $150,000 or more, who do not need government support, and be funded by a tax on business. As for the women who will get this maternity leave payment, those on $150,000 income will get a considerable payment far in excess, by the way, of the payment made to stay at home mothers, who will be getting the baby bonus of $5,000. That is an interesting point for the Leader of the Opposition to ponder as so many members on his own side have raised the question of financial adequacy for stay at home mothers, which Labor is determined to preserve by retaining the baby bonus.

It is not beyond belief that what we are seeing from the Leader of the Opposition is perhaps a cynical delaying tactic to try to hobble the scheme that the minister for families and others have patiently progressed over the last few years. But now we have the Leader of the Opposition saying that the bill needs to be enacted soon and he will not oppose the government scheme. Well, if he is fair dinkum he will commit to passing this bill through the parliament before it rises for the winter recess. Let us hope we see that. I think the young families across Australia who have waited for so long deserve that certainty. With pride, with hope and with great enthusiasm, I therefore commend the bill to the House.

Mr ANDREWS (Menzies) (12.29 pm)—I rise to speak on the Paid Parental Leave Bill 2010 and the cognate bill. These bills seek to legislate Labor’s second-rate Paid Parental Leave scheme, a scheme that is far from optimal and has been rushed. Implementation of this will have a detrimental impact and will throw even more red tape on Australia’s hardworking small-business operators. Let me be clear: I believe that providing meaningful and equitable support to families is of critical importance. Such support promotes healthy families and healthy relationships.

As the Early years report to the Ontario government found, parenting itself is a critical element of early childhood development and must be supported from the earliest possible stage of the development of the child. A paid parental leave scheme would no doubt contribute to that end. Indeed, I had genuinely hoped that the government would have delivered a better, more thought-out and more family-friendly scheme than that which Labor has served up on this occasion. Much has been said about parents and work in this debate, but isn’t it primarily about our concern that our children be raised in supportive and caring environments? The government’s bills fall well short of ensuring that all Australian families are provided flexibility so that parents are able to choose what is right for their individual circumstances, whether they are at home or in the paid workforce.

In her important study, Work-lifestyle choices in the 21st century, Catherine Hakim, a senior research fellow at the London School of Economics, suggests that women are not a homogenous group but three distinct groups with different patterns of behaviours and different responses to policies. According to Hakim:

A minority of women have no interest in employment, careers, or economic independence, and do not plan to work long term unless things go seriously wrong for them. Their aim is to marry as well as they can and give up paid employment to become full-time homemakers and mothers. The group includes highly educated women as well as those who do not get any qualifications.

In contrast, other women actively reject the sexual division of labor in the home, expect to work fulltime and continuously throughout life, and prefer symmetrical roles for husband and wife rather than separate roles.

The third group—
which she describes as ‘adaptive women’—
is numerically dominant: women who are
determined to combine employment and family work,
so become secondary earners. They may work
full-time early in life, but later switch to part-time
jobs on a semipermanent basis, and/or to intermit-
tent employment.

In her more recent study Models of the fam-
ily in modern societies, Hakim confirms her
theory by examining work preferences in
Europe, particularly Spain and the UK. Her
conclusions are reflected in numerous sur-
veys and by family and work choices in Aus-
tralia.

Based on Parliamentary Library data, we
know that about 25 per cent of families with
children are headed by a couple with one
partner working full time and one partner at
home full time; another 25 per cent of fami-
lies are headed by a couple with one partner
working full time and one working part time;
about 27 per cent of families have both part-
ners working full time; in six per cent of
families neither partner has a job; and 23 per
cent of families are headed by a sole parent,
of whom about 38 per cent are jobless. The
adaptive approach of families to work is also
illustrated in the work choices of families
with children. Of partnered women aged 35
to 39, 78 per cent of those with no children
work full time, compared to 12 per cent who
work part time or are not in the workforce.
However, only 27 per cent of women with
children under 15 work full time, compared
to 37 per cent who work part time or are not
in the labor force. For those with children
over 15, 41 per cent work full time, while 34
per cent either work part time or are not in
the labour force.

If this analysis of the choices that parents
make about family and work is correct, poli-
cies that impact upon the 60 per cent or more
of women who are adaptive in their work-
family lifestyles are the most likely to pro-
vide the choice that families desire. Hakim
rightly argues that the role of government is
not to favour any of these families. The goal
is government neutrality towards all families.
These observations suggest that parents
should have flexibility and choice in their
family and work arrangements. Such choice
is not just about the hours worked at any one
time but about the arrangements they make
over the course of their lives.

While a library of books has been written
about the so-called ‘time bind’, to adopt
Arlie Russell Hochschild’s well-known title,
little has been written about the work-family
balance over the life course. The emphasis is
on short-term, paid maternity leave, or pa-
rental leave, for those in the workforce, but
that ignores the reality that parents balance
their work and family responsibilities be-
tween them over decades, not just a few
weeks or a few months after the birth of a
child. The life course approach is all the
more important with the delay in partnering,
the increase in longevity and the ageing of
our population.

Labor’s scheme does not sufficiently rec-
ognise that parents have different patterns of
family responsibilities and paid work over
their life cycle. Moreover, the economic cir-
cumstances in which Australian families cur-
rently find themselves, namely the increasing
costs of living and a housing affordability
crisis, as well as interest rate rises, have led
to more families requiring two incomes just
to make ends meet. The length of paid paren-
tal leave now available to parents through
private enterprise and the Public Service var-
ies greatly from a few days to 18 weeks. Few
schemes meet the widely acknowledged
ideal leave period of a full six months. The
government has chosen not to adopt the in-
ternationally recognised standard of six
months but has chosen to legislate for 18
weeks, which the Productivity Commission
recommended with the strong expectation
that employers would top up the leave enti-
tlement to make up the 26 weeks. But that is problematic. This extra time would be made up with annual leave or long service leave paid for by the woman’s employer and would therefore not be available to all working women—for example, those working in casual jobs, who would not have any accrued leave. The bills impose an additional administrative burden on small business, requiring employers to act as paymasters, having to pay the government’s parental leave to employees who are participating. These same small businesses will be liable for state payroll tax for the employee on leave as well as for their replacement.

But Labor’s second-rate scheme is no great surprise. Let us not forget that this is the same government which is pursuing, in part, an antifamily agenda: stripping funding, slashing appropriations and reducing services that assist families to stay together and save marriages. A total of $50 million of family related funding has been slashed in this budget. This same minister has designed a scheme which is so complex that even yesterday evening, when the member for Murray and I received a briefing about this legislative package, the minister’s own departmental officials could not answer simple questions about the operation of the bill. They could not advise, for example, how self-employed mothers would be treated under the proposed new legislation. And while the minister has rushed to get this bill into the House—to get it on the agenda in an election year so she can make up for her failure to look after Australian families—her officials have confirmed the accompanying rules will not be ready until at least 1 October this year. It is, therefore, unsurprising that the government is allowing a six-month moratorium on businesses having to make payments to employees so that these details can be ironed out. But there is no guarantee that this government—notorious for its widespread, costly and detrimental public policy failures—can effectively deliver such a scheme.

The coalition recognises that a paid parental leave scheme is only one part of the role of government in supporting families as they raise the next generation of Australians. Public policy discussions on this issue have been had around the world. Indeed, beginning in the 1930s, Sweden introduced policies that enabled women to maintain their position in the paid workforce whilst having children. The coalition has now put forward its proposed system, which is in stark contrast to Labor’s second-rate scheme. Moreover, we have said that paid parental leave is only one part of family policy and that policy must recognise all parents, whether in the paid workforce at a particular time or not.

Mrs D’ATH (Petrie) (12.39 pm) — I rise to speak in support of the Paid Parental Leave Bill 2010 and cognate bill. Can I say how proud I am to be part of a government that is delivering a paid parental leave scheme for the first time ever in this country. This bill will benefit many workers and many families across this country. This bill introduces Australia’s first national, government funded, paid parental leave scheme from 1 January 2011. Parental leave pay will be provided for up to 18 weeks at the national minimum wage and be paid to eligible primary carers who have or adopt a child on or after 1 January 2011 and who can satisfy work, income and residency tests. In most cases the mother will be the primary carer, but allowance is also made for transfers of all or part of the payment to the other parent or to another carer in exceptional circumstances.

From 1 July 2011 parental leave pay may be claimed through the Family Assistance Office up to three months before the birth or adoption. The government will fund employ-
ers to pay their eligible long-term employees as part of the scheme. Eligible claimants who are not paid by their employers will be paid by the Family Assistance Office. This bill also contains integrity provisions, such as compliance rules for employers and right of review for employees to ensure that parental leave pay is paid to eligible parents in a timely manner. Any delays, disputes or debts that may arise in the payment process will be managed appropriately by the Family Assistance Office and the Fair Work Ombudsman, depending on who is making payments. Other family payments, such as the baby bonus and the family tax benefit, will remain available for families not eligible for the scheme and for those who choose not to participate in the scheme. An eligible parent could also receive family tax benefit part A while participating in the scheme.

This bill is part of a package of bills which will include the consequential amendments to related legislation, including family assistance, income tax and child support. This package of bills will provide necessary consequential amendments and transitional arrangements associated with the introduction of what will become the new Paid Parental Leave Act 2010, including phasing in the participation of employers in the scheme. Employers may opt to provide any eligible employee with parental leave pay from 1 January 2011. The requirement for employers to pay parental leave pay to their eligible long-term employees will take effect from 1 July 2011.

I said before that this will provide a significant benefit for families across this country. This is long overdue. Australia has been one of only two OECD countries, along with the United States of America, which do not have a comprehensive paid parental leave scheme. The Rudd government’s decision is historic. We have committed $731 million over five years to Australia’s first comprehensive paid parental leave scheme from 1 January 2011. The scheme will cost approximately $260 million per annum and provide paid parental leave to approximately 148,000 new parents per year.

We have heard from a number of members on the other side about their views on paid parental leave. Before I comment on some of the views that have been expressed here today in speaking on this bill, I think it is important that we go back and look at the past comments and views of those who we have already heard from today. The Leader of the Opposition, Mr Tony Abbott, is now out there espousing the importance of paid parental leave. But the reality is that he has always opposed paid parental leave, even saying that he would see it introduced over the Howard government’s dead body.

Mrs Bronwyn Bishop—But he listened to his wife and children.

Mrs D’ATH—I understand that the Leader of the Opposition has been married for more than 12 months. He is suddenly listening to his wife and children now, rather than listening to them over the last decade—that is my point to those on the other side who seek to interject. I think it is wonderful that any member would listen to their partner in relation to the importance of issues such as this. But I suggest that that discussion should have been had and those listening skills exercised well before now.

As a working mother I am very proud of the experience I bring to this parliament, but we do have a new position. The coalition has put out a wonderful paid parental leave consultation document—The coalition’s direct action plan on paid parental leave. It says that paid parental leave ought to be part and parcel of any decent system of employment entitlements, such as sick pay, holiday pay and retirement benefits. I totally agree that paid parental leave should form part and par-
cel of any decent system of employment entitlements.

_Honourable members interjecting—_

**Mrs D’ATH**—But, again, let us look at what—

**The DEPUTY SPEAKER (Hon. DS Vale)**—Order! Under section 65, the member is entitled to be heard without noise, disturbance or interruption.

**Mrs D’ATH**—I refer this House to what has been said by the Leader of the Opposition and to his understanding of what a ‘decent system of employment entitlements’ is. Tony Abbott has said that Work Choices was good for wages, jobs and workers. He claims that Work Choices was good because it was improved and that he would not rule out bringing back Work Choices but just rule out the phrase ‘Work Choices’. The Leader of the Opposition claims that getting rid of Work Choices actually hurt jobs and that Work Choices would have been good during the global financial crisis. Tony Abbott was opposed to any changes to Work Choices, because he thought it could not be improved and that it improved our standard of living. The Leader of the Opposition also claimed that Work Choices was economically advantageous.

When we hear those on the other side arguing about what fair and decent conditions are and their concern about women in the workforce and paid parental leave, we must consider that in light of their past statements and what they say in their current document on paid parental leave about what they consider to be decent employment entitlements. On this issue of what decent working entitlements are in the eyes of those on the other side, particularly the Leader of the Opposition, I refer the House to Tony Abbott’s address in reply to the 2010 budget on 13 May. In that address the Leader of the Opposition said that the first principle of government should be to do no harm and that the coalition wants an Australia that is ‘prosperous, united and respected, where families’ choices are taken seriously by government’. The Leader of the Opposition went on to say that the ‘former government’s workplace reforms went too far’ but ‘helped to create more than two million new jobs’ and ‘lift real wages by 20 per cent’. He then stated that the coalition would ‘seek to take the unfair dismissal monkey off the back of small businesses, which are more like families than institutions’. He said:

We will make Labor’s transitional employment agreements that are being phased out under the Fair Work Act and Labor’s individual flexibility agreements more flexible. We have faith in Australia’s workers who are not as easily pushed around and exploited as the ACTU’s dishonest ad campaign is already making out.

The Leader of the Opposition showed in his address in reply that when they talk in their paid parental leave consultation paper about a parcel of a decent system of employment entitlements this is what they are actually talking about. Under AWAs, workers lost basic conditions without any compensation: a 64 per cent cut in annual leave loading, a 63 per cent cut in penalty rates, a 52 per cent cut in shiftwork loadings, a 51 per cent cut in overtime loadings, a 48 per cent cut in monetary allowances, a 46 per cent cut in public holiday pay, a 40 per cent cut in rest breaks and a 36 per cent cut in declared public holidays—and 22 per cent provided workers with no pay rise, some for up to five years.

This is what is meant by decent working conditions, according to the opposition and its leader. We know that those most likely to be affected by changes such as these flexibility agreements are women, who are predominantly employed in casual and part-time positions. So I ask those on the other side, when they stand there arguing that their paid parental leave scheme would deliver more, to
be honest with the Australian people about what they consider to be decent employment entitlements for workers in this country.

There are many reasons this legislation should be introduced and passed by the House and the Senate. Women should have the choice to stay at home or to return to the workforce. Contrary to the belief of the member for Gippsland that this Paid Parental Leave scheme would force women back into the workforce, what it does is provide them with financial support that they do not have right now in this country. Some have been fortunate enough, through negotiations with their employers, to have a paid parental leave scheme, but that is not the case for every worker across the country, and that is something that this government seeks to rectify.

The member for Gippsland went a little bit further in his comments about women returning to the workforce, and I totally agree with him when he says that women should have choice—absolutely; women should have choice whether they want to return to the workforce or not. But when you take that argument one step further and start saying that it is not in the interests of the child, particularly that mother, to return to the workforce then I believe that you unfairly start to place an unwarranted burden on those mothers who choose to, or who must, return to the workforce for financial reasons.

I know that there are many members in this parliament right now who are working mothers. There are those who have become parents and become mothers while they have been serving as an elected representative in this House. The member for Gellibrand, the member for Gellibrand, the member for Gellibrand, the member for Ballarat and the member for Ballarat and the member for Ballarat and the member for Ballarat and the member for Ballarat and the member for Ballarat and the member for Ballarat and the member for Ballarat and the member for Ballarat have all had babies while they have been members of this House. We should not judge them or in any way claim that it is not in their children’s interests that they not only be great parents but also serve in this parliament—and serve their community—while they are fulfilling that important role of being a parent. We have moved beyond the argument that it is only those who stay at home that provide a good quality of life or the best upbringing for their children. It is a choice and we should not judge that choice.

There is another issue that needs to be discussed when alternative positions are put forward in this debate about the Paid Parental Leave Scheme—that is, the Rudd Labor government’s Paid Parental Leave Scheme is fully costed and funded. The alternative scheme proposed by the opposition is a tax. It is a tax on business. It is a 1.7 per cent tax, at a time when the Rudd Labor government is putting forward a reduction in tax to business, a two per cent reduction in company tax. To scrap the Rudd Labor government’s reduction in company tax and then introduce a new tax on business would make businesses almost four per cent worse off under a coalition government. And then of course we have the denial. We have had Tony Abbott saying that his paid parental leave scheme, with a tax on business, would not create any flow-on effect of increased costs: ‘Of course not! We put a tax on big business. They will not increase their costs to smaller business, who will then not flow it on to the consumer.’ Let us be real! Business has already come out and said that if Tony Abbott, in government, introduced a 1.7 per cent tax, of course that cost would flow onto their customers, and then small business would flow that cost onto their customers, the households. What we have is Tony Abbott holding out in one hand a paid parental leave scheme, saying ‘Isn’t this wonderful! And, by the way, when you go to the grocery store and you buy baby formula, or nappies or anything else for your new baby, you will be paying with the other hand—because we’ve
hit business for this paid parental leave and those costs will flow. It is not just a denial; it is misleading the Australian public to say that a 1.7 per cent tax on big business will not flow to the consumer at the end of the day. They will pay under a Tony Abbott scheme, I can guarantee that.

This alternative scheme—that does not even appear to have the full backing of those on the other side—is a tactic. It is an excuse not to support this bill in this parliament right now. The fact is that the opposition have not come out and said what they are going to do with the bill, whether they are supporting it or whether they are not. If you listened to the speakers, you would certainly be led to believe they would be voting against this scheme. What I say to those opposition members who may be considering voting against this scheme is: you cannot do this to those people in the workforce who are expecting this Paid Parental Leave Scheme to be in place. They are relying on it and they are planning around this scheme. You have a responsibility to support this scheme, a scheme that will be introduced for the first time ever in this country. Be honest. As a government you had 11 years to do this. You chose not to. So just step aside and let this scheme be introduced. That is what you would do if you were a responsible opposition, but the reality is you are not a responsible opposition. You are erratic. You are a risk to workers in this country. This bill should be supported. It has my absolute support and if those opposite choose to oppose this bill they should come to the electorate of Petrie and explain to all of those women in the workforce why they oppose it.

Mr BRIGGS (Mayo) (12.59 pm)—I rise to speak on the Paid Parental Leave Bill 2010 and cognate bill. I support the contribution made earlier today by the Leader of the Opposition—for the information of the member for Petrie, that is the official title of the member for Warringah—which was well thought through and about a direct action policy that this side of the House will address upon coming to government. I notice the member for Petrie, while acknowledging that several members of this place have proudly had children while they have been here, referred only to the mothers in this place. There are of course some fathers in this place, who have got young children too. This is about families and not necessarily just about one parent or the other. It is worth while acknowledging that the Parliamentary Secretary for Disabilities and Children’s Services, the member for Maribyrnong, who is at the table, recently became a dad. Pressure and quite large expectations are put on fathers with young kids, particularly on those who have very strong-willed wives.

This is a very important issue for the parliament to be debating and one which has been debated in the community for some time. It has been addressed largely through the market, particularly in the last 10 years, through enterprise agreements and workplace agreements starting mainly with government. Government organisations were the first to introduce into their employment agreements paid maternity leave provisions. Shortly thereafter they were followed by major big employers like banks and particularly employers who had a large female workforce, which made a lot of sense. The challenge has always been small business. Most large businesses, and I suspect a fair proportion of medium-sized businesses, today have some sort of paid maternity leave as part of their employment conditions, because if they do not they lose very high quality female workers who go to government employment or large corporations which do have paid maternity leave schemes. Ensuring that small business gets assistance to do what large businesses do themselves is one of the areas that the Leader of the Opposition addressed
quite well in the opposition parental leave policy that he released a couple of months ago.

Small business is never going to be able to provide for large paid maternity leave schemes. It is simply not possible, particularly in the industries where a lot of the employees are female such as retail or hairdressing and so forth. For instance, my mother-in-law and sister-in-law run a small hairdressing salon. They would never be able to have a paid maternity leave scheme without some sort of government assistance. The country has moved in the last few years from not having a government legislated paid maternity leave scheme to the point now where it is necessary that we do so. I agree very much with the Leader of the Opposition’s remarks in that respect. We have moved from the time of the Howard government’s approach to this issue to the new reality of the times and, therefore, I think our policy makes a lot of sense.

It was a very proud record that the former government had on assistance to families. In fact, it was one of the core promises of the first-term Howard government to implement assistance to families through direct payments. Those payments increased during the time of the Howard government, directly assisting families, whether for stay-at-home mothers or for those in the workforce. There was a criticism, particularly by those on the other side and some in the bureaucracy, that the Howard government focused too much assistance on stay-at-home mothers as some of sort of old conservative ideal. I appreciate that the member for Petrie has acknowledged the contribution that stay-at-home mothers make in our society and the importance of those women having the choice.

The other area where the Howard government did create better circumstances for families was in its building of an economy where a lot of jobs were created. Government never creates jobs; it creates the circumstances in which jobs can be created. In the last few years of the Howard government the jobs that were created were full-time jobs. They were not part-time and casual jobs or the sorts of jobs that we used to hear those on the other side rail against constantly. I remember a comment from the now Minister for Families, Housing, Community Services and Indigenous Affairs—the minister responsible for this bill—in about 2003 when she said on Meet the Press that a casual job was not a real job. The record of the Howard government, while never saying a job was not a real job, is such that most of the jobs created in the Australian economy were full time, which is much better for families because they have the certainty of ongoing employment and they have the opportunity to improve their economic circumstances. Full-time employment is particularly important in dealing with banks and so forth. One of the proudest records of the former government was job creation and job creation for female employees. It is a very proud record.

One of the impacts of the Gillard ‘fair union act’ is that it reduces flexibility for employers and reduces the opportunity, particularly for females, to get full-time work. The major culprit of that for small businesses, as the shadow minister at the table, the member for Dunkley, knows all too well, was the reintroduction of the job-destroying unfair dismissal laws, which affect working women more than any other segment of the employed workforce. Women end up being forced into casual jobs as small business tries very hard to avoid being caught by the unfair dismissal burden that the ‘fair union act’—implemented by the Deputy Prime Minister—has placed back around their neck. An Abbott led government will reduce that burden for small business and create the circum-
stances where more jobs can be created, particularly more full-time jobs.

I think the bill before us is very much an encapsulation of the problem with the Rudd Labor government: they just do not think through the policies they are pursuing and they do not get the detail right. We have seen it with the insulation program, with the Green Loans Program, with the computers in schools program, with the school memorial halls program and again with this bill, which is poorly drafted, leaves a lot of questions unanswered and seemingly creates a red-tape burden for small business which will make it more difficult for small business employers. That is typical of this government, which fails to understand how small business works. While this bill is a step on the right path, it is not well drafted and it is certainly well short of the paid parental leave plan announced by the Leader of the Opposition, with the reasons for that plan very well articulated earlier today.

The Liberal Party’s plan will provide payment to all full-time, part-time and casual workers provided they meet the work test, the 330 hours in a 10-month period over 13 months. It will provide primary carers—in the vast majority of families, mothers, but in some circumstances fathers—with 26 weeks paid parental leave at full replacement pay, up to a maximum salary of $150,000 per annum or the federal minimum wage, whichever is greater. It will be available to all employees, including contractors and the self-employed, who meet the work eligibility test. It includes superannuation contributions at the mandatory rate of nine per cent, an area where the government has failed. The government talks a lot about superannuation and how it is allegedly a friend of superannuation yet fails to deliver. The coalition’s plan includes two weeks of ‘use it or lose it’ parental leave for the non-primary carer, usually the father, to encourage the father to support the primary carer and be with the baby in those very early weeks, which we all acknowledge to be a very important time and a fantastic time to be around.

The coalition’s scheme will signal to the community that taking time out of the workforce to care for children should be considered a normal part of the work-life cycle of parents. I think that is a very important element of this issue. We must encourage circumstances that ensure Australians will continue to have babies. It is important that Australia continues to have a solid birth rate, and we have a sustainable plan to do that.

If you compare the Liberal Party’s plan as outlined by the Leader of the Opposition with the bill before the House, you can see they are two starkly different systems—although they are similarly opt-in, subject to eligibility. Under the coalition’s plan, the period of leave is 26 weeks, compared to Labor’s 18 weeks, which is a big difference. The coalition rate of pay is at replacement wage or the federal minimum wage, whichever is greater, to a cap, which we have highlighted; Labor’s rate is the minimum wage. So there is very large difference between our plan and the government’s plan that is before the parliament.

There have been some critics of our plan. Understandably, there are people in the community who have very strong views about this type of government assistance. There were some critical comments made by the member for Petrie—ill-informed comments, unsurprisingly. She was off script, which is always dangerous with the member for Petrie. The Liberal Party policy will apply a levy to a small number of businesses who have a taxable income above $5 million. The member for Petrie made some interesting comments about the flow-on effects of taxes on business which I note that, in another environment, the Prime Minister and
the Treasurer denied exist. The member for Petrie made it very clear she thinks that, when you put a great big new tax on business, there are flow-on effects to other services in the economy, which is quite different from what the Treasurer and the Prime Minister are saying about their great big new tax on mining.

So there have been some critics of the levy. Our position is quite clear: when we get the budget back into reasonable shape, when we pay off Labor’s debt and get it back into surplus, we will be in a position to remove that levy. That is the economically responsible way to go about it. If we were not in the position of being nearly $100 billion in net debt, we would not have to apply this levy; however, we are in a position where the Labor government has spent the proceeds of the former government but also borrowed $100 billion, most of which has been wasted through ill-conceived, badly thought through and badly implemented programs. That is unfortunately a necessary element of what is an important policy announcement by the Leader of the Opposition and one that I do support—otherwise, as the shadow Treasurer pointed out, we will be in the situation where we are missing out on very productive and high-quality workers at a time when we will need more workers in our workforce.

We have a challenge with our ageing population; we all know that. It is coming on us very quickly. We have a large number of baby boomers in the system who are now getting to retirement age, so it is very important that we have these high-quality, mostly well-educated young Australian women back contributing to the economy, and they cannot possibly do that in many cases, particularly in the major cities, without some sort of assistance. Without that, they will either not have a family or be in very difficult financial circumstances. That is the reality of the age we live in, with the challenge of housing affordability, particularly for young people. This is a necessary policy, in my view, to help alleviate those costs.

There are people from previous generations who do not think it is needed because they did it without any government assistance, and I understand that they have that point of view. I say to them, however, that times have changed and that it is more difficult now to cope with a single wage when having a family and we do need to take steps to ensure it is in fact affordable to have children. Then, when they have had those children, it is important to be able to get that productive capacity that is sitting there back into the economy reasonably quickly so we can continue to grow and raise our living standards, as we all like to do.

So I think the Leader of the Opposition should be congratulated for pushing the envelope on this issue. He should be congratulated for understanding the needs of families in our society. He thinks deeply about these issues and he has understood not only the importance to women and young dads out there in the economy but also the impact on small business, which is a very important element of what we on this side of the chamber are proposing.

It is unfortunate that the Rudd government, as usual, are so set in their ways and blinkered in their approach to this important issue that they do not see the reality of this. They do not see how this is a much better and more well-thought-through plan that can be implemented as policy. They should amend this bill and change it to reflect those policy announcements by the Leader of the Opposition. Then we could have bipartisan support in this place for a very important policy area. With those few remarks, I will conclude.

Mr NEUMANN (Blair) (1.15 pm)—I rise to speak on this historic occasion in our na-

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tion’s history in terms of workforce participation, the rights of women and the role of families in our society. This is truly a wonderful initiative of the Rudd Labor government, long overdue, and those opposite should be ashamed—simply ashamed—of their inaction and inactivity during their many long years of tenure on the treasury bench. They have a disgraceful, woeful record when it comes to caring for the rights of women and supporting families in our community.

The Paid Parental Leave Bill 2010 and Paid Parental Leave (Consequential Amendments) Bill 2010 introduce Australia’s first national paid parental leave scheme, to commence from 1 January 2011. Eligible working families of babies born or adopted from that date next year will receive 18 weeks parental leave, paid at the federal minimum wage. This scheme, as the member for Petrie correctly pointed out, is fully costed and fully funded. We have put aside more than $250 million to assist in establishing Australia’s first Paid Parental Leave scheme, and we have followed the Productivity Commission’s recommendations. During late 2009, we had 32 consultation sessions held with over 200 key stakeholders, including employer groups, unions and other organisations, to discuss how this could happen. The recommendations of the Productivity Commission report suggest that we should undertake this type of scheme, and so we are doing it. Unlike those opposite, we are engaging in real action. Those opposite had 12 years of inaction on this topic.

This Paid Parental Leave scheme will be available to all working parents, including full-time, part-time, seasonal and casual workers; contractors; the self-employed; and people who have many employers—because that is often the case; to make ends meet, people need multiple jobs on occasion. The Paid Parental Leave Bill is particularly important to me as the father of two daughters at university, one 19 and the other nearly 21—both aspire to working lives and to careers in the future—and as someone who was in small business for more than 20 years. We have many on this side of the House who have experience in small business: the member for Forde, the member for Makin, the member for Dawson and me. With extensive business experience, we know how important it is to keep good employees. We know how vital it is. It has been estimated on many occasions that it would cost a professional practice such as that of an accountant or a lawyer more than $100,000 to lose a valuable female employee. The Paid Parental Leave scheme will make a big difference in terms of workforce participation, productivity and profit for our businesses large and small. This is a very important bill funded by the Australian government, and it is set to start early next year.

It is often dangerous in your own electorate when you are there by yourself and you think no-one is listening to you, even if you are someone as senior in this parliament as the Leader of the Opposition, because you can look like you are at home—on home ground and home territory—but what you say is judged by those who listen—often via the media locally, sometimes at a state level and sometimes at a national level. Certainly, when you are the Leader of the Opposition and you are making speeches on International Women’s Day in Manly, New South Wales, you have to be careful. I heard what he had to say. I saw him on the TV, pink tie and all, looking very feminine in terms of his views, as if he had got into the scheme and the groove of things. I thought I would listen to what he had to say, and I had a look at the transcript of what he had to say that day. This is about what the coalition is proposing. He was talking about his scheme. It really was a thought bubble—something that must have
come to mind because he had to say something when it came to International Women’s Day on 8 March 2010.

He talked about his new scheme, which is going to put what he calls a 1.7 per cent ‘levy’—not a tax; he does not want to use the word ‘tax’, because he thinks he is ideologically opposed to the use of the word ‘tax’—on the taxable income of businesses earning more than $5 million a year, and that will be about 3,200 companies. Some of those 3,200 companies are big companies—fair enough—but some of them are medium-sized companies, with $5 million turnover. Then he went on to talk about when he wants to bring it in. He talked about the fact that he wants to bring this in and about when he is going to do it—because you are not sure about it when you read the speech; you have a bit of a look and you think, ‘I’m not actually certain.’ He said: ‘It would be better if these things could be done. We’d like to bring down company tax rate.’ He is not supporting our reduction in company tax rate. He said the next government’s priority would be to repay what he calls Labor’s debt and then reducing personal income tax. ‘Then, after that, when we’ve done all this sort of thing, we might make some headroom to get rid of this paid parental leave levy’—or he thinks it is a levy. ‘We might get rid of it.’ He does not tell us at all when he is going to bring it in.

I had a look at what some of the media have said about this. I looked at what Matthew Franklin said in the Australian. I saw what the Business Council of Australia said about this scheme. They represent more than 100 of Australia’s biggest companies. They commented that those companies are already doing the heavy lifting on paid parental leave. So he got the Business Council of Australia against him with his comments. Then he got the Australian Industry Group, uniting with Sharan Burrow, the President of the ACTU, against him as well. It is not often you can get the President of the ACTU, the Executive Director of the Australian Industry Group and the Business Council of Australia united against you in one fell swoop. That was quite miraculous. It was quite a feat he managed to do.

This of course is from the bloke who famously said in 2002 that there would be a compulsory paid maternity leave scheme over the government’s dead body. I know the Leader of the Opposition has had some religious training. That is a road to Damascus conversion if I have ever seen one. It is probably the best miracle in 2,000 years.

I had a further look at it to see if I could get some more clarification. I was wondering when the scheme was going to come in. We have not heard much from those opposite about when the scheme is going to come in. Obviously, this caused them a bit of difficulty. On 18 March, only a matter of days after his statement that was made without consultation with his caucus, he made a couple of comments. People were asking when the scheme was going to come in. The Leader of the Opposition said in a doorstop interview on 10 March 2010:

We will do it as quickly as we reasonably can, should we win the next election. Now, I would be amazed if we cannot do this within two years. I would certainly anticipate that it would …

How obtuse, vague and esoteric is that? There is no guarantee this is coming in. Is this the gospel truth, is it Holy Writ engraved in stone or what is it? We are not quite sure. It is sort of qualified. It is general; there is no specificity.

I generally agree with the shadow minister for the status of women, the member for Murray, on a lot of women’s issues. She purports to be a small ‘i’ liberal. It must be an extraordinarily lonely existence for people like her among those opposite. She is losing
friends, and the member for Kooyong is sort of going as well. When asked on 15 March 2010 in a doorstop interview about when this was going to happen, she said:

As soon as we could get it into place and we would hope that would be within, you know, a few months of getting into office …

Here I have the coalition’s paid parental leave policy. It is entitled The Coalition’s Direct Action Plan on Paid Parental Leave, but I would actually call it a non-action plan. It is a consultation document. They said they were going to consult people. The Leader of the Opposition did not consult his caucus. When I saw the morose, sullen and depressed looking faces of those opposite when he was speaking before, it was pretty clear there is not a lot of support over there for this thought bubble.

We do not know whether this is going to be brought in within a few months or a few years. There are conditions, qualifications, subterfuges and generalisations. It is a great story but, like The Wizard of Oz, Alice in Wonderland and The Lord of the Rings, it is a work of fiction. It simply is not true. It is an interesting read because it talks about things they have done in the past. It does not talk about the inaction of the Howard government on paid parental leave.

There is no date for when it is going to be brought in, so you have to trust him; you have to trust his word. Is this the Leader of the Opposition in a Kerry O’Brien 7.30 Report stance and position or is it the person we heard today with a hand on his heart talking about how much he supports women’s rights and issues that affect Australia’s working families? We are not quite sure. When I think of The Lord of the Rings, I do not think he is action man and I do not think he is all-wise and all-powerful like Gandalf. In fact, I think he is more like Saruman. He has been a religious wizard who in the pursuit of power has decided to abandon all his previously held beliefs because he so desperately wants the prize of power.

Paid maternity leave is just a subterfuge to ensure that the women of Australia who have young children vote for him. We know they abandoned the coalition in 2007 and he has to get them back. They were worried about Work Choices. They were worried about their 16-year-old daughters negotiating with Woolworths on AWAs. They were worried about their husbands at factories in Ipswich in my electorate and the rural areas outside not being able to negotiate with their bosses and having AWAs thrust into their hands. The coalition have to get them back, so the Leader of the Opposition came up with a spontaneous extemporaneous statement. Now they are scurrying behind their backs to try to do it.

They claim they support business. As the Minister for Small Business, Independent Contractors and the Service Economy said, this is going to cost them more than $10 billion. Anyone who thinks that these 3,200 companies are going to suck it in and suck it up and not pass on the costs to them is kidding himself. They will; the big companies will pass it on. Those opposite masquerade as supporters of business, and they are not. The next time the voters go to the polls they will have a choice between Labor, who wants to reduce company tax from 30 per cent to 28 per cent, and those opposite, who want to increase company tax from 30 per cent to 31.7 per cent. It is pretty clear which side of politics is in the business of reducing taxation.

The Leader of the Opposition realised that he was in a bit of trouble after the 7.30 Report fiasco. He went up to Queensland and realised that he had to say a few things. So he had an interview with ABC Capricornia. They put it on him a bit in the interview. I
have got a transcript of the interview. He said that he does not like the idea of taxes—he kept on about how much he did not like the idea of taxes. In the interview with Aaron Stevens on ABC Capricornia he said:

Well, we’ll just have to wait and see—and this is about how it is going to affect him in the polls—I try to be fair dinkum with people. I do not like tax and I always try to avoid it.

That is his own statement. Fair dinkum, the coalition is all over the place on this and when you listened to their speakers this morning you would never know whether they were Arthur or Martha, whether they were going to support our scheme or oppose it.

Certainly you do not hear much with respect to their conviction in supporting their own policy. The member for Gippsland was all over the place on this issue. It did not look as though he really supports it. There was no love for his own policy in what he said. And I have heard the member for Mayo speak many times. Of course he is a passionate supporter of Work Choices—we have all known that; he is one of the architects of Work Choices—but in fact he cannot even get the Fair Work Australia legislation in terms of the nomenclature; he cannot even work it out. But when you listened to the member for Mayo there was no conviction in his voice to support this particular scheme because he knows it is a tax on business.

We are supporting working families. We are supporting the women of Australia. We are also supporting those men who take seriously their parental responsibilities and want to share in those first few months of a child’s life. Twenty per cent of children under the age of two are primarily bonded to their fathers and fathers play an important role as role models and caregivers. Many of them are substantive caregivers with respect to their children in the early years. Labor recognises modern families and the challenges they face. Those who seem to be living in a 1950s world—

Ms Ley—Hardly!

Mr NEUMANN—That is the truth. That is what they have been like. There was no parental leave scheme put by those opposite at any stage. Where were the small ‘I’ liberals then? Was a submission put to the cabinet then? Where was the private member’s bill then from those opposite? It did not happen, and never would under archconservative former Prime Minister John Howard. Nor would it happen under the truth-teller at that stage, the now Leader of the Opposition, because when he said that it would happen over his dead body that was the truth.

Those people who go to the polls next time can have a choice. Do they believe the Leader of the Opposition who in a moment of sincerity back in 2002 said he would not do this at any stage, or do they believe the Leader of the Opposition when, in his own electorate on International Women’s Day, he had come up with something? I wonder what his conversation would have been like with the shadow Treasurer and the shadow minister for finance. We had the fiasco last week with the National Press Club and with the budget-in-reply speech, but it must have been an incredibly interesting conversation after he said: ‘Fellers, we have come up with this scheme. It’s going to be great. I have backflipped and I have changed my whole view. St Paul had nothing on my conversion experience, fellers. I have changed. I am a New Age feller.’ People are not going to believe that, and those sitting on this side do not believe those opposite would ever bring in a paid parental leave scheme if they had the chance. It is simply nonsense.

This is a historic day for the women and men and children in the Australian family.
This is important legislation. I want to pay tribute to the many women in this caucus; to the great champions of the ACTU who have fought hard in relation to this; to the businesses that had the foresight to permit paid parental leave schemes to operate in their businesses for working women and working men; but also to those progressive forces in this community who have sought to ensure that all of us will go forward together with greater prosperity, with greater productivity and with greater profit for our businesses, which are the lifeblood of the Australian community.

Ms LEY (Farrer) (1.34 pm)—I am really pleased to speak on the bill which introduces the government’s paid parental leave scheme and, in so doing, I draw a clear distinction between the government scheme and the one that the coalition is proposing by way of amendments to this Paid Parental Leave Bill 2010 and the cognate bill. We would all agree that paid parental leave is needed desperately, and needed sooner rather than later. The length of paid parental leave now available to parents through private enterprise and the Public Service varies greatly from, in some cases, a few days, to 18 weeks. Few schemes meet the widely acknowledged ideal leave period of a full six months, and that is something that we would agree on both sides of the parliament. Mothers choosing to stay at home bond with their babies over those vital few months of life and they really do need a full six months.

Labor has not adopted the internationally recognised standard of six months, but their scheme—the subject of this bill—has chosen 18 weeks, hoping that employers would top-up the leave entitlement to make up to 26 weeks. Most employers that do not already have a more generous scheme in place are just not in a position to be able to afford to top-up any new scheme. Meanwhile, the inequity which sees only some 23 per cent of the lower paid and part-time working women being offered parental leave continues to persist. These bills will do nothing about that inequity. So if you are a young woman entering the workforce now, you are most likely to choose an employer that has their own paid parental leave scheme in place rather than one that does not. After the government scheme commences, you are still more likely to seek out an employer with a company scheme—for example, the Public Service or any one of Australia’s large corporations—rather than a small business which has been funded to provide the government’s 18-week minimum wage scheme.

The government says that its funding the scheme removes the burden from small business and, yes, it is true that it is paying the amount of money that women will receive under the scheme, but the businesses themselves are still left with considerable red tape, and that is something that we should not overlook. They may be liable for state payroll tax. They may be liable for workers compensation for those employees on parental leave as well as for their replacements. They will have to manage the payments and keep yet more records and meet yet more standards of accountability. So make no mistake—this is a burden on small business.

The fact that the government is having to introduce a six-month moratorium for businesses so they will not have to make payments to employees until all of these details can be negotiated between the Commonwealth and the states does not bode well for an efficiently managed program.

It is also important to note that the government’s scheme does not include superannuation. Given that the broken work history of women is contributing so much to their poorer retirement incomes, superannuation should be included.
The real problem with the government’s scheme is that the payment of paid parental leave at the minimum wage is simply not adequate. Parents will not be able to afford to take leave at the minimum wage and may decide not to have a baby or to delay having a baby, choices which regrettably will result in fewer babies being born in Australia. This is the key to the reason why modern working mothers and fathers need the coalition’s scheme and not Mr Rudd’s scheme. We need to see more babies being born in Australia.

There is of course a human aspect to the policy in this area, and that is just as important as the economic aspect. But the economic aspect should not be overlooked. The coalition’s policy can be seen in terms of its productivity. Without improvements to productivity, a country’s standard of living will decline. It is not a remote economic concept; it is absolutely central to the real world. Our ageing workforce, as the cohort of baby boomers moves through, is not being followed by a similar number of young people. That is a challenge that successive reports, including the Intergenerational report, have highlighted. A sinking birthrate threatens productivity like nothing else.

In 1988 there were 246,193 births in Australia. In 2008, 20 years later, there were 296,621 births. That is a modest increase of perhaps 50,000. It is a very small increase over a 20-year period, particularly when you consider the ageing of the population. The more important indicator is fertility rate, babies born per woman. That rate was 1.831 in 1988 and it dropped to 1.762 in 1998. It appears now to be on its way back up. It was 1.969 in 2008 and there is some evidence that the baby bonus of the previous coalition government was partly responsible for this.

In any case the fertility rate in Australia is too low. It is below two. That should sound alarm bells when we consider the future responsibilities of Australia’s workforce in terms of what they will have to provide in national income for the ageing generation. When women cannot afford to have children, they put off having children. Then it is too late and it is certainly too late to have the number of children they might like in their ideal family. We all know that family sizes are reducing over time. This is also about perhaps stopping after two or three children because of financial commitments, when in an ideal world a family might have one more child.

The coalition’s paid parental leave scheme is actually a wage replacement scheme, not paid at the minimum wage as the government scheme is. It will provide payment to all full-time, part-time and casual workers provided they meet the work test, which is 330 hours in a 10-month period over 13 months. It will provide primary carers—mothers, in the vast majority of families—with 26 weeks paid parental leave at full replacement pay up to a maximum salary of $150,000 per annum or the federal minimum wage, whichever is greater. It will be available to all employees, including contractors and the self-employed, who meet the work eligibility test. It includes superannuation contributions at the mandatory rate of nine per cent.

The coalition’s paid parental leave scheme policy includes two weeks of ‘use it or lose it’ parental leave for the non-primary carer—typically the father—and this is to encourage the father to support the primary carer and be with the baby in those vital two weeks of early life. The coalition’s scheme will signal to the community that taking time out of the workforce to care for children should be considered a normal part of the work-life cycle of parents.

Australia is the second last of the OECD countries to mandate a paid parental leave
scheme. It is very concerning that the scheme that is being introduced by the government is so woefully inadequate. There is no point in introducing a scheme which has as one of its principal aims to increase the birth rate if all the evidence points to the fact that it will not work.

One of the harshest things that society can do is make judgments about women in terms of the choices that they make, including their child-bearing choices. There is no place in this debate for judgments about stay-at-home mothers versus working mothers. In fact, I believe those labels are outdated and they often describe the same mother at different periods in her working life and family life.

The scheme that the coalition proposes will be welcomed in my electorate, where a lot of working women are farmers. We should not forget the human aspect of women who reach child-bearing age and find that it is just too difficult to have children—they have left it too long. That is a very powerful argument for our policy. I reflect back on my statement about making judgments. It is just too easy to say, 'You should have got on with the business of having children earlier in your life.'

I met a young woman from western New South Wales a couple of weeks ago. I do not want to describe her as a farmer’s wife because she is of course so much more, but she talked about the difficulties following her marriage, which was in her early 30s. The drought came along and she was down in the paddock every day with her husband and home at night doing the books. Following that, there were issues around the intergenerational transfer of farmland. That is very common in farming areas. There is often great tension between the younger and the older generation. During that time, in the back of her mind she thought, ‘I’ll just wait until this is all sorted out and then we’ll get on with the business of having a family.’

Finally it was all sorted out, but by then she was 41 and found that pregnancy did not happen easily, so she booked into the IVF program and she is there still. She described to me her trips from western New South Wales to the big regional city of Albury, where she had her IVF treatment, and the difficulties that she experienced every time she underwent that treatment—the weird emotional feelings, sometimes anger and sometimes manic activity levels. We are talking about quite a dose of medication. But what made me sad was when she said: ‘I had nothing to do overnight between treatments. I had seen all the shops, so I used to walk up and down the streets and think about the situation that I was in and desperately wish for children.’ I would not like to see women in that position when it is not necessary. I would really like to see in this place a policy that helps those women and that would have allowed that woman to take the time out of her busy life, while knowing that income was continuing to come in to pay the bills, pay the mortgage and give some sense of financial security, to have children.

We have dry economic argument that supports our policy. We also have a very human argument. I really do believe that both sides of the House should look carefully at what is happening to the demographic of women who are ageing, having children and encountering difficulties as older mothers. As women, we will all say, I am sure—and, Madam Deputy Speaker, you would probably agree with me on this—that having children is the greatest gift and the greatest joy and it sure beats anything we ever do in our professional life. I am enormously thankful for my three children here today. But just because it was easy for us does not mean it is easy for the modern woman or that it will be easy for the women of tomorrow.
Lives are changing, the workforce is changing and people’s circumstances are different. Some people have said: ‘This is a lot of money to be paying women over a six-month period. Should we be thinking twice about this?’ It does sound like a lot of money, but in the context of the average mortgage on the average house these days it is not a lot of money. When you consider that most people going into mortgages as first-home buyers in Western Sydney are trying to find between $400,000 and $500,000, you can understand that pausing to have a child, and becoming unable to meet those mortgage payments, is just not going to happen. We are not talking about people who are making grand choices to have it all and who expect to have it all. We are just considering ordinary people—ordinary women in their ordinary working lives. Certainly, in some of the rural areas I represent, the cost of a mortgage is much more modest, but we should not forget that in a lot of our capital cities, where a lot of the women who will be affected by this policy work, it is just not possible to manage a mortgage without two incomes. That is what this policy is focusing on.

The other criticism that we have copped is that big business will fund the policy. As the Leader of the Opposition made very clear in his remarks earlier today, we would prefer that there was another way. We would prefer that it could be done out of consolidated revenue, that surging tax receipts coming in over the next few years and a budgetary situation that did not see us at a deficit of $57.1 billion on 30 June this year would allow us to meet the cost of the scheme from somewhere else, but the scheme cannot wait. Paid parental leave cannot wait. The government scheme is insufficient and it is not going to achieve the policy outcomes that it needs to and it is letting women down.

We look forward to a time when there will be another source of funding for our scheme. Nobody likes imposts on business. We have taken a decision with our policy that it is reasonable to levy the biggest businesses in Australia to pay for the scheme. I might add that it is a very modest contribution compared to the slug that the government is placing on the resources industry, but we know that whatever we can do to keep tax rates down for businesses we will do. We just know that bringing the budget back into surplus, restoring the budget bottom line, is important and has to happen first, but we do not believe that this Paid Parental Leave scheme can wait until then.

I really urge those opposite to consider the benefits of the coalition scheme and to look at the inadequacies of the scheme they have proposed. I am sorry, but the scheme that government members have explained to us here today is not going to encourage women to take time out of the workforce to have babies in their child-bearing years when we as a nation need those babies to be born today in order to provide for the economic future of Australia tomorrow.

Mr TURNOUR (Leichhardt) (1.50 pm)—I stand here today very proud to be a part of a government that is introducing the Paid Parental Leave Bill 2010 and the related bill. This is legislation that is long overdue and a scheme that the former government and many of those opposite had more than 10 years to implement. We are delivering on a scheme and it is a very good scheme. The government funded scheme will provide parental leave pay to mothers and adoptive parents who have been working and who have a baby or adopt a child on or after 1 January 2011, the start of next year. To be eligible for the scheme, parents will need to meet the paid parental leave work test, income test and residency requirements. The claimant must be the primary carer of the child from birth or adoption and have verified the child’s birth or adoption. Paid parental leave
is for a maximum of 18 weeks and must be taken in one continuous block.

The scheme is fully costed and funded by the government. There is no new tax on this side of the House to pay for our scheme, while the opposition is proposing a great big new tax on everything to pay for theirs. It is fair to business and it is fair to families. This bill is a major win for working families, who have been waiting for decades for a national paid parental leave scheme. Until now Australia has been one of only two advanced economies without a national paid parental leave scheme and it is a sad indictment of our nation and of our economy that we have not had one until the Rudd government’s introduction of this one. This legislation changes that and delivers for working families. It means one parent has the financial security to take time off from work to care for their baby at home during the vital early months of their baby’s life. It is important that mothers have time to recover from birth and bond with their baby, and this legislation will allow that to happen.

I have a young child, who is just about to turn three, and she is fantastic. Luckily enough, my wife has been able to take time off to care for our child. But many families out there are in financial stress and they need assistance to take time off from work. This legislation is about providing that assistance. This legislation, though, is designed to ensure that mothers maintain their connection with the workforce and it will boost workforce participation.

Once the scheme is fully implemented, parental leave pay will be provided by employers to their long-term employees. A long-term employee is a person who has been an employee of the employer for 12 months or more prior to the expected or actual date of birth or placement of their child. We want to make it as simple as possible for the business to implement the scheme. The Family Assistance Office will send a notice to the employer so they will not need to determine whether or not they have to pay it. The Family Assistance Office will notify them and they will also notify the parents. In other cases, the Family Assistance Office will also make the parental payments. The Family Assistance Office will ensure that funds are made available to an employer in advance of the employer’s obligation to provide parental leave pay to an employee. To reduce red tape, funds may be received in as few as three equal instalments. If employers adhere to their normal and proper pay practices when providing parental leave pay to their employees, they will not breach any of the obligations under the Paid Parental Leave scheme.

A parent will not be able to work while receiving parental leave pay but may keep in touch with the workplace for up to 10 days during the period, if this is mutually agreed between the person and their employer. Parents can nominate when they wish to receive their pay. The start date can be on or after—but not before—the child’s date of birth or placement and all the pay must be received within the first 12 months after the date of birth or placement of the child. Parental leave pay can be received before, after or at the same time as employer provided paid leave such as recreation or annual leave and employer provided parental leave. Our scheme also lets families make their own work and family choices. Parents can transfer the leave so mums and dads have more options for balancing work and family. If a person returns to work before they have received all of their 18 weeks of paid parental leave, the person’s partner may be able to receive the unused amount of paid parental leave, subject to meeting eligibility requirements.
Under our scheme, women in seasonal, casual and contract work and the self-employed will have access to paid parental leave. For most of them this will be for the first time. This is very important. It is a well thought out, well constructed scheme. It is not only for full-time employees but for those who are doing part-time and casual work. A mother may be eligible if she has worked continuously for at least 10 of the 13 months before the birth or adoption of her child and has worked for at least 330 hours in that 10-month period. That is around one day a week. To meet the needs of contractors and seasonal and casual workers who have irregular work patterns, a person can have a break of up to eight weeks between working days and still be considered to have worked continuously. Parental leave pay will also be available to parents who work in their own business or family business, such as a farm. So it is a scheme that will also support those in small businesses in primary production.

The scheme will be means tested, ensuring it is targeted at those in need. A person will be eligible if they have an individual income of $150,000 or less in the financial year before the claim or birth of the baby, whichever is the earlier. This scheme has been the result of two years of extensive policy development and consultation based particularly on the work of the Productivity Commission. I want to congratulate them on the work they did. Around one-third of mothers return to work within six months of the birth of their child. Two-thirds of these mothers return to work because they need the money. So many families are under financial stress. Both parents need to go out to work to pay the mortgage and put food on the table. This legislation will put in place fair payment for them to have a baby and will help them with cost-of-living pressures—that is, the same way our third tax cut, delivered this year, will and the same way our increase in the child care tax rebate is helping families with cost-of-living pressures.

This legislation will improve productivity by ensuring that more women can continue to participate in the workforce and helping to ensure Australia is well placed to face the challenges of the future. Business will benefit from the retention of skilled and experienced female staff but will not have to fund the parental leave payments. Families not eligible for paid parental leave, or who choose not to participate in the scheme, will be able to continue to access the baby bonus and family tax benefit if they are eligible. An online paid parental leave estimator will be available from September 2010 to help parents choose the option that is best for them. The government estimates that 85 per cent of working families will be better off by on average $2,000 by taking paid parental leave as compared to the baby bonus. The government expects close to 150,000 people each year to benefit from our new Paid Parental Leave scheme. This is historic legislation that is going to benefit many families in my electorate of Leichhardt and families all across the country.

As the minister said, we need to pay tribute to people like Sharan Burrow and others in the union movement, who have been campaigning for this for many years. We should pay tribute to Marie Coleman and others from the National Foundation for Australian Women, as well as to the current and previous sex discrimination commissioners—Elizabeth Broderick and Pru Goward. We also need to recognise that small business representatives like James Thomson value paid parental leave, and business representatives like Heather Ridout have recognised the value of this leave scheme.

Our scheme stands in stark contrast to that put forward by the Leader of the Opposition, who had 10 years in the Howard government...
to actually advocate for and deliver a paid parental leave scheme but did nothing. Earlier this year, he pulled a rabbit out of a hat—even his own backbench and shadow ministry did not know about it—and announced his own scheme. It is a very unfair scheme that will put a tax on everything. That is because, if you are a business turning over $5 million or more, you will have to pay the great big new tax that the Leader of the Opposition is introducing. That will be Woolworths, Coles and clothing retailers. All of those businesses will have to pay the Leader of the Opposition’s great big new tax. It is unfair and it is irresponsible. There are working families in my electorate earning $40,000 or $50,000 and under Mr Abbott’s scheme they will be paying for parental leave for millionaires. If you are a millionaire under Mr Abbott’s scheme, you will get paid parental leave of $75,000 for six months. That is outrageous. It is unfair.

I would suggest that Mr Hockey, the shadow Treasurer, and Mr Robb, the shadow finance minister, should look at savings. I suggest they add a line in their budget reply to say that they will discontinue Mr Abbott’s paid parental leave scheme. As Phil Coorey rightly pointed out on 17 March: Peter Costello, a well-respected Liberal over that side of the House, said that—because of the things I have pointed out, that it would be a great big new tax on everything—it was a ‘silly’ tax and a silly scheme.

Mr Rudd—I notice that the once great Liberal Party has hauled up the surrender flag on tax policy and has now moved on to a debate on border protection. It took just three days of debate in this chamber on tax before they returned to old faithful. The Leader of the Opposition referred to coalition policy. The question arises as to whether this particular policy actually went through the coalition party room. This has been a matter of some debate today and we turn to our good friend the member for Cook, who had an interesting discussion on a radio program in Melbourne early this morning on 3AW. Neil Mitchell asked the member for Cook this question:

Mitchell: Has this gone through the party room yet?
Morrison: It has gone through our internal processes, as our policies do, and that is appropriate.
Mitchell: So has it gone through the party room yet?
Morrison: It has gone through our internal processes. It is official coalition policy.
Mitchell: What does that mean?
Morrison: It has been signed off the way we sign off policy. That is what happened Neil.
Mitchell: Does that involve the party room?
Morrison: It enjoys the strong support of the party room.

Ten times he was asked this question; ten times he refused to answer. We know why because the member for Kooyong has already belled the cat. There was no internal party room process. Which begs the question: is this the full gospel truth or is it the Tony Abbott truth? Is it in writing or is it not in writing?

Can I say this in response to the Leader of the Opposition’s question: back in March in Melbourne he came out through the Melbourne Herald Sun guaranteeing he would stop the boats and shut the border. That was his guarantee on 31 March. Two months later, it is pretty interesting to hear what the Leader of the Opposition had to say in a press conference earlier today. Listen carefully to what the Leader of the Opposition said today when asked to provide the same guarantee. The journalist asked, ‘Can you guarantee that you will stop the boats?’

Opposition members interjecting—

The SPEAKER—Order! The Prime Minister will resume his seat.

Mr Sidebottom interjecting—

The SPEAKER—Order! The member for Braddon does not assist. He will settle down. The House will come to order. A question has been asked and the Prime Minister is responding. The Prime Minister will relate his material to the question.

Mr RUDD—Today at the press conference the Leader of the Opposition was asked by a journalist, ‘Can you guarantee that you will stop the boats?’ Abbott replied, ‘Someone else with a question?’ The favourite one was the last question of the press conference. The journalist asked, ‘Do you guarantee that this policy will stop the boats coming?’ Tony Abbott replied: ‘Thank you. Thanks. Thank you. Thank you.’ That is what I call definitive public policy. That is what I call a rock solid, iron clad guarantee. That is what I call straight-talking Tony. That is what I call full gospel Tony. What we do know is that, if we do not get it in writing from Tony, we should not give it any attention at all.

Budget

Mrs D’ATH (2.05 pm)—Mr Speaker, my question is to the Prime Minister. Why is the resource super profits tax an important reform for Australia and what other views have been expressed about resources taxation in Australia?

Mr RUDD—Notwithstanding the fact that the once great Liberal Party has abandoned the tax policy debate and has hauled up the white flag on the need for a profits based tax for the future of the resources sector, for which we thank various members opposite for their contributions yesterday, this government believes in the importance of tax reform for Australia. For this government, the importance of keeping the Australian economy strong depends on (1) keeping our economy out of recession, (2) making sure that we are returning the budget to surplus three years ahead of time and (3) implementing fundamental economic reform, including tax reform. Furthermore, tax reform is essential because it enables us to increase super for working families, it enables us to bring about tax cuts for small business and it enables us to build infrastructure for Australia’s future.

In the last 24 hours the opposition has gone very cold on the tax debate indeed. After three days of chaos and confusion in their ranks they have now scurried away from the debate altogether. The government is happy to continue to prosecute this debate because we believe it is a fundamental reform for
Australia’s future. There are two issues at stake in this debate. One is the design of the tax and the government’s plan for a tax on profits as opposed to a tax on production, and the other is the level of the tax—the government’s plan for an RSPT 40 per cent tax credit on a company’s investment and a 40 per cent tax on super normal profits.

Yesterday, on the design of the tax, the opposition tapped the mat. They fundamentally tapped the mat. In fact, we had the Leader of the Opposition out there yesterday saying that this new tax system would plunge a dagger into the heart of the Australian economy. That is what he had to say. That was before the shadow finance minister stood up and said, ‘This debate has never been about the design of the tax but simply about the level of the tax.’ Then we had the good old member for Tangney—the two of them seem to be missing today, the member for Tangney and the shadow minister for finance—who said that there is potential that taxing profits is better than simply taxing volume. He has moved—I am sorry about that.

On the design of the tax and the need for a profits based tax as opposed to a production based tax, those opposite have hauled up the white flag and conceded defeat because they know that Peter Costello supported a profits based regime. They know that the former Leader of the National Party supported a profits based regime and they know that most people serious in the economic debate support that for the simple reason that it is the most flexible way of encouraging the expansion of the industry over time, making the tax returns commensurate with the level of commodity prices over term, enabling small and medium capped firms to enter into the mining industry and to broaden the base of that industry and to replace the patchwork quilt of state royalty regimes with a comprehensive profits based tax. That is issue No. 1: the actual design of the tax where the Leader of the Opposition and his colleagues have hauled up the white flag.

No. 2 on the level of tax is where it gets really interesting. This is where we have had this complete evolution in the opposition’s position over the course of this week. Our position is very clear: 10 years ago $1 out of $3 profit went in royalties; 10 years later $1 in $7 came back in royalties. That is why we need fundamental reform. But on this we have had nothing less than absolute chaos and confusion. Earlier this week—I think it might have been on Tuesday—we had the Leader of the Opposition coming out and saying that he believed that mining companies were paying too much tax. That is his position. The Deputy Leader of the Opposition came out and said that they were paying just the right amount of tax. Nice one, Julie! You got that one I suppose a bit better than you got other things in recent days.

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

Mr Rudd—Thirdly, we had the shadow infrastructure minister come out and say that miners are not paying enough tax. So we have had too much, not enough and just right—as I said yesterday, the Goldilocks policy on tax from the opposition: that is, they cannot quite settle on it. Today we had a further contribution from the good old member for Kalgoorlie. Where is he? Is he missing in action from the debate today? He was asked today a question on the level of tax: ‘Do you agree with Tony Abbott when he says they pay more than a fair share of tax?’ Mr Haase said, ‘No, I do not.’ There you go. ‘And, you know, you’re going to question me as to why I disagree with my leader, but I’m pretty close to the mining industry.’ So there we have the member for Kalgoorlie repudiating his leader.
It gets better because the member for Kalgoorlie was then asked, ‘But, Barry, isn’t it damaging, though, for the opposition to have different options on whether or not mining companies are paying too much tax or not enough tax? The government is keen to exploit that.’ Mr Haase, the member for Kalgoorlie, then said, ‘I think individual points of view are a fine thing.’ In other words, it is not just a question of having a tax policy which says you are paying too much tax, not enough tax and just enough tax. In fact, he says that everyone in the opposition should have their own individual tax policy. That is where we have got to—Monday, too much tax; Tuesday, not enough tax; Wednesday, just the right amount of tax; and Thursday, everyone should have a tax policy. It is very simple. If you cannot manage a tax system, you cannot manage the public finance of Australia. What we have seen on tax policy is abject chaos and confusion on the part of those opposite. It is very simple. If you cannot manage the tax policy of the country, you cannot manage the economy of the country, and you cannot manage the country itself.

Home Insulation Program

Mr HUNT (2.12 pm)—My question is to the Prime Minister. I refer to the Prime Minister’s press conference of 23 February this year and his statement that the cabinet had not received reports of safety concerns under the Home Insulation Program. Will the Prime Minister now concede that the then Minister for the Environment, Heritage and the Arts warned him of safety issues on 12 distinct occasions across three letters dated 27 August, 28 October and 30 October? Is it not a fact that the Prime Minister knew about safety concerns all along and why is he still hiding the 14 August letter received from Minister Garrett?

Mr RUDD—I thank the honourable member for his question. First of all, could I turn to the correspondence that he refers to: Minister Garrett’s letters to me dated 27 August, 28 October and 30 October. These have been provided to the Senate in their entirety, although not requested by the Senate orders, complete with my letters to Mr Garrett dated 4 September, 29 October and 2 November. These have been provided voluntarily to the Senate. Furthermore, as I outlined in the House on 11 March, there are a number of actions and changes to the program that the responsible minister proposed during 2009 to address a range of safety issues. These have all been reviewed by Dr Hawke in the context of his review.

The member for Flinders asks about cabinet deliberations. I refer him to the updates which were provided to the cabinet through the Nation Building and Jobs Plan implementation reports. I have reported on those earlier in this parliament. Furthermore, could I say to the honourable member for Flinders that, from 1 July 2009, subsequent to the introduction of the program, there were a number of changes to it. The Department of the Environment, Water, Heritage and the Arts issued 26 installer notices under their Home Insulation Program that went to every registered installer. These notices often dealt with safety issues, including reminders around electrical safety and any updates to the program guidelines. Furthermore, can I say to the member for Flinders that, from 1 July 2009—

Mr Hunt—Mr Speaker, a point of order on relevance: the question asked why the Prime Minister was hiding the letter of 14 August.

The SPEAKER—The Prime Minister is responding to the question.

Mr RUDD—The question from the member for Flinders went to cabinet delibera-
tions, to correspondence with the minister and to a letter which I will come to presently. I am answering the honourable member’s questions in sequence. From 1 July—

Ms Julie Bishop interjecting—

Mr Rudd—If I were the Deputy Leader of the Opposition on the question of adhering to proper protocols I would ask her to reflect on her behaviour in recent days.

Ms Julie Bishop interjecting—

The Speaker—The Deputy Leader of the Opposition! The Prime Minister will ignore interjections.

Mr Rudd—From 1 July 2009 the program guidelines outlined strict requirements for installers to have occupational health and safety training. There was also a construction industry pocketbook provided to registered installers which specifically—

Mrs Bronwyn Bishop—Mr Speaker, on a point of order as to relevance: the Prime Minister seems to have a problem in hearing what the question is. Perhaps he could clean the wax out of his ears.

The Speaker—The member for Mackellar will come to the point of order.

Mrs Bronwyn Bishop—He’s got practice—

The Speaker—Order! The member for Mackellar will resume her seat. The Prime Minister is responding to the question.

Mr Rudd—On 14 August, I received a letter from the minister proposing increased compliance requirements for the Home Insulation Program. On 17 August, the relevant cabinet committee considered the compliance issues raised by the minister in his 14 August letter. The committee approved changes to the program guidelines, including requiring physical site inspections and a range of other measures. On 27 August 2009, I received a letter from the minister proposing changes to the program to require installers to provide physical evidence of qualifications and/or competencies before they are registered.

On 28 August the changes to the program guidelines were released. Furthermore, these guidelines required from 1 September 2009 the following: the requirement for installers to undertake a physical site inspection before providing a written quote to improve the quality of quotations; the requirement of installers, including those currently in the process of registering, to provide evidence of qualifications and/or competencies at the time of registration; and the provision of a price guide advisory for different types of insulation products and other variables to educate householders and installers. Furthermore installers charging above the maximum recommended price would be required to explain why—

Ms Julie Bishop—Where’s the letter?

The Speaker—The Deputy Leader of the Opposition is warned!

Mr Rudd—on the quote provided to the householders. On 28 October the minister wrote to me to indicate the actions he intended to take in response. These included requiring householders to get two quotes and to publish a public list of deregistered installers. On 29 October, I responded to this letter agreeing to the minister’s proposal to tighten the guidelines.

On 30 October Minister Garrett wrote to me in relation to safety issues in the Home Insulation Program. The letter proposed to roll out an electrical safety testing program for homes that had had foil insulation and proposed a ban on metal fasteners and proposed to mandate the use of covers over down lights and other ceiling appliances.

On 2 November 2009, I replied to the minister noting the package of safety measures he had proposed and from 2 November 2009, under the Home Insulation Program,
metal fasteners for foil insulation were banned. Installation of covers over down lights and other ceiling appliances were mandated. The government announced it was implementing a target electrical safety program.

The further part of the honourable members question goes to a further letter on the part of the then minister, Minister Garrett. A letter from Mr Garrett dated 14 August 2009 was a proposal for increased compliance requirements for the HIP and it is a cabinet document which was considered by a cabinet committee on 17 August 2009.

Opposition members interjecting—

Mr RUDD—Before those opposite become too excited, they will note that I have already provided an outline of what was in the 14 August 2009 letter and the other letters to which I referred in the House on 11 March 2010. To remind the honourable member what I said about it at that time:

On 17 August, the relevant cabinet committee considered the compliance issues raised by the minister in his 14 August letter. The committee approved changes to the program guidelines which included requiring the following: physical site inspections prior to giving quotes, increased inspections and scrutiny of trainer qualifications, increased compliance communications and processes for suspending and deregistering non-compliant installers.

I have therefore in the past been more than happy to provide a description of the contents of these letters, including the one which is a cabinet document. In terms of the handling of that particular document, we have adhered to the processes which have been applied by all previous Australian governments.

Mr Hunt—Mr Speaker, I seek leave to table the 12 warnings to the Prime Minister.

Leave not granted.
After weathering the crisis well in 2009, the Australian economy is projected to experience strong growth in 2010 and 2011.

The OECD is now forecasting growth for Australia at 3.2 per cent in 2010 and 3.6 per cent in 2011. The forecasts for unemployment are also equally encouraging. They are forecasting unemployment of 4.8 per cent by the end of next year, which is dramatically lower than the eight per cent expected for the OECD area as a whole. That is the comparison. That means there are Australians in jobs who are going home with a pay cheque at night. It is happening in this country; it is not happening in many of those other countries. So we have to make sure that we put in place a very strong fiscal framework to ensure prosperity as we go forward, particularly when we consider the backdrop of what is happening in Europe.

This comment from the OECD is particularly important. It talks about the government’s fiscal settings. It says they are ‘welcome given the rebound in activity’. It goes on to say:

… in view of the stronger economy and fiscal restraint, the government now expects to balance its budget by 2012/13, three years earlier than previously anticipated.

This is a fiscal position that is the envy of the developed world. We have got to this point because of responsible economic management, bringing the budget back to surplus in three years—three years early—and ahead of every other major advanced economy. This is what the OECD Secretary-General had to say:

… you have navigated well through this difficult time. The behaviour of Australia may not be very typical because you have done so well but holding up you have never had a big recession; it did have a very big positive impact on growth. I wish we could export your recipe.

He had a few other things to say as well. He made some comments about the resource super profits tax. This is what the Secretary-General of the OECD had to say last weekend. He went on to make this point:

In the particular case when you’re talking about the availability of raw materials … my impression is that taxes are not the major reason why they would invest …

I think if you look at these things strategically … of course it’s a wise thing … to invest in Australia.

Indeed, it is. You can see this particularly in the major investment that has been put forward in recent days in Queensland by the major coal companies who are wishing to invest in rail. They are optimistic about the future of this country. The government is optimistic about the future of this country. What we must do is modernise our tax system. What we must do is get a modern tax system in terms of resources. And what we must do is give the incentive for companies through lower taxes, particularly for small business, to continue to invest and to create jobs. That is something that we should all be very proud of.

DISTINGUISHED VISITORS

The SPEAKER (2.24 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the Kingdom of Saudi Arabia led by His Excellency Dr Khalid bin Mohammed Al Ankary, the Minister for Higher Education. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Budget

Mr HOCKEY (2.25 pm)—My question is to the Treasurer. Yesterday the Treasurer in this place declared the effective tax rate for the mining industry at the moment to be 17 per cent, and he said that on eight separate
occasions. That was based on a flawed US university graduate paper. I draw the Treasurer’s attention to his own economic note of 9 May in a table on page 3, which states the current effective tax rate is up to 45 per cent; between 35 and 45 per cent. Treasurer, which of the figures is correct? Is it what you advised the House yesterday of an effective tax rate of 17 per cent, or is it what is in your own publication—an effective tax rate of 45 per cent?

Mr SWAN—This is very sloppy work, Joe. You are out here all the time comparing apples and pears.

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

Mr SWAN—Sometimes it is oranges and apples. He is just flip-flopping all over the place. Let us just go through a few of the basic facts. We have been having a debate about effective tax rates for companies. Those opposite have sided with the mining industry who are claiming an effective rate for the mining industry of something like 27c when the headline statutory rate is 30c. What has really stung them is that there is a Treasury study that points conclusively to the fact that the effective tax rate for the mining industry is 17c in the dollar. What he wants to leave out in all of these comparisons in his usually sloppy way is the fact that mining companies get very, very generous tax concessions. So he does his calculations based on taxable income—that is, taxable income after they have had all of those concessions. Their effective rate is 17c in the dollar. It does not matter how much you want to flip-flop all over the place and change the tax basis to make your point—

Mr Hockey—It’s your own paper, you fool!

The SPEAKER—Order! The member for North Sydney will withdraw.

Mr Hockey—I withdraw.
does that compare with other industries? In transport it is 27c. In finance it is 29c. This is very important to understand because what is the environment we are having this debate in? They are currently opposing our proposal to cut the company rate by 2c. They are opposing that. What they are proposing to do is to increase the company rate. What we have is a situation where they want to increase company tax for all companies with a turnover of over $5 million, so they have to concoct a figure that the effective rate of company tax for mining companies is 27c instead of 17c. This is the very basic point.

They are now so acutely embarrassed because they have jammed themselves into a corner where they are saying that the companies should not pay more tax. Not even the companies are arguing that. When there is an effective rate of 17c for company tax and when they have not been paying their fair share of royalties, the case is there. It is very clear. They can pay more tax, which is why we are going to modernise the tax system and make sure that those that are very profitable do pay their fair share so we can cut the company tax for all companies across Australia.

Mr Hockey—Mr Speaker, I seek leave to table the Treasurer’s own note from 9 May, which says the effective tax rate is 35 to 45.

Leave not granted.

Mr Hockey—Everyone should see this—table it.

Honourable members interjecting—

The SPEAKER—Order! I remind members that to interject and interrupt is outside of the standing orders. If they are going to talk to themselves, could they do it more quietly—on both sides.

Taxation

Mr PERRETT (2.32 pm)—My question is to the Minister for Finance and Deregulation. Why is tax reform critical to strengthening Australia’s economy?

Mr TANNER—I thank the member for Moreton for his question. Tax reform as proposed by the government is very important for the Australian economy. Econtech modelling shows that the government’s tax package will lead to higher growth, will be good for jobs, will be good for the state of public finances and, indeed, good for Australia’s resources sector.

The proceeds from the Resource Super Profits Tax that the government is proposing in this tax package go to cutting company tax, cutting tax on small business, improving superannuation tax concessions for low- and middle-income earners, providing a tax break for small savings and providing a guaranteed $1,000 tax deduction on ordinary personal tax returns. Under the Rudd government, you will have a 28 per cent company tax rate. Under an Abbott government, you will have an almost 32 per cent—31.7 per cent—company tax rate, according to their own announced policy positions.

We have heard a lot of wild claims, many of them from the opposition but not only from the opposition, in this debate. We have seen a lot of very vigorous, very robust, prosecution of self-interest on the part of people in the mining sector. It is notable, as the Treasurer mentioned, that there is a big statement of confidence in the future of Australia’s mineral sector that has been made by coal companies just today by announcing an almost $5 billion bid for the rail infrastructure of the Queensland Rail Corporation. That is hardly the action of a sector that thinks that there is no future in mining in Australia.

The key points are these: first, the Australian people own these resources and the taxing mechanisms are the means by which they extract the price for selling those resources to.
mining companies that extract them, process them and onsell them. Secondly, mineral prices globally have soared. They are at new levels and are likely to remain at those levels. Therefore, the proportion of the total price that the Australian people get from their resources has diminished substantially. The Australian people are entitled to get a fair return for those resources. Thirdly, those mining companies get very generous tax concessions on their company tax payments and, as a result, at the moment, broadly, over an extended period they have typically been paying around 17 per cent in company tax compared with 29 per cent for financial services and 27 per cent for transport. Finally, taxing profits is a much more efficient mechanism in this sector than taxing production or taxing volume. It is a much more efficient mechanism for extracting the value for the Australian people for their resources.

It is unclear what the opposition’s position is on this question of whether or not the government’s tax package is good for the Australian economy and strengthening the Australian economy, because we have had several positions during this week. On Monday, the Deputy Leader of the Opposition said that the mining industry was paying its fair share of tax. On Tuesday, Senator Joyce said it could pay more than it is currently paying. On Wednesday, the Leader of the Opposition said that the mining industry is paying more than its fair share of tax. Also on Wednesday, the shadow finance minister, the member for Goldstein, indicated that the opposition did not appear to object to the design of the tax, that that was not the issue, and therefore he and the opposition are happy with a profit based tax. Just today, we had a media alert put out by the shadow Treasurer, the member for North Sydney, at 7 past 10 announcing a doorstop media interview at half past 10. About five or 10 minutes later the Leader of the Opposition also put out a media alert saying he was going to have a doorstop, which ended up being about asylum seekers. At 20 past 10 a media alert was put out by the shadow Treasurer saying that the 10.30 doorstop had been postponed. They moved right away from the debate about the tax reform issue.

Opposition members interjecting—

Mr TANNER—It is interesting that the Leader of the Opposition did not even tell the shadow Treasurer he was going to have a doorstop on asylum seekers.

But this raises a key question: what is the opposition’s policy going to be, heading into the election, on the government’s tax reform proposals? Is it to defend the status quo? Is it to support a profit based tax? Is it to reduce taxes on the resources sector? I know one thing about this; it will be very interesting in the campaign when the Leader of the Opposition turns up in Cairns and talks to the tourism industry about why they should be paying higher taxes under a Liberal government. It will be very interesting when he turns up in Geelong and talks to the manufacturing industry and tells them why they should be paying higher taxes under a Liberal government. It will be interesting when he turns up in Lismore and talks to small business there and tells them why they should be paying higher taxes under a Liberal government. Because, under his proposals, company tax will be nearly four per cent higher, there will be no $5,000 immediate write-off of costs for small business, there will be no increased superannuation and savings tax concessions and there will be no automatic tax deduction of $1,000.

It is one thing to throw verbal bombs, to throw all the one-liners and the TV grabs that we hear from the Leader of the Opposition; it is one thing to run around squawking ‘great big new tax’ every time somebody drops $10 in the street; but the moment of truth is going
to arrive when the opposition will have to front up to the Australian people and indicate why they are putting the interests of one sector, which is now paying a much lower proportion of its profits as tax than it previously did on minerals that are the Australian people’s asset, ahead of all the other businesses all around Australia that are struggling to get by. That is the thing that they are going to have to explain to businesses all around the country.

Budget

Mr HOCKEY (2.39 pm)—My question is to the Treasurer. I refer the Treasurer to comments by the Chairman of Rio Tinto, who said yesterday:

“From the government’s side, some of the statistics that we have been confronted with in recent weeks can only be described as scandalous …”

He also said it was ‘truly scandalous’. With the benefit of 24 hours since the Treasurer was made aware of flaws in his own arguments and his own numbers in his economic note of 9 May, will the Treasurer now disclose to the Australian people in dollar terms all the numbers behind the fancy pie charts and graphs in his documents?

Mr SWAN—I stand by all of the numbers and all of the charts in my economic note—

Mr Hockey—What are they?

Mr SWAN—and we know what they are, but those opposite do not want to understand what they mean, because what they mean is that the Australian people have not been getting a fair share, and what we have now seen in this House is that those opposite do not care. They simply do not care, so they are going to let the bounty of our resources just walk out the door. They do not care if it is reinvested in our community, they do not care whether it is reinvested in superannuation, they do not care about a lower company tax rate for tourism operators or the manufacturing industry—they do not care about any of that because they have sold out to the mining companies. Now, Phony Tony comes in here and—

The SPEAKER—Order! The Treasurer—

Mr Pyne interjecting—

The SPEAKER—Order!

Mr Symon interjecting—

Mr Hale interjecting—

The SPEAKER—When the member for Sturt talks to himself, he should do it more softly. It would allow me the opportunity to respond—and he was bit unfortunate, because he was not the one that was delaying. And he is correct. The Treasurer will withdraw, and the members for Deakin and Solomon should take care. The Treasurer has the call, and I have asked him to withdraw.

Mr SWAN—I withdraw, Mr Speaker. The Leader of the Opposition comes in here and wants to pretend that he stands up for small business and families, but he is prepared to let a situation go on where the Australian people are not getting a fair share of the mineral resources that they own 100 per cent which can only be mined once and which are absolutely essential—

Mr Hockey—Mr Speaker, on a point of order, and it goes to relevance: I asked the Treasurer to disclose all the numbers behind his own documents. That was the question.

The SPEAKER—Order! The member for North Sydney will resume his seat. The Treasurer will relate his material to the question. The Treasurer.

Mr SWAN—Yes, I am going to the numbers behind the document, and that is what they find so uncomfortable, because the purpose of that central pie chart is to describe the situation where the Australian people have not been getting a fair share. But this seems to be completely irrelevant to those opposite. Nobody is seriously contesting this. Not even the mining industry is seriously
contesting the fact that they need to pay a bit more because the underlying value of our resources has increased substantially and that, if we want to move forward as a modern economy, we should take those revenues and invest them in a lower corporate rate so we can meet the challenges of the mining boom mark 2. They are so embarrassed that they are opposing a lower corporate rate and at the same time they are proposing an increased corporate rate.

Mr Hockey—Mr Speaker—

The SPEAKER—I am taking it that the Treasurer has sat down because he thinks I am going to give the call to the member for North Sydney—or has he concluded?

Mr SWAN—Yes.

The SPEAKER—You have concluded.

Mr Hockey—He’s finished?

The SPEAKER—Order! The member for North Sydney will resume his seat.

Trade Training Centres in Schools Program

Ms RISHWORTH (2.44 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. How is the government investing in our schools to deliver trades training centres; and are there any threats to these centres?

Ms GILLARD—I thank the member for Kingston for her question. She is a member in this House who stands up for her electorate. As I explained to the House yesterday, last November we approved 302 schools for funding for trade training centres. Schools approved know that they are getting the money and are excitedly making plans to implement their trade training centre. The Leader of the Opposition has announced that he will cut the funding that is supposed to be going to those schools—schools that have been promised funding and that are now at risk of losing their funding because of the Leader of the Opposition.

Yesterday I said that we would look for a member of the coalition who is prepared to stand up for their electorate and say, ‘I want the schools in my electorate that have been promised money to get that money,’ to stand up to the Leader of the Opposition and say, ‘It is wrong that you want to cut the equivalent of 180 trade training centres from schools that have been promised the money since last November. Yesterday we asked the member for Dunkley whether he would be a coalition member prepared to stand up for his electorate, and the answer has clearly been no. He will meekly follow the Leader of the Opposition and allow the trade training centres promised in his electorate to be cut.

I asked today about another member of the coalition—the member for Bradfield. Our old friend the member for Bradfield does not have a happy record with the schools in his electorate, as we know. But maybe he could overcome his unhappy record with the schools in his electorate if he was prepared to stand up for St Ives High School and Sir Eric Woodward Memorial School and make sure that they get their trade training centre. He would need to tell the Leader of the Opposition that he is wrong to cut this funding. We will wait for 24 hours to see whether the member for Bradfield is a man who is prepared to say to the Leader of the Opposition: ‘My schools have been promised money. They were promised it last November and it is wrong of you to rip that money directly out of their hands.’

Mr Fletcher interjecting—

Ms GILLARD—While she is not here, let me indicate that there is also a test for the member for Gilmore. I note the member for Bradfield. He is big on yelling in this House. The question is: will he stand up for his local
schools? We will wait to see that answered. The member for Gilmore, who is not here, wrote to me about the failure of a school in her electorate to be approved for a trade training centre. She said that we had had the rounds, the applications, and we have had had more schools apply than could get in the first few rounds or applications. She wrote to me because she was very disappointed that a school in her electorate did not get approved. She said:

It has come to my attention that Vincentia High School has been unsuccessful in their application for a much needed Trade Training Centre. This school is one of the most disadvantaged schools in my electorate of Gilmore, reflected in the data outlined on the My School website …

Another thing delivered by the Rudd government in education. She said:

Many of the students come from low socio-economic or Indigenous backgrounds, and the area itself is quite isolated from tertiary opportunities and services like public transport. The principal, Steve Glenday, has written to express disappointment.

I accept absolutely that the member for Gilmore is genuinely concerned about this school not getting its trade training centre, but the test for her is whether she will now go to the Leader of the Opposition and say, ‘If you go ahead with this cutback, Vincentia School will never get its trade training centre.’ The only way it will ever get a trade training centre is under the Rudd government’s 10-year program, if the Leader of the Opposition stops being a risk to this program.

Yesterday when I raised this matter in here the member for Goldstein, who also is not here today—the shadow finance minister who announced these cuts—yelled out, ‘We’ll have a better plan.’ And I thought, ‘Gee, the member for Goldstein with a better plan—that will be interesting.’ I checked on the performance of the member for Goldstein when he was a minister with responsibility in this area. In 2007 he famously said: ‘We’ve got a problem with skills shortage. We knew it was coming, but it has arrived with a force, and it is only going to get worse.’ That is the record of the member for Goldstein in dealing with skills shortages—knew they were coming, did not do anything about it.

Mr Andrews—as What about technical colleges? That was so disingenuous.

Ms GILLARD—The member for Menzies helpfully yells out, ‘What about technical colleges?’ Thank you very much, Member for Menzies. I have looked at the track record of the Howard government on technical colleges, and let me illuminate the House on their record. In 2004 the Liberals promised that Australian technical colleges would help 21,000 students over four years at a cost of $289 million. Okay, that was a promise. What in fact happened? It cost $440 million to establish 24 colleges that ended up with 3,000 enrolled students. Let me just give you those numbers again—you would not have to blitz the grade 3 NAPLAN test to understand the import of these numbers: $440 million for 3,000 students enrolled, a cost per student of $140,000.

So let us not hear any nonsense from the opposition about having a better plan. Their track record in government is absolutely clear: $140,000 per student, watched skills shortages coming and just waved their hands in the air and did absolutely nothing. And now the Leader of the Opposition sitting there is a risk to the trade training centres in schools, particularly the more than 300 schools that have had funds approved and who are going to have those funds ripped out of their hands by the Leader of the Opposition. The search for a member of the coalition prepared to stand up for their electorate will continue. We have not found one yet.
Budget

Mr RAMSEY (2.52 pm)—My question is to the Prime Minister. Can the Prime Minister assure the people of Whyalla that his great big new tax on mining will not jeopardise the Whyalla steelworks and the thousands of jobs it provides by artificially increasing the cost of magnetite?

Mr RUDD—I say to the honourable member who asked the question that the Treasury, as I understand it, are in consultation with a range of businesses concerning the detailed implementation and transitional arrangements with the proposed RSPT. We are confident that, when it comes to the industries in the area he refers to, those consultations will be productive. We are very mindful of the implications as they relate to magnetite. We are very mindful of the implications as they relate to those employed in related industries. We intend to get on with the business of proper consultation with industry and make sure we bring about tax reform: beneficial tax reform in the form of small business tax cuts across the country, tax reform that brings down the company rate across the country, tax reform that delivers better super for all working Australians and tax reform which funds future infrastructure, including in communities like Whyalla.

Productivity

Mr BRADBURY (2.53 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. Will the Deputy Prime Minister outline to the House the importance of investing in education and skills to lift productivity and of any threats to this productivity growth?

Ms GILLARD—I thank the member for Lindsay for his question. I am glad he had an opportunity to repeat it after it was so interrupted by the Deputy Leader of the Opposition, who of course has been revealed this week as a threat to national security, and the Leader of the Opposition, who in the past has been a threat to the personal security of a member in this House.

The SPEAKER—Order! The Deputy Prime Minister will get to her answer.

Ms GILLARD—Going to the question of the member for Lindsay on productivity: given the level of disinterest of the opposition on economics, I suspect they will not listen.

The SPEAKER—The Deputy Prime Minister will withdraw—will resume her seat.

Mr Pyne—Mr Speaker, I rise on a point of order. You were right the first time: the Deputy Prime Minister should withdraw. We ask her to withdraw the statement about the Deputy Leader of the Opposition, which is

Honourable members interjecting—

The SPEAKER—That is to everybody. As I did not hear the rehearsal by the member for Lindsay of his question, which he did in a good manner, I ask him to repeat the question so I am clear on what the question is.

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quite outrageous and we take deep offence at.

The SPEAKER—I may be the only person in this place who does not understand the intent of the remarks. On that basis I was willing to let it ride. I am of that position. I ask that everybody, including those at the dispatch box, take a bit of care with their remarks.

Ms Gillard—If it assists the House, I withdraw, Mr Speaker.

The SPEAKER—I thank the Deputy Prime Minister.

Ms Gillard—The question was about the productivity agenda of this government, which is obviously something that the opposition are not interested in, because their leader is bored by economics—that is a matter that is on the public record; it was raised by the former Treasurer. This government has been investing in productivity. In particular it has invested in a national system of paid parental leave, an increase in the child care tax rebate to 50 per cent, outcomes from early childhood programs equivalent to best practice in other countries, a year 12 attainment rate of 90 per cent by 2015, 40 per cent of 25- to 34-year-olds with a bachelor degree being attained by 2025, and halving the proportion of 20- to 64-year-olds without a certificate III qualification.

We have had the benefits of these national goals, which we are working towards and delivering on, modelled by Econtech. That modelling shows that over the next 15 years this would benefit our economy by up to $60 billion and from 2010 to 2040 by $108 billion. This would see more than half a million jobs added to the Australian economy every year.

I was asked about this productivity agenda and about threats to this productivity agenda. Of course, the threats to this productivity agenda are clear. They are clear from the cutbacks announced by the Leader of the Opposition, the shadow Treasurer and the shadow finance minister in the game of 'pass the budget-reply parcel'. These cuts include preventing 120,000 students getting computers. There is a theme to the opposition's cutbacks. They are against the NBN, they are against kids getting computers in schools and they are against e-health. We are the party of the future that is preparing the nation for the future; they are the party of the past. We are the party of the National Broadband Network, computers in schools and e-health; they are the party of the Olivetti manual typewriter. That is where they want to take the nation.

As well, they want to cut our vital investments in teacher quality, investments which are enabling the best teachers to be paid more to go to the schools that need them the most. They want to cut our trades training centre programs. They want to risk 90,000 people in training through their cuts to the Productivity Places program, including 18,000 apprentices currently in training.

When we look at all this we know that they are a risk. We know too that they are a risk to our school modernisation program, to Building the Education Revolution. The problem here of course is that they are being phoney. They are not being honest about the proposed cutbacks to schools. The Master Builders Association has indicated publicly that the investment in school infrastructure is supporting 31,000 businesses around the country. They have certainly said that without this activity in building and construction we would have seen job losses as high as 35,000.

The Leader of the Opposition went to the Master Builders Association last night and spoke. But he did not utter a word about his plans to cost that industry 35,000 jobs through the threats that he is posing to eco-
nomic stimulus. Instead, he went and said about the Labor Party:

They don’t like business.

Who is it that is supporting business: this side of the House that wants to keep the doors of businesses open, or that side of the House that wants to cut economic stimulus and close businesses down; this side of the House that wants to make sure businesses have the skills, apprentices and tradespeople that they need, or that side of the House that wants to cut the vital investment into Productivity Places and trades training centre programs; this side of the House that wants to provide the National Broadband Network, the infrastructure of the future, or that side of the House that wants to cut it? This means of course that the Leader of the Opposition is a huge risk to the Australian economy and to the prosperity that supports Australian families.

**Budget**

**Mr BALDWIN** (3.02 pm)—My question is to the Prime Minister. I refer the Prime Minister to claims by the Hunter Business Chamber, a chamber that represents 1,000 businesses in the Hunter Valley, that 15,000 people are directly employed and another 50,000 indirectly employed in the region’s mining sector and that the Hunter economy is dependent upon the resources sector. Is he aware of a newspaper article on 3 May where it said in the Newcastle *Herald* that the 40 per cent tax on coal profits has Hunter coal companies ‘up in arms’ over the blatant tax grab and that effects of the super tax touch every level of the sector? The *Herald* said:

Hunter mines exported about $8 billion worth of coal last year, plus another $1 billion or more in domestic sales, and contributed about $900 million in state mining royalties.

On these figures, the Hunter’s contribution to the new “super tax” could be as much as $3 billion a year.

Prime Minister, what action is your government taking to protect the Hunter from the damage that will be caused by your government’s great big new $3 billion tax on mining industries in the Hunter that will not flow through to other businesses?

**Mr RUDD**—I thank the member for Paterson for his question, which is presumably why the Newcastle *Herald*, I am advised, editorialised in support of the government’s proposed tax.

**Mr Baldwin**—Wrong, wrong, wrong!

*Opposition members interjecting—*

**Mr RUDD**—I will stand to be corrected. I have been advised by others that there was a generally supportive approach to it.

*Opposition members interjecting—*

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

*Opposition members interjecting—*

**The SPEAKER**—Order! The member for Paterson on a point of order.

**Mr Baldwin**—The Prime Minister is misleading the House, because the only editorial supporting it was from the Labor members in this House.

**The SPEAKER**—Order, the member for Paterson is warned!

*Honourable members interjecting—*

**The SPEAKER**—Order! Whoever said that is lucky. If they want to own up, they can be warned as well. The Prime Minister has the call and the Prime Minister will be heard in silence.
Mr RUDD—Thank you very much, Mr Speaker. The reason we are engaged in tax reform is because we want to ensure that we have an increase in the overall competitiveness of the Australian economy, and that includes in regions like the Hunter and Newcastle and right across the nation. You do that by making sure that you have got globally competitive tax rates for Australian businesses. You bring down the tax burden for Australian small business. As the finance minister quite rightly said in his response to an earlier question, the contrast now is stark when it comes to the company tax rate. How many companies, for example, in the honourable member’s electorate will be paying the company tax rate? Under this government it comes down to 28 per cent. Under the proposal by the Leader of the Opposition it goes up to 32 per cent. That is a four percentage point difference in the company tax rate for all those companies in the electorate of Paterson.

Furthermore, how many small businesses do we think there are in the electorate of Paterson? A large number, and I am sure the relevant minister will give me the figure before long. Small businesses, in addition, those that are not incorporated, will all benefit from the additional measure of the tax break concerning $5,000 of their assets in a given year.

These are the changes that we make to the economy on the ground. A further change that we make to the economy on the ground in electorates such as that represented by the member for Paterson is an investment in the Hunter Expressway, a very large scale investment in the transport infrastructure of the region—$1.45 billion. I seem to remember that the member for Paterson promised this, and promised this again—and guess what happened? Nothing actually happened.

Mr Pyne—Mr Speaker, I rise on a point of order on relevance. The question was about the effect of the great big new tax on mining on the Hunter. It was not about a road in the Hunter Valley. The Prime Minister—

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

Mr Pyne interjecting—

The SPEAKER—The member for Sturt is warned! The Prime Minister has the call.

Mr RUDD—Thank you very much, Mr Speaker. The question from the honourable member for Paterson was about the impact of the government’s tax reform proposal on the economy of his region. That is what I am responding to. The purpose of the government’s tax reform is to make it possible to bring down the company tax rate right across the country to increase our global competitiveness—as opposed to those opposite, who would increase the company tax rate, thereby impeding the profitability of firms across the economy and doing the same to small business. I am advised reliably by the Minister for Small Business, Independent Contractors and the Service Economy that there are 4,194 small businesses in his electorate that stand to benefit from this government’s special tax break on $5,000 of assets in a given year in order to take the burden of tax from small business, so much the engine room of our economy.

Another reason that we are investing in tax reform is to make sure that we can fund the country’s future infrastructure needs. The member for Sturt took a point of order in terms of the relevance of this matter. The funding of infrastructure is one of the core cornerstones of the reason we are constructing this tax reform. We are doing it so that we can fund the nation’s future infrastructure; fund what is necessary for the construction of the Hunter Expressway, a very large project—$1.4 billion. Does he assume that
this money grows on trees? It does not. We need to derive this money from the tax base of the Commonwealth in order to make sure that infrastructure is built.

The member for Paterson spoke specifically about the industries within his region: the port and the associated resource industries around coal. We are investing something in the vicinity of half-a-billion dollars through the ARTC to increase the overall efficiency of the rail infrastructure to make that port, the port of Newcastle, as efficient as possible. He asks, therefore, what we are doing for the businesses and economies of his region. I welcome that sort of question from any member opposite, because we are bringing down the company rate, bringing down the tax burden on small business, boosting the super payments for all the workers in your electorate, increasing our ability to invest in projects like the Hunter Expressway and investing in projects like the ones that the ARTC is investing in in terms of the rail efficiency of the port of Newcastle. These are the practical things which make a difference. We believe that this is an absolutely essential reform for the nation’s future.

I say therefore to the member for Paterson that the important thing is to be actually fair dinkum about tax reform. We saw what happened in terms of fair dinkum tax policy from those opposite during the course of last week. They could not render the full gospel truth of whether they thought that there was enough tax, too much tax, just enough tax, or whether anyone should have a tax policy on the benches of those opposite. We have had this change time and time again. But there is more. I have just been alerted to the fact that, on the question of the full gospel truth, we have had another major backflip by the Leader of the Opposition on policy. We have seen it on tax; we have seen it on the party room’s deliberations on border protection and the assurances that he gave about shutting the border. This one goes to climate change.

The SPEAKER—Order! The Prime Minister knows that he has to use material that is relevant to the question. If he is going to continue, he must relate his material to the question.

Mr Rudd—Mr Speaker, in the context of the carbon based industries within the region referred to by the member for Paterson, I would assume that those who accept the science would regard the opposition’s policy on climate change relevant to the long-term development of the coal industry in the Hunter. We know that the Leader of the Opposition has famously declared in the past the settled science—he called it ‘so-called settled science’—of climate change science to be crap. That is his word: ‘The argument is absolutely crap.’ But today he has said this: ‘I am confident based on the science that mankind makes a difference to the climate. Almost certainly the impact of humans on the planet extends to climate.’

The SPEAKER—The Prime Minister will bring his answer to a conclusion. The Prime Minister will relate his material to the question. I now ask that he brings his answer to a conclusion.

Mr Rudd—It is a question of whether those opposite are participating in this debate in a bona fide way. Are they fair dinkum? Is this full gospel or not? We have seen a complete backflip on the question of tax policy; we have seen them twist and turn on so many other issues. I will conclude by quoting the headline of the Newcastle Herald to which the honourable member for Paterson referred before. It says—

Opposition members interjecting—

The SPEAKER—Order! The Prime Minister will resume his seat while the House
comes to order. The Prime Minister—in conclusion.

Mr Rudd—They are very sensitive to what has happened in terms of the twists and turns of their policy. The member for Paterson spoke before about the editorial of the Newcastle Herald. It was entitled ‘Australia’s mining industry can afford to pay more taxes without its viability being threatened’. I think that the Newcastle Herald says it all.

Budget

Ms Jackson (3.13 pm)—My question is to the Minister for Competition Policy and Consumer Affairs and Minister for Small Business, Independent Contractors and the Service Economy. How will the government’s tax breaks benefit small businesses and independent contractors? Are there any threats to these reforms?

Dr Emerson—I thank the member for Hasluck for her question and for organising meetings with the Swan Chamber of Commerce and the Kalamunda Chamber of Commerce. That was a very good opportunity to discuss the issues of concern for small business in her electorate. She has always been a strong advocate for small business. Yes, Opposition Leader, that is you and it is coming. You have a very confused look on your head and we will get to that.

During the global recession, the Rudd Labor government supported small businesses through the stimulus package and through a special small-business tax break. We think they behaved magnificently, keeping people on, although perhaps reducing hours. We want to thank them and support them during the recovery phase through small-business tax breaks. There are two major tax breaks. The first is that for every one of Australia’s small businesses, 2.4 million of them, there would be instant write-off of the value of assets up to $5,000. That has been strongly welcomed by the Council of Small Business of Australia. Contrary to assertions from the opposition, it applies to every small business in Australia.

The second tax break is a reduction in the company tax rate from 30 per cent to 28 per cent. That is a head start reduction—that is, starting on 1 July 2012. That is great news for small business as well—great news if we can get the legislation through the Senate, but the bad news is that the opposition has already indicated that it will block the small-business tax breaks. What has the opposition got against small business? The member for Herbert will have to explain to the 11,133 businesses in his electorate why he is denying them a tax break and, if he does not, we will. So, for the member for Herbert there are 11,000. The member for Hinkler is here. The member for Hinkler will need to explain to the 10,000 small businesses in his electorate why the coalition would deny them a small-business tax break and, if he does not, we will.

The member for Ryan will not be explaining anything and he is not here today, but the candidate for Ryan—and I am reliably informed Councillor Jane Prentice from the Liberal-National Party is looking good there at two to one on—will have to explain to the 12,500 businesses in the electorate of Ryan why she is denying them a small-business tax break. I saw that my friend the member for Dickson was having a chat with the member for McPherson. It is not too late. You can make the move to McPherson, but, if you do not get the nod there, if you cannot convince the existing candidate, then the member for Dickson will have to explain to the 11,900 small businesses why he is denying them a tax break. Why would you do that?

The member for Bowman is not here. I think he is into the party pies early. He has gone. A total of 11,676 small businesses will be saying, ‘Why am I being denied a small-
business tax break by the Leader of the Opposition and the member for Bowman? The member for Gilmore will have to explain to 8,000 small businesses. The member for Greenway will have to explain to 12,960 small businesses why she is denying them a tax break. I see the member for Hughes. The member for Hughes will have to explain why 12,000 small businesses in her electorate are going to miss out on a tax break if her leader gets his way. The member for Macarthur, if he still has any interest in the matter, will have to explain to 8,400. The member for Paterson has 4,194. That is a big job. Go around door-to-door and explain. He can also explain why he cannot read the newspaper that editorialised in favour of the resources tax, in favour of the mining industry paying more tax.

The member for McEwen was formerly the Minister for Small Business and Tourism. Why wouldn’t a former small business minister go to the opposition leader and say, ‘Don’t do it, Tony, please don’t do it, because I will have to explain to 12,000 small businesses why I am denying them a small-business tax break.’ There are 5,175 small businesses for the member for Sturt. The member for Swan—

Mr Neville—On a point of order, Mr Speaker: is this not needless repetition and could it not be solved by—

The SPEAKER—Order! The member for Hinkler will resume his seat.

Opposition members interjecting—

The SPEAKER—Order! In dealing with the member for Hinkler’s contribution, which was not a point of order, I tried to get him to resume his seat to save him from himself.

Mr Tuckey—On a point of order, Mr Speaker: I again draw your attention to page 49 of the Practice, and the comments emanating from the 1976 report of the Royal Commission on Australian Government Administration, which says:

The responsibility of ministers individually to parliament is not mere fiction.

Is the minister quoting numbers of incorporated businesses, which are the only ones that will get the tax deduction?

The SPEAKER—Order! The member for O’Connor will resume his seat. The member for O’Connor was seeking the call to supplement the question and that is not permitted. He knows the intent of his contribution. He will sit there quietly. The Minister for Small Business—

Mr Hunt—and silly walks.

The SPEAKER—The member for Flinders is not helping by any form of encouragement like that, so I think he should there quietly, too. The minister will resume but contemplate that the conclusion of his answer is now getting near.

Dr Emerson—My list is complete, but I will remind the member for Hinkler that, for him, it is 10,086. He was not listening the first time. The member for O’Connor’s point is the repetition of a completely false statement. The coalition have been saying that only incorporated small businesses will get the $5,000 instant write-off. We just heard it from the member for Mackellar. The truth is that they have no idea about tax. Every one of Australia’s 2.4 million small businesses will get this tax break if the Rudd Labor government can get this legislation through the Senate, because it applies to sole traders, to partnerships and to companies.

I will just complete on this point. This is a very important book, I think the opposition leader would say.

Dr Emerson—It is a very important book about his views on small business.
Mr Abbott interjecting—

The SPEAKER—Order! The Leader of the Opposition should contain himself. The minister has the call.

Dr Emerson—Do you know how many times he mentioned small business in his very important book? He did so four times. It was four times. One mention was on a tax loss carry back, which was euphemistically ‘discontinued’ only a week ago; two mentions were on unfair dismissals, and they would remove the protections for millions of Australian workers; and the other mention was on page 102, on his great big new tax on everything you buy. The truth is this. He says that if it is written down it is gospel truth. Do you know what he says about the great big new tax on everything you buy? He says small business should pay. That is what he says on page 102.

The SPEAKER—Order! The minister has concluded. He may have had a finale, but he has had a good time.

Mr Windsor interjecting—

The SPEAKER—I appreciate that the member for New England is trying to cheer me up, but he has to be careful too. I think he was being very harsh.

Budget

Mrs May (3.23 pm)—My question is addressed to the Prime Minister. I refer the Prime Minister to the loss of up to 70 jobs in Mount Isa and Cloncurry directly and indirectly as a result of the suspension by Xstrata of its copper exploration program in North Queensland due to his great big new tax on mining. What impact will these job losses have upon these local communities and how many more job losses will these towns have to endure as a result of his great big new tax?

Mr Rudd—I thank the member for McPherson for her question. It goes to the implications of the proposed introduction of the government’s RSBT. I would say to the member for McPherson to look carefully at the projections by Treasury of the impact of the government’s overall tax reform on employment for the economy and for the mining industry as well. In fact, when it comes to employment for the mining industry, from recollection, the Treasury analysis says that you would look at about a 4.5 per cent increase in activity. I think a 5.5 per cent increase in investment and over time a seven-point increase in employment. I would suggest that the honourable member for McPherson reflect on those figures contained within the Treasury’s projections.

I would also remind the member for McPherson, given the nature of the seat she represents, of the large number of small businesses within her electorate that would be directly benefited by the tax reforms that the government foreshadows. I think the Minister for Small Business, Independent Contractors and the Service Economy just recently— and eloquently, if I might say—ran through the implications for small businesses individually in electorates right across the country. On the Gold Coast there are a great stack of small businesses, which frankly would benefit from being able to—

Mrs May—Mr Speaker, I rise on a point of order going to relevance. The Prime Minister is not addressing the two towns that are affected by the 70 job losses.

The SPEAKER—Order! The member will resume her seat. The question went to a policy item of the government as well as to the relationship to the two towns. The Prime Minister is responding to the question.

Ms Julie Bishop interjecting—

Mr Rudd—I enjoy also the continued interjections from the Deputy Leader of the Opposition, because she has distinguished
herself so greatly during the course of this week.

In response to the question of the member for McPherson, I go firstly to the overall employment impacts of the government’s proposal, secondly to the mining industry and thirdly to the working families and small businesses of McPherson. They will benefit under this proposal from an increase in super for all working families, and she is voting to block that. There will be a reduction in the tax burden on the small businesses in her electorate, which she is voting to block. And there will be a tax reduction for all companies in her electorate, which she is voting to block. I would suggest to the member for McPherson that in standing up for the interests of her constituency she should bear in mind the burdens borne by small business—eloquently underlined just now by the minister for small business. If she had some concern for her local economy, she would stand up in this place and back the interests of the small businesses of McPherson.

Hospitals

**Mr HALE (3.27 pm)**—My question is to the Minister for Health and Ageing. Will the minister update the House on the government’s rollout of extra subacute services and beds across our hospital system and on how these are being received?

**Ms ROXON**—I thank the member for Solomon for his question. He has a particular reason for asking this question, as no doubt he is very pleased that the project for the new step-down care unit at Royal Darwin Hospital is very well advanced. It will provide additional services to the community of Darwin and the surrounds. It forms part of the significant investments that the Rudd government has been making in health, in an area called subacute services. It is an area that people do not often talk about but which was described by the National Health and Hospitals Reform Commission as the ‘missing link’ in our health system. As part of our COAG agreement back in 2008, where we put a record $64 billion into our hospital system—which was a 50 per cent increase on the agreement on funding for hospital services of the Leader of the Opposition—we also committed $500 million to increase subacute services by 20 per cent by 2012. This money is now starting to hit the front line.

I am very pleased to be able to announce today that some of the early investments are coming to fruition. For example, in the seat of Watson—the electorate of the Minister for Agriculture, Fisheries and Forestry—six palliative care beds have opened at Canterbury Hospital. I think the member for Dunkley will be interested to know that funding has been provided for four restorative care places at the Frankston Hospital and similarly at the Goulburn Valley Health service in Shepparton.

I imagine that the Treasurer will be pleased to know that 44 beds are progressively coming on line at the Eventide Nursing Home in his electorate. On top of that, $12.9 million has been allocated to expand specialist palliative care services, rehabilitation and geriatric care at Mount Gambier in the electorate of Barker, and also at Whyalla country general hospital in Grey. I noticed that the member for Grey was on his feet before. He did not ask me a question, however, about the investments in cancer services going into his electorate in Whyalla—more than $50 million, and a total of $69 million with the state government’s involvement, which was not mentioned by the member for Grey.

What this means is that we are already seeing services coming on line. But the good news is that under the recent COAG agreement, an additional $1.6 billion is being in-
vested in subacute care services to provide 1,300 additional beds in palliative care, mental health community care, and rehab, both in hospitals and in the community. Of course, what this means is that the grand total of our investments in palliative care, in rehabilitation care and in subacute care is now over $2 billion. I want to emphasise that $2 billion because there is some magic in that amount now—that is, it is the running total of the damage that the Leader of the Opposition has caused and wants to cause to our health system. He already ripped $1 billion out of our hospital system when he was the health minister and now he is well on the way to promising to pull another $1 billion out of our health system following his budget reply.

Here we are, investing more than $2 billion into subacute services that are already being rolled out across the country, and the Leader of the Opposition is using that as his target to see how much money he can rip out of the system. We have already invested more than $2 billion in our cancer services—regional cancer centres, investments in drugs for cancer treatment and research projects on cancer. Again, the Leader of the Opposition is using that as his target. The simple truth is: Australia cannot afford to have the Leader of the Opposition as the Prime Minister. Our health system cannot afford the damage that will be caused when Mr Abbott yet again tries to pull another $1 billion out of our health system. We simply cannot risk it. All those investments that are starting to turn up in our electorates across the country need to be secure. We need the Leader of the Opposition to promise that health will be protected from his razor gang. He was not able to deliver that in his budget reply, but it is about time he stood up and made clear that he is not going to rip another $1 billion out of our health system.

Budget

Ms LEY (3.32 pm)—Mr Speaker, my question is to the Treasurer. Given that the government is preparing to announce changes to the great big new tax on mining, will the Treasurer guarantee that after the backflip he will detail the cost to the budget of revenue changes? Will the Treasurer also advise the House of which spending measures will be abolished as a result of the government’s changes?

Mr SWAN—I thank the member for her question because there is one thing I can absolutely guarantee: we on this side of the House will get fair value for the Australian people for the mining resources that we own 100 per cent. We have outlined a framework for that and we are consulting with industry about that. They are very much involved in developing this proposal because they do understand how important it is to modernising our economy and making our economy much more competitive. Those company tax cuts for small businesses and businesses more generally are very important for economic growth in this country and for providing incentive for people who work hard and invest.

That is why we are putting forward those company tax cuts. That is why we have got the $5,000 instant write-off—a fantastic incentive for small businesses to develop and grow. We saw what happened last year through the investment allowance. We saw how that created a pipeline of employment and kept the doors of small businesses open during the impact of the global recession. Everybody has seen what we can do as a country if we are prepared to invest and if we are prepared to put in place good economic and social policies to protect employment, to grow business and to make our country more prosperous. That is what everybody on this side of the House is 100 per cent committed
to—a fair share for the Australian people, a
resources industry that grows and an econ-
omy that is modernised and faces up to the
challenges of the 21st century.

Australian Defence Force

Mr GIBBONS (3.34 pm)—Mr Speaker, my question is directed to the Minister for
Defence Materiel and Science and the Minis-
ter assisting the Minister for Climate Change
and Energy Efficiency. Will the minister in-
form the House of any recent announcements
that may be of interest to the Australian de-
fence industry?

Mr COMBET—I thank the member for
Bendigo for his question—

Mr Pyne—Mr Speaker, on a point of or-
der: questions are not allowed to ask minis-
ters to announce government policy. That
question sounded suspiciously like a ques-
tion that was asking the minister to announce
government policy. I would ask you to point
to the part of the question that was not about
government policy being announced today.
The question is out of order.

The SPEAKER—I took it that the ques-
tion asked whether there were any recent
comments, but I do not see that it was asking
for the minister to make an announcement
at all.

Mr Pyne—He asked for an announce-
ment.

The SPEAKER—He asked for any re-
cent announcements.

Mr Pyne interjecting—

Ms Julie Bishop interjecting—

The SPEAKER—I am deciding whether
the member for Sturt should look at a poten-
tial three days or just the one hour because
he and the Deputy Leader of the Opposition
have been warned during this question time
and have continued to interject. I am in the
difficult position that, if I do not take action,
it would appear that the standing orders do
not mean anything. I therefore invite both the
Deputy Leader of the Opposition and the
member for Sturt to leave the chamber for
one hour under standing order 94(a).

The members for Curtin and Sturt then left
the chamber.

Mr Randall interjecting—

The SPEAKER—Order! Without indicat-
ing that I am thin skinned, the member for
Canning is warned for comments that he di-
rected at the chair. The Minister for Defence
Materiel and Science has the call.

Mr COMBET—I would just like to re-
peat my thanks to the member for Bendigo
for his question. He has been a very active
advocate for the defence industry in this
country. Yesterday the government an-
nounced that Australian manufacturers will
be given a chance to win a contract worth
more than $1 billion for the manufacture of
the next generation of protected mobility
light vehicles. These vehicles will play an
important role in keeping Australian troops
safe in combat roles, including command
liaison and light battlefield resupply opera-
tions. They will be provided to the Army’s
combat units and Air Force’s airfield defence
guards and will be designed to operate in
future conflict environments. Three compa-
nies will be awarded up to $9 million each
for the development of protected mobility
d vehicles prototypes, putting them in the run-
ning to land a manufacturing contract for up
to 1,300 vehicles. The three companies down
selected that were announced yesterday in-
clude Tallis Australia, Force Protection
Europe and General Dynamics Land Systems
Division Australia, which is based in Ade-
laide. Tallis has facilities in Bendigo in Vic-
toria and, as I indicated, General Dynamics
are in Adelaide.

This decision means that these companies
now have a chance of competing against pro-
totypes also being developed in the United
States under the joint light tactical vehicle program that are also in the running for the contract. Importantly, the Australian down selected manufacturers will have access to approximately the same funding that the government has allocated through the Department of Defence to the prototypes being developed in the United States. This announcement means that there will be greater competition for this very important contract in defence, an outcome that can only lead to better vehicles and better capability for the ADF. There is some way to go, of course, in this competitive tendering process, with two more stages of decision making still ahead of us. Just as an example, should Tallis Australia ultimately be successful in this competition, they have indicated that it would generate approximately 500 jobs in the Bendigo area and nearly 700 across Victoria in total.

Finally, I would like to acknowledge the role a number of members have played in pushing toward this particular outcome. The member for Makin has been active in relation to this issue in particular, but I think it is fair to say no-one has been more active than the member for Bendigo who, when you are a minister in my position, is a person that certainly keeps the issues right in front of you. We are very pleased with this stage in this particular process.

Budget

Mr ABBOTT (3.41 pm)—My question is to the Prime Minister and it refers to the damage already being done by his great big new tax—the collapsing dollar, the falling stock market, the suspension of projects and the evaporation of jobs. I ask the Prime Minister: instead of a partial backflip tomorrow, will he finally act in the national interest and finally drop this great big new tax?

Mr RUDD—I welcome the question from the Leader of the Opposition on tax reform. I welcome the question because it is very, very difficult to understand where the opposition stands on tax reform. In the space of one week this Leader of the Opposition has said that mining companies pay too much tax, we have had the Deputy Leader of the Opposition saying they are paying just enough tax and we have also had the shadow minister for infrastructure—his big backer in the Senate, Senator Barnaby Joyce—saying they could pay more tax. Where does the opposition stand on these matters?

Can I go to the points that were raised by the Leader of the Opposition. First of all, his argument was that this was contributing to a reduction in the value of the Australian dollar. That is what he has said. That is the most reckless comment of many reckless comments he has made in this place. I quote to him the Westpac senior market strategist on this matter, who says, ‘The Australian dollar remained under pressure in the first half of Tuesday’s European trade over concerns about the Eurozone’s financial system and tensions between North and South Korea had investors selling high risk assets such as equities and commodities.’ Those remarks have been echoed also by the Chief Economist of
RBS Morgans. That is the first point on the dollar.

The second is this: the stock market. This goes to the other point he has made. I quote him from an earlier remark when he said, ‘Our share market is under pressure because the government has totally mismanaged its proposal of a big new tax on mining.’ He said it was so, at least in part. Let us go to the facts of this matter. Share prices around the world have fallen because of the crisis in Greece and the honourable Leader of the Opposition would know that. Here are some discomforting facts for him. First of all, if we look at the stock market we see that Australian shares have fallen by less than in other countries over the past month. Since 30 April, the Australian Stock Exchange has fallen by 10 per cent, the London market has fallen by 10.4 per cent, the US Standard and Poor’s index by 11.5 per cent and the Japanese stock market by 12.8 per cent. That is fact one.

Fact two: let us look within the Australian share market itself and the performance of mining shares relevant to other shares. Australian mining shares have fallen by 8.9 per cent but all Australian shares have fallen by more than 10 per cent, the banks and financial institutions by 12.3 per cent—that is, the second crux of his argument today demolished again by the facts.

He has said in recent times in relation to the cost of living, investment and growth and employment that the RSPT therefore has represented an impact on these and he particularly made reference today to employment. I say to the Leader of the Opposition on the facts again that this country, with an unemployment rate of 5.3 per cent, represents a rate of unemployment celebrated by the OECD today coming in at a level almost half that of many other major industrial economies and considerably less than most other members of the OECD, Japan being a notable exception. Again against the facts, given the strong employment performance of this economy against the statement just made by the Leader of the Opposition that this is therefore costing jobs, that flies again against the facts of the performance of the economy. Secondly, within mining itself he is yet to adduce any data to support the proposition.

So on proposition No. 1 about the dollar, on proposition No. 2 about the share price, on proposition No. 3 about employment: wrong, wrong, wrong, against all the factual data. That is because this Leader of the Opposition does not have any comfort zone at all when it comes to debating any matter of economic policy. He has said he is bored by economics. The former Treasurer of the Commonwealth Peter Costello said he could never be entrusted with the responsibility of the Treasury. So many of his colleagues from the previous Howard government have said that on matters concerning the economy he was financially irresponsible, that he could never be described as a fiscal conservative, that he has only spending proposals and no savings proposals, and yet we have the Leader of the Opposition now engaged in this debate. He stands utterly exposed by contribution of the facts.

**Korean Peninsula**

Mr NEUMANN (3.47 pm)—My question is to the Minister for Foreign Affairs. Will the minister update the House on how Australia is working with other nations to respond to developments on the Korean Peninsula? Why is working with other nations on peace and security matters essential to Australia’s national security interests?

Mr STEPHEN SMITH—The member asked me about developments on the Korean Peninsula and the importance of that to peace and security and our national security interests and the need and importance for us to be
working with other countries in that respect. Australia has been working on peace and security issues on the Korean Peninsula for 60 years. We were, of course, under a United Nations flag in the original hostilities on the Korean Peninsula, costing us 340 Australian personnel. More recently, we have been strongly supportive of United Nations sanctions so far as North Korea’s nuclear program is concerned and have worked closely with and supported members of the so-called ‘six-party talks’. Most recently—and this is the development to which the member’s question refers—we have been very closely involved in developments since the sinking of the South Korean corvette, the Cheonan. We made our expert officers available to work with the Republic of Korea and with officers from the United States, the United Kingdom, Sweden and Canada to do an exhaustive scientific investigation of the causes of the sinking, which helped people come to the independent conclusion that the sinking was caused by actions of North Korea.

Since the publication of that report, we have been working very closely with our friends and neighbours in this respect, indicating to the Republic of Korea that we stand shoulder to shoulder with them. The Prime Minister has spoken recently to President Lee as I have in recent weeks to Foreign Minister Yu.

The Minister for Defence and I were in Japan for two-plus-two defence talks with our Japanese colleagues and had extensive consultations about this matter. We are now working very closely with United Nations Security Council members, both permanent and temporary, to see that there is an appropriate international community condemnation of this action by North Korea, which was belligerent, destabilising, contrary to international law and a violation of the armistice agreement.

Peace and security in the Korean Peninsula and in North Asia are very important to Australia. It is more than just the substantial, large and very important trading partners we have in North Asia—Japan, China and the Republic of Korea itself where engagement has been enhanced in the last couple of years not just economically but also on security, strategic and defence cooperation. We have admired the Republic of Korea’s restraint in this matter in the face of such belligerent, unlawful actions by North Korea, the DPRK.

The member asked me why, in these difficult international peace and security matters which have national security implications for Australia, it is important to work with other countries. It certainly is very important in these matters to be thoughtful and calm. It is certainly very important to carefully consider the advice one might receive from our national security agencies and not to discount that advice or throw it out the door for baseless reasons. It is very important to act in accordance with the established norms and conventions. There are ways in which we conduct ourselves while we are engaged in these difficult national security issues. It is important to understand that, when you are dealing in discussions with other parties, when you are dealing in discussions on national security issues, to keep a confidence. It is important to understand that many of these national security issues are highly confidential and it is important, therefore, to keep a confidence.

It is also important when you are engaged in discussions and negotiations with other interested parties that other parties know and understand that what you say is what you mean, and that you do not put yourself in the position when you say to other parties with whom you are having discussions, ‘You should only have confidence or rely upon the things that I write down, not the things that I say.’ You have to make sure that when you
are dealing with these very sensitive national security matters that you are consistent in what you say and that you do not, for example, say something twice on the same day and then the same night say to others that it meant exactly the opposite. There are very important ways in which one needs to conduct—

Mr Andrews—Mr Speaker, I rise on a point of order, which goes to relevance. The House was listening to this answer with a degree of quiet on the basis that this was a serious answer from the foreign minister about a matter of national importance to Australia. For the last 30 to 45 seconds the foreign minister has been repeating himself irrelevantly, and it is not about the question he was asked. I ask you either to bring him back to the question which we thought was serious or to ask him to sit down.

The SPEAKER—I think partially in his submission to me the member for Menzies acknowledged that the minister was being relevant to the question and that what was in dispute was the degree to which debate was being used. I think I have made it clear to the House my concern that we do not apply the same rules to answers as we do to questions about debate. The minister is responding to the question. The minister has the call.

Mr STEPHEN SMITH—I was outlining to the House how one needs to conduct oneself in these sensitive national security matters in one’s dealings with other nations. When that occurs, the people of Australia and the international community have to have confidence in the government of the day which is transacting those affairs. The events that we have seen this week from the Leader of the Opposition and the Deputy Leader of the Opposition show that there would be no confidence and no trust. Their conduct on these matters would be nothing but full of risk so far as our national security interests are concerned. There has been deafening silence from the Leader of the Opposition and the Deputy Leader of the Opposition on these matters. The Deputy Leader of the Opposition is back here, at 20 to four. We are happy to make the time available to her to explain herself.

Budget

Mr BRUCE SCOTT (3.55 pm)—I refer my question to the Prime Minister. Prime Minister, there are reports in the Warwick Daily News in my electorate of Maranoa that the government’s great big new tax on mining is a risk to local industries and employment. Does the Prime Minister agree with the Chamber of Commerce President, John Randall:

If business owners get hit by this new tax, they will have to pass it on and that means increases in a huge range of costs, including the cost of building a home in Warwick.

Has the government simply failed to think through the impact of its great big new tax on miners, big and small?

Mr RUDD—Like the member for Maranoa, I think Warwick is a great town. It is full of great and fine upstanding citizens and has contributed much to the civic and political culture of Queensland. He asked a question about the business community—

Mr Hockey interjecting—

Mr RUDD—I take the good people of Warwick seriously. Those opposite seem to think that these reflections of mine lack sincerity. They do not. It is great city. I dare say that I have been there a few more times than the Leader of the Opposition. The member for Maranoa asked a question about the business community in Warwick. The first thing I would say to him about businesses in Warwick is that they stand to benefit from a cut in the company rate under this government.
The second thing I would say to the member for Maranoa is that the company rate for many of the businesses in Warwick would likely be increased should the Leader of the Opposition form the next government of Australia—that is, by increasing the company rate to businesses with a turnover of more than $5 million by two percentage points. He now disputes the basis of the tax; but, frankly, the basis of the tax has been the cause of some confusion over time. Two per cent down from us, two per cent up from them—that is the best summary. The third thing—and I look to my colleague the minister for small business for some data—is that in Maranoa and in Warwick in particular there would be many, many small businesses. What will the member for Maranoa say to the small businesses in the main street of Warwick when he tells them that he will be voting against a $5,000 tax cut for each and every one of those small businesses in terms of the tax break which is offered by the $5,000 offset in any given year. That is the $5,000 tax break which is represented—

Honourable members interjecting—

The SPEAKER—Order! The Prime Minister will resume his seat until the House comes to order.

Mr Rudd—The small businesses in Warwick therefore would be disadvantaged by him voting against a $5,000 tax cut for each and every one of those small businesses in terms of the tax break which is offered by the $5,000 offset in any given year. That is the $5,000 tax break which is represented—

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order; it is on relevance. If the Prime Minister is to be relevant to the question he must know his own policy. There is no $5,000 tax deduction. He has not even learnt his own policy. He ought to sit down.

The SPEAKER—The member for Mackellar will leave the chamber under standing order 94(a) for one hour. There is no point of order. She knows that an invitation to come to the dispatch box for a point of order is not an opportunity to enter into the debate.

The member for Mackellar then left the chamber.

The SPEAKER—The Prime Minister has the call.

Mr Rudd—What is interesting about the member for Mackellar’s departure—

The SPEAKER—The Prime Minister will go to the answer.

Mr Hockey interjecting—

The SPEAKER—Order! The member for North Sydney! The Prime Minister has the call.

Mr Rudd—Each and every one of those opposite is standing in the road of a tax cut being delivered to small businesses in their electorate. That is why I would simply say to those opposite: how do you actually look your small businesses in the eye when you are going out there and standing opposed to tax cuts for them? Your companies—standing opposed to tax cuts for them. The workers in Maranoa, who would benefit from the increase to the SGL—standing in the road of better super for those workers. Also, the infrastructure needs of the honourable member’s electorate, the roads, the rail and the ports necessary to underpin our resources sector in the future—standing in the road of a purpose-built infrastructure fund to support those infrastructure investments over time.

I say to the honourable member for Maranoa: when he asks a question about the RSPT tax reform and the benefits which flow from that overall reform, he needs to be very mindful of what he is standing in the road of in terms of delivery of key benefits for his electorate. But, beyond that, can I also say to the honourable member for Maranoa, echo-
ing a statement earlier by the Deputy Prime Minister: members opposite need to get real about standing up for their constituencies. By standing in the road of tax cuts and better super, by proposing the cessation of the trades training schools, the cancellation of the Building the Education Revolution program or its restructuring, with each and every one of these cuts in health and in education and in trades training centres and by standing against better super and support for small business—those members opposite are not standing up for their electorates. They are standing up instead for their partisan political interests.

Infrastructure

Mr CHEESEMAN (4.02 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. How is the government delivering community and nation-building infrastructure for regional Australia? Why is it important to ensure that political commitments are met and projects are funded and delivered in these communities?

Mr ALBANESE—I thank the member for Corangamite for his question. Indeed, we are joining with the member for Corangamite to deliver on the commitments that we have made: the Geelong Ring Road 4A, Geelong Ring Road 4B, Princes Highway West, Waurn Ponds to Winchelsea, and many other projects. The member for Corangamite and the member for Corio are great advocates for the greater Geelong region.

We are also out there delivering in other parts of regional Australia. Today I was in Wagga Wagga with the member for Riverina and I was also in Wodonga. There we were making commitments and once again delivering infrastructure on the ground in regional Australia—important infrastructure. In Wagga Wagga we will deliver there an instrument landing system that will help that regional airport to maximise the benefit of the pilot college there that I also opened today that will train 200 pilots as part of the infrastructure and skills agenda that is taken so seriously by this government.

I am asked also why it is important that commitments are delivered, that they are funded and that they actually get built because, out there, there is some cynicism in the community about these issues. It is little wonder, because the coalition said through their shadow finance minister on 20 May, ‘Any other past commitments have been discontinued.’ The famous statement by the shadow finance minister, who says that any commitments, unless they are in the funding document, are not worth the paper that they are written on, let alone those that are just said, because we know they are not worth anything at all. But yesterday, when I raised this issue in the House, the shadow minister for transport said the coalition would meet its promises on road and rail funding. So who do you believe—the shadow finance minister or the Leader of the National Party? They both cannot be right.

Mr Truss interjecting—

Mr ALBANESE—‘They’re both right,’ says the Leader of the National Party. That is the sort of economic integrity of those opposite. I will give you a couple of good examples. On 7 May the National Party had a meeting up in Lismore and 15 parliamentary colleagues were there, including the Leader of the National Party and the shadow minister for infrastructure, Barnaby Joyce. In fact, the reports say that there were ‘many more pollies than community members at the morning tea’ at the Lismore Workers Club. There they went on to make a big announcement: ‘Nats are talking tough—pledges to reopen rail line for light rail and finish Pacific Highway upgrade’. It is a very clear commitment. The whole team was
there: senators, House of Representatives members, state leader—all there.

After the statement yesterday, in today’s copy of the *Northern Star* you have a somewhat different position. You have this:

However, a spokesman for Nationals Leader Warren Truss said the Coalition’s commitment on the train—spelt out during a visit to the region by the Nationals’ leadership team early this month—had never included a dollar figure.

It is a ghost train. It does not have any money. It has no funding, but it is going to exist somehow. They then went on to explain how that can occur, this ghost train of the National Party:

The spokesman said the Coalition’s approach to the Casino-Murwillumbah line, during the Howard years and since, had always been to pressure the State Government to step up and restore the line.

So they go out there, they have a meeting; they bring everyone up to Lismore, they make this commitment, and when they are pinged for it because there is no money there, because there is no money at all, that is their explanation.

But it gets worse. It gets worse, because in the electorate of the member for Corangamite they have also made a range of commitments. The candidate there made unfunded commitments—withdrawn by the shadow finance minister just last week—about the Princes Highway. But what happened when the Geelong *Advertiser* and the *Colac Herald*, the local papers, contacted the shadow minister for finance yesterday? The shadow minister for finance told them, ‘No, we don’t have any funding allocated, but we’ll take it out of the Roads to Recovery program.’ So the Roads to Recovery program, which is untied grants to local government for local roads, will now be raided for an off-the-cuff promise. Not surprisingly, the editors have asked the shadow minister for finance to put it in writing, because you cannot trust anything that those opposite say.

We saw it again from the Leader of the Opposition today: the weathervane is back, and he is back this time on climate change, saying climate change is no longer crap, unlike what he said when he was running for the opposition leadership. I am not sure what has happened in the meantime, but the fact is that you cannot trust a thing that this mob opposite say. They want to play games with people in their electorates, but when they get in here there is no funding, there is no sincerity, there is no integrity on economic security and there is certainly, for the Deputy Leader of the Opposition, no integrity on national security either.

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

PERSONAL EXPLANATIONS

Mr ABBOTT (Warringah—Leader of the Opposition) (4.08 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr ABBOTT—I do repeatedly by the Prime Minister.

The SPEAKER—Please proceed.

Mr ABBOTT—The Prime Minister said in question time today on a number of occasions that I wanted to see higher taxes on businesses with a turnover in excess of $5 million a year. This is wrong. In fact, it is a lie—

The SPEAKER—Order!

Mr ABBOTT—and it should not be said in this House.

The SPEAKER—The member will withdraw that aspect.

Mr ABBOTT—It is certainly a misrepresentation. I withdraw the word ‘lie’. There was a further misrepresentation. The Minister for Small Business, Independent Contrac-
tors and the Service Economy today claimed that I was uninterested in small business on the basis of the fact that there were only four references to small business in my book. He has written three books on tax; there are no references whatsoever to small business in any of his three books.

The SPEAKER—The Leader of the Opposition will resume his seat.

Mr BALDWIN (Paterson) (4.10 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr BALDWIN—I do.

The SPEAKER—Please proceed.

Mr BALDWIN—During question time today, the Prime Minister stated that I had misquoted an article from the Newcastle Herald. In fact, he then read out a headline from an article that he thought I had read from. That is not correct. The article that I have here is from the Newcastle Herald. It is dated 3 May, it is by Ian Kirkwood and the headline is, as I said, ‘40% tax on coal profits has Hunter coal companies up in arms over “blatant tax grab”’. I seek leave to table that document to correct the record.

Leave not granted.

AUDITOR-GENERAL’S REPORTS

Report No. 42 of 2009-10

The SPEAKER (4.10 pm)—I present the Auditor-General’s Audit report No. 42 of 2009-10 entitled Fraud control in Australian government agencies: Attorney-General’s Department; Australian Institute of Criminology.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (4.11 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:


Debate (on motion by Mr Hartsuyker) adjourned.

PERSONAL EXPLANATIONS

Ms GRIERSON (Newcastle) (4.11 pm)—Mr Speaker, I wish to make a personal explanation.

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

Ms GRIERSON—Yes, I do.

The SPEAKER—Please proceed.

Ms GRIERSON—Today the Prime Minister quoted from information that I had given him. I wish to make it quite clear that in the Newcastle Herald on 19 May the editorial does say ‘Big new tax makes sense’ but arguing—

The SPEAKER—Order! The member will resume her seat.

MATTERS OF PUBLIC IMPORTANCE

Budget

The SPEAKER—I have received a letter from the honourable member for Wide Bay proposing that a definite matter of public importance be submitted to the House for discussion, namely:
The failure of the Government to consider the impact of its proposed Resource Super Profits Tax on regional Australia.

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

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

Mr TRUSS (Wide Bay—Leader of the Nationals) (4.12 pm)—There was a time when the Australian Labor Party understood mining. Ben Chifley, one of Labor’s greats, hailing from Bathurst, certainly did. So did John Curtin. Former finance minister and Western Australian Peter Walsh ensured that Bob Hawke did not lose sight of the importance of the minerals sector to this country. Sadly, those days have gone. Today there are no ministers in the Rudd cabinet who care at all about the mining industry. There has never been a federal ministry more removed from the concerns of the mining industry and its workers, and indeed Australian regions, than this government. It is the most city-centric cabinet in our nation’s history. All the cabinet ministers live in the capital cities and they therefore, it seems, have lost all interest in people who live in other parts.

For example, there is only one cabinet minister, and that is the Minister for Foreign Affairs, Stephen Smith, who has more than one per cent of people living in his electorate working in the mining sector—only one. The man who should be standing up for miners, the Minister for Resources and Energy, Martin Ferguson, has only 0.1 per cent of his electorate in the mining workforce—just 59 people. The member for Watson is kind enough to be in the chamber at the moment and he of course is famous for living in Sydney as the minister with responsibility for agriculture, fisheries and forestry. But he represents fewer farmers, fewer foresters and fewer fishers than any other person in the whole of the parliament; yet he is the one who was chosen for this ministry. But you might also be interested to know that he represents in the parliament the smallest number of miners—just 30 people.

I know that there are not many mines in the capital cities but, in these days of fly-in fly-out, one would have thought that there would be some people with connections to the mining industry who would be at least a bit interested in what is happening to this sector. The Prime Minister, the Treasurer and the Minister for Finance and Deregulation have very few miners in their electorates and it simply shows. It is not the miners’ fault that they do not live in Griffith, Lilley, Watson, Batman or Melbourne, but with fly-in fly-out operations and with capital city offices increasingly earning a lot of wages and other income from the mining sector you would think the cities would be a little more interested in what is happening in our mining sector. Our capital cities are the recipients of the wealth that is created in regional Australia. Perth and Brisbane are growing strongly because of mining in the Pilbara and the Surat Basin. Adelaide’s fortunes are closely tied to what happens in Olympic Dam. Sydney benefits from the coal dug up in the Hunter Valley.

The labours of the miners, who often have to endure heat, dust and remoteness, earn the wealth that builds many of the hospitals, universities, stadiums and theatres that city people enjoy. Yet regional communities do not have these amenities for themselves. Even if the miners do not live locally, cabinet ministers should be seeking them out. They should be asking their opinions, being aware of their concerns, being aware that what is good for the mining industry is also good for the capital cities and the nation as a whole. A complete disconnect has developed between the federal cabinet and the sector that helped
save Australia from recession. The men and the women who make decisions about the way this country is run just see the mining sector as some kind of national milking cow. It is milked, milked and milked again until there is just simply nothing left.

The government has chosen to vilify the miners—the people who risked their all, who went out into remote places and helped to build, develop and produce the wealth from the ground. Minerals in the ground cannot build hospitals and schools. The government’s great big new tax will not just hurt successful companies; it is a tax that will affect all Australians. Mining is critical to us all, wherever we live. To tax it until it bleeds, and maybe even falls over, in the belief that somehow or other this might equalise incomes in the grand socialist style where you bring everybody down rather than trying to bring the nation up is a philosophy that is simply folly of the highest order.

There are direct losers from Labor’s assault with its great big new tax on the miners—the workers, the country towns and the Aborigines, who are more engaged in meaningful employment in this sector than probably any other section of our economy. But it is not just the workers; it is also the shareholders and the super funds. The Prime Minister just dismissed the super funds in question time as being without significance but they lost $15 billion from the value of retirement incomes in the very first week after the government announcement.

There are some other countries that have tried these giant new taxes on their mining industries. I could mention three: New Guinea, Zambia and Mongolia. But all three have dumped their big new taxes because they did not work. They did not achieve their objectives. It is not often that I would say that President Rupiah Banda of Zambia is a better leader than the Australian Prime Minister. I know we have had a bit of a contest lately about whether Prime Minister Whitlam is the worst prime minister in our country’s history or whether the current Prime Minister holds that honour. Most of them might claim that they have more skills in that regard than President Banda of Zambia, but he gave a bit of advice that I think our Prime Minister and his city-centric cabinet should listen to. He said in commenting on his own government’s decision to dump a super tax on resource industries:

We must ensure that we do not kill the goose that lays the golden egg. There is little point in taking a few million in tax if thousands of jobs are lost as a result.

That was President Banda.

These days, Labor cabinet ministers rarely look beyond their own electorate boundaries. But surely they can listen and take advice from some of the foreign dignitaries that the Prime Minister likes to mix with more than ordinary Australians. He loves to travel to these places. He is happy to give extended aid to African countries. Maybe he might listen to some of the advice that they are giving to him. It did not work in Africa and it will be just as damaging in Australia.

It is bad enough that city-centric cabinet ministers are not concerned about the mining industry, even though what is bad for Kalgoorlie, Hunter or Flynn is eventually going to be bad for Griffith, Lilley and Watson, but there are Labor MPs in this place who do represent a lot of miners. For example, 10½ per cent of the people who live in the seat of Hunter work in the mining industry. Just over 10 per cent of the people of Capricornia are miners. And the figures are similar for electorates like Flynn and Dawson. None of those members sit around the cabinet table. They are out in the wilderness. But surely the city based cabinet ministers should ask the people at the coalface, the people in the min-
ing communities, what their views are on this tax. But, sadly, I fear these members have been completely dumb. I have never heard a word in defence of his own electorate from the member for Flynn or, for that matter, the member for Hunter or the member for Dawson. The reality is that these electorates are going to be grievously hurt as a result of this great big new tax. Yet the people who are within the Labor Party to represent them are not standing up for their own constituents. It seems caucus solidarity and their own jobs are more important than their constituents. They are more interested in looking after their peace and security and the patronage of the Prime Minister than they are in standing up for the people who voted them in—the same people who will vote them out because they have failed to stand up for those who they should be supporting.

Unfortunately, these are the same people who backed the Prime Minister when he wanted to pursue the last great big tax on everything—the Carbon Pollution Reduction Scheme. They were there right till the end. They were not even consulted when it was finally axed. These people backed him. You might forgive them for one lapse, but they are at it again, backing another great big new tax on everything. Sadly, it is their constituents who will be the first to be damaged by this great big new tax. But there will be others as well. It will flow through to the cities; there will be an impact there as well.

We all know that this government has little interest in regional Australia. The first Labor budget stripped more than $1 billion out of regional programs. The second budget took away even more. This third budget now threatens to put a giant new tax on the industry of hundreds of regional towns and cities and the communities they support.

I feel sorry for the minister for agriculture, who sits opposite. He sat during the budget times while the whole department of agriculture was disbanded. It is now simply a branch office of Senator Penny Wong’s environment monolith. In fact, he has so little interest left in agriculture that he has taken on another job—population. We have only got a part-time minister for agriculture to look after the significant needs of rural and regional Australia.

One thing the government says is justification for its great big new tax is the $700 million that is going to be put aside from this revenue for a new infrastructure fund. However, the government has never said that any of that money will actually be spent in the mining communities or the regions that so need the support and the infrastructure for this industry. Let us look at $700 million in the first place. There is one 10-kilometre road project going on in my electorate that is costing $700 million for a country road. Yet that is the total amount for this giant new infrastructure fund this government is talking about. That is all the country is going to get as a result of this giant new tax.

The reality is that this is more likely to turn into yet another Labor slush fund to be handed out at election time in city electorates. The cat was well and truly belled at the Urban Local Government Association Conference in Mackay in Queensland today when Professor Peter Newman, who is a board member of the government’s Infrastructure Australia, confirmed that the current set-up for the $700 million infrastructure fund to come from the Resource Super Profits Tax will not return dollars specifically to the regions where the resources were produced in the first place. In fact, he suggested that just 20 per cent of the $700 million should be put aside for a regional cities infrastructure fund. He thought that would at least be something so that the non-capital cities, where none of the cabinet ministers
sit, actually get some crumbs out of the $700 million infrastructure package. They could at least get 20 per cent. Frankly, the whole lot of it should be spent in the regional communities that are producing the wealth, the regional communities where the jobs will be lost as a result of this tax and the regional communities that will have to pay additional costs as a result of the introduction of this tax.

As I said before, it is not just those people directly involved in mining who are going to be affected. This great big new tax, like Labor’s CPRS, will put up the cost of everything that we do in every part of the country. Building costs will go up because the cost of bricks, cement and other building materials will rise. Road-building costs will go up because the costs of quarrying for gravel and road base material will rise. Electricity prices are certain to go up. The minister at the table might be somewhat concerned about that because city electricity prices will go up as well, beyond the $918 a year that has already been predicted in New South Wales by the Independent Pricing and Regulatory Tribunal.

I was amazed to hear the Secretary of the Treasury saying today in Senate estimates, ‘I learnt in high school when studying economics that a profit based tax cannot affect prices.’ I know I went to a poor disadvantaged country school, but I certainly did not learn that at the school I went to. It is inevitable that the higher taxes will be passed on to consumers or that the industry will simply close because it will be unprofitable to undertake the investment and there will be no reason for the industry to operate.

These prices will be passed on. There will be higher costs for all Australians as a result of this great big new tax on everything. There will be higher costs particularly for regional Australians because they will lose their jobs on top of having increased costs. That is why this tax is so bad for Australia. It is bad for the regions, but it is bad for the country because it will damage our capacity to be truly competitive in the years ahead.

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry and Minister for Population) (4.27 pm)—I understand I have been given about 2½ minutes to talk on this MPI, so I will try to make it compelling.

Opposition members interjecting—

Mr BURKE—I acknowledge the interjection and remind the member to refer to the fact that, year on year, money for Landcare continues to go up. If there is ever something extraordinary to hear in this chamber, it is the Leader of the National Party being critical of slush funds.

Mr Truss interjecting—

Mr BURKE—He will interject anything other than the words ‘regional partnerships’. He will not interject the words ‘regional partnerships’, because he knows precisely where that will lead. I appreciate that he said he felt sorry for me. I can assure the Leader of the Nationals that the pity is reciprocated, but perhaps for different reasons.

The arguments that have just been put to the chamber against the Resource Super Profits Tax were based on one assumption—that there is no such thing as royalties. All the arguments that the Leader of the Nationals put to the chamber just now presumed that there is no such thing as royalty payments, presumed that we currently do not have taxes based on volume and presumed that the tax being introduced based on profit is not replacing a tax based on volume. As long as the Leader of the Nationals wants to keep the debate within that frame, he knows he is characterising something in a way that is not true—not true at all. One critical part of the Resource Super Profits Tax is that it is a tax on profit not on volume.
They also at the same time decided to ignore what the tax will be used to pay for. You will never hear the opposition say that their stance is preventing a reduction in company tax. There is a reduction in company tax on the table, from 30 per cent to 28 per cent, and a head start on those reductions for small businesses. You will not hear them say a word about the general tax relief which is available as a result, nor will you hear them refer to the instant write-off of assets of up to $5,000 or to the infrastructure fund.

You will not hear the opposition refer to the benefits that are available as a result, because they want to characterise this debate with something which they know full well is untrue. We have seen this in their characterisation of fertiliser prices. They pretended that there is no such thing as a world fertiliser price. They pretended that prices would be passed on to farmers. They knew that was untrue.

Debate interrupted.

**ADJOURNMENT**

The DEPUTY SPEAKER (Mr S Sidebottom)—Order! It being 4.30 pm, I propose the question:

That the House do now adjourn.

**Telecommunications**

Mr BILLSON (Dunkley) (4.30 pm)—This evening I rise to speak out on behalf of the thousands of small businesses that are currently caught up and experiencing great personal, financial and legal distress through something that is called the ‘telco scam’. This scam has involved unscrupulous telecommunications companies going to small businesses, offering them what they claim to be ‘a deal too good to be true’ that would see a reduction in their telecommunications costs—‘free’ equipment, as it is described, whitegoods and even a home entertainment system all bundled together in a contract that is supposed to be in the interests of the customer. What has happened on far too many occasions is that all of this has ended in tears and in financial hardship and, sadly, in far too many cases, in litigation. In Sydney’s courts there are at least 29 cases relating to this scam on one day in the Downing Street complex.

Tonight I am calling on the financing companies who are sitting behind this scam. They are benefiting from small businesses being lured into entering into telecommunications contracts believing that they are signing up for telecommunications services while they have actually been duped into signing up for financing contracts. There have been cases where telecommunications companies have folded and are not in a position to continue to provide telecommunications services to their customers. As the small business has sought alternative telecommunications providers and has tried to formally cancel the contract with the now defunct telecommunications provider, they are told that there is a financing company involved and, to their surprise and bewilderment, that they have outstanding financial obligations.

This scam has seen people enter into equipment financing contracts unknowingly—and I am trying to find words that are careful, Mr Deputy Speaker, because there are litigation matters before the courts at the moment—but, by any measure, this is hardly honourable conduct. By any measure this has been small businesses duped into entering into financial obligations not presented to them by the telecommunications company representative. The representative, in fact, was representing the deal being put to them as somehow involving free equipment and free entertainment and audiovisual technology and free whitegoods as part of a bundled deal of telecommunications services that included these free items.
What has happened is that these ‘free’ items are not free. These free items have grossly exaggerated and inflated prices attached to them and are being financed through financing company agreements that the small-business is told they have entered into without their knowledge. There are a number of companies involved around the technology leasing space and in the equipment leasing service area, some of them involving some big companies, some of which I have spoken with. But all of them seem to be acting with great haste to try to prosecute recovery action involving these small businesses while the very contracts on which that recovery action is based are being challenged by the ACCC in comprehensive court proceedings that have been going on for almost two years now.

I say to those financing companies: back off. Back off from heavy-handed litigation designed to spook small businesses into paying funds that may well not be able to be recovered if the ACCC action finds that these contracts are illegal and unenforceable. If that action proceeds and if these contracts are found to be unlawful and action is being taken that has caused grave financial harm to those small businesses and families—some of whom have been declared bankrupt in the name of thousands of dollars and in some cases tens of thousands of dollars and in other cases hundreds of thousands of dollars around leasing arrangements that they did not know they were entering into, that were not presented to them in that light, that were supposedly for free equipment and free technology—there will be repercussions.

My advice to those financing companies is: back off. My advice to the ACCC is: thank you for your investigation but do, please, get on with it. My empathy—and I hope all of the support that this parliament can offer—goes to the many thousands of small businesses terrified about the litigation that they are now subjected to, and I say to them: we hear you and we feel the pain. We are concerned about the financial consequences of this litigation and I hope through our actions as a parliament and through the ACCC we can bring you some comfort and not to see your assets, your home, your businesses and, in many cases, your personal wellbeing shunted to the wall prematurely on the basis of very, very dubious contracts that I do not think will pass the test at all.

Environment: Trade Waste

Mrs IRWIN (Fowler) (4.35 pm)—We know that industry continues to discharge trade waste into our sewers. Trade waste like all sewer waste goes to treatment plants for treatment, and eventually the treated sewage is discharged into our rivers or oceans via outfalls. The level of treatment at sewerage plants will vary from plant to plant. Some conduct only primary treatment, such as the treatment plants at Bondi in Sydney, while others such as those discharging into the Hawkesbury or Nepean rivers may have secondary or even tertiary treatment. The levels of pollutants remaining in the discharge to the outfalls will therefore vary, but it is clear that some pollutants get through, particularly at those treatment plants with primary treatment only.

Ms Clair Weaver, in a *Sunday Telegraph* article on 11 May 2008, wrote about radioactive waste from Sydney hospitals being discharged into the sewer, and while Sydney Water demanded the installation of decay tanks, still today not all hospitals have decay tanks. New South Wales Health cited prohibitive costs and a lack of proper research as reasons, and promptly had a review of the Sydney Water report and used it to defend their position.

We must therefore ask a number of questions. What are the people who work for our water authorities being exposed to? Is it
safe? What impact do these discharges have on our marine ecosystems? It is such an important issue that I recently asked for and was granted a briefing from Sydney Water. The Sydney Water website provides information about what is permitted to be discharged into our sewers as trade waste—at a cost to the businesses concerned. Substances like arsenic, boron, bromine, chlorine, mercury and many other compounds end up in the sewer. We have to ask ourselves: why allow it in the first place? Why allow dangerous and toxic substances to enter into our sewerage systems?

Sydney Water and other water authorities have guidelines in place regarding acceptable amounts and I am sure that they believe that most companies are responsible. But can they give a 100 per cent rock-solid guarantee? Probably not. And the fact is that what is discharged from outfalls across the country is not 100 per cent clean water. Sydney Water will not make that claim and I am sure that all the other water authorities across Australia will not either.

Some of this cocktail of chemicals, toxic substances, radioactivity and bacteria ends up in the ocean. Even at the small concentrations claimed by Sydney Water, what are the long-term effects on the marine ecosystem and on marine life? What are the long-term effects on the workers who access our treatment plants? What new unidentified substances are created by this cocktail? Sydney Water will claim that workers are only exposed to acceptable doses, whether from radiation or chemicals or other toxic substances, and that they ensure that any exposure is within tolerable limits. I have no doubt that ensuring workers safety is a priority. But the fact remains that Sydney Water does not do health checks on workers as a matter of course, either during the course of their employment, prior to retirement or post-employment. I am very concerned about this. Will this be the asbestos of the future? What price will have to be paid?

We must make a priority the development of new technologies to eliminate the need for trade waste to be discharged as effluent. We must now recognise that world’s best practice is no longer good enough and that we must protect not only workers but our oceans, marine life and river systems. While Sydney Water will argue there is no cost benefit to removing all waste, the cost to our health and marine ecosystems may be much greater in the future because we do not know what the long-term impact of even low concentrations of these substances will be. State governments can no longer look upon water authorities as cash cows to improve the budget bottom line. Through the processes of COAG and through the National Water Initiative, all governments must prevent waste ending up in our rivers and oceans and must protect workers and marine ecosystems. Our lives may one day depend on it.

Albury-Wodonga: Cancer Services

Ms LEY (Farrer) (4.40 pm)—I wish to address the parliament this evening on the matter of cancer services in Albury-Wodonga. For many years I have been very supportive of the strong community desire to see the establishment of a cancer centre based in Albury-Wodonga. I recall being approached by the Cancer Society of Australia a few years ago and they outlined that Albury-Wodonga was the most logical place to locate a regional cancer centre of excellence. Cancer affects hundreds of thousands of Australian families, with about 100,000 new cases being diagnosed each year and roughly 40,000 people dying from various forms of the disease each year. We have all been touched by cancer in some way. The burden of cancer in our rural and regional areas is one that we are struggling to cope with. We must work towards improving outcomes.
People in rural areas are three times more likely to die from some form of cancer within five years of being diagnosed than those living in metropolitan areas.

Last year the government announced $560 million to improve access to cancer care services in regional areas of Australia. This was to help close the gap in outcomes for rural cancer patients. From a government in disarray, I hoped for some light in a very dark tunnel. But, along with our local community, I was extremely disappointed when Albury-Wodonga was not one of those areas fortunate enough to get funding for a cancer centre. I am in no way critical of the areas that were lucky enough to get funding, but I know that the case for a centre and for cancer funding in Albury was made equally as well as, if not better than, all of the successful cases. We were allocated a $5 million PET CT scanner. We appreciate that. But it is not enough. Remember, this centre would service a catchment of some 250,000 people from west of Deniliquin to Corryong, north to Holbrook and south to Mansfield. I would like to mention my colleague the member for Indi, who represents a portion of that area and is similarly energetic in her efforts to achieve this centre.

I have some questions about how metropolitan centres fitted into the criteria that I read, which were about rural and regional centres. Metropolitan centres seemed to be successful in a program that was designed to close the gap in rural areas. Perhaps there should have been two different and clear assessment criteria.

There is no doubt that cancer services have improved in our border towns in the past 13 years. There is now access to radiation and chemotherapy services in Albury-Wodonga, which there was not when I entered parliament in 2001. But there is also a rapid increase in the number of cases being diagnosed in the region, and cancer services have to keep up. The radiation and chemotherapy units are at capacity. Equipment in some cases is outdated. My constituents are therefore unable to access the most up-to-date equipment or services. We need to expand and update these services.

We have a great basis for world-class cancer care and improved outcomes for patients in our local towns. We are lucky to have the services of fantastic oncologists, doctors and nurses. I cannot speak highly enough of those involved in patient care. But we need more funding. We need to fund improved infrastructure, including operating theatres and buildings in which more than one treatment can take place, in a suitable area—not just a crowded corner of a room that services other community health needs. We must be able to compete with those metropolitan and other regional areas in attracting and retaining our health professionals. The two issues are inextricably linked. People will not stay in an area with outdated equipment and overworked staff. And why would they?

Many patients have to travel to Melbourne for surgery or treatment. It is estimated that about 100 each month go to Melbourne from this region. That is a financial and emotional pressure that these patients and their families do not need. There was a rally in Albury at the Commercial Club last Saturday. At short notice, well over 400 people attended. Petitions are filling up rapidly across the region that I represent. People are asking about cancer services and expressing their great disappointment at not receiving this latest funding. It is a long time since I have been stopped so often by people in the street concerned about a single issue. Remember, cancer touches us all. The coalition is committed to fixing the budget bottom line in the national interest and all of our commitments have to be seen in this light. I will be working as hard as I
Mr PRICE (Chifley) (4.45 pm)—I rise tonight to talk about the impact on my electorate of the proposal of the Leader of the Opposition, Mr Abbott, to slash $230 million from the Trade Training Centres in Schools Program in round 2. It will mean something like $15 million worth of projects not going ahead. Three of those projects are in my electorate. The first is the Evanside Trade Training Centre, comprising Evans High School, Coreen School, which is a special high school, and Doonside Technology High School. They were to receive $4½ million. The funds were going to be used to construct new metal and engineering facilities at Doonside Technology High and to upgrade Doonside’s hospitality facilities to industry standards. At Evans High School, the funds were to be used to upgrade existing hospitality and engineering facilities, while at Coreen funds were to be used to upgrade existing hospitality facilities to industry standards. This is devastating for all parents and students, but especially for those parents and students at the special high school.

The second project is the Loyola Catholic Trade Training Centre at Mount Druitt, which the Deputy Prime Minister came out to inspect personally. I do not know why the coalition singles out the Parramatta diocese. It had invested $1 million in a very bold program to establish an ATC in the electorate of Greenway and that was finally withdrawn from them. This project is receiving $9 million and the schools involved are Loyola Senior High School, Clare Catholic High School, Emmaus Catholic College, St Agnes Catholic High School, St Andrews College and Terra Sancta College. Three of these high schools are in Chifley, two in Greenway and one in Prospect. The funds will be used to construct a multipurpose industry standard facility at Loyola High School to deliver automotive, construction, engineering and electrical qualifications as well as a commercial kitchen-cafe and a hairdressing facility.

The final project is the Tyndale Trade Training Centre. In my time as a federal member I have become very close to Tyndale Christian School and we have seen a lot of money being poured into Tyndale by this federal government. The funding for this project is $1,392,608. The partnership includes Kuyper Christian College School at Greenway and Toongabbie Christian School at Parramatta. The funding is to be used for the construction of a new industry standard facility and the refurbishment of existing facilities to industry standard at Tyndale Christian School to deliver hospitality qualifications.

I know that the school communities—the principals of the schools, the teachers, the students and the parents—are devastated that these announced projects are under threat by the coalition. In fact, they will not go ahead if the coalition were to be successful, because they have promised to cut the funding for all stage 2 projects. Our candidate in Greenway, Michelle Rowland, our candidate for the electorate of Chifley, Ed Husic, and I are committed to providing opportunities for all students. Providing opportunities for vocational education to enable students to enter the world of work is absolutely critical for electorates like Greenway and Chifley. I know that Michelle Rowland and Ed Husic will do their best to ensure that the Rudd government is returned and that the almost $15 million worth of projects—that will profoundly affect the educational opportunities and work opportunities for students in the electorates—will proceed as announced and as planned. If you want to know who is keen about vocational education, who
supports vocational education and who is putting money into vocational education, it is the Rudd Labor government.

Sturt Electorate: Australia Post and Black Hill Pony Club

Mr PYNE (Sturt) (4.50 pm)—It is a pleasure to speak on the adjournment of the House tonight about two specific issues in my electorate. One relates to the Black Hill Pony Club, which I will get to in the second half of my short address. The first issue is a very specific one which is dramatically affecting constituents on Greenhill Road, Burnside in my electorate. It is a decision by Australia Post to no longer deliver the mail to people in their own homes, to no longer deliver the mail to letterboxes on Greenhill Road in this part of Burnside. From 1962 to 2005, Australia Post delivered to this part of Greenhill Road in Burnside without any complaint and without any difficulty. In 2005, Australia Post decided that the road was no longer a safe road for their workers to deliver mail, having delivered it from 1962 to 2005 without difficulty.

The road has not been changed at all. The only thing that has changed is the attitude of Australia Post. This has mystified the residents who live in that part of Greenhill Road. Quite rightly, they are extremely disappointed and agitated that they cannot get the same delivery service from Australia Post that almost every other person in metropolitan Adelaide receives. It is a basic universal obligation on the part of Australia Post to deliver people’s personal mail to their houses. It is a mystifying decision by Australia Post to discontinue that.

My constituents have been offered post office boxes at post offices some distance from their residences. They were reasonably happy with that while they worked in the city and could pick up their mail on the way home from work, but now that they have retired it is an enormous hindrance to them in getting the same services that every other Australian takes for granted. I call on Australia Post to reverse this decision and to reschedule their deliveries to all of Greenhill Road in Burnside. If they refuse to do so then I as the local member will demand an explanation on behalf of my constituents. I can assure Australia Post that I will not be resting until either those services are resumed or they can come up with a satisfactory explanation. I have written to Australia Post asking them to meet me at the homes of these constituents, and I am yet to have a response from Australia Post. I find it extremely disappointing, on behalf of my constituents, that they would act in such an arrogant and cavalier way towards the residents of my electorate.

The second issue concerns the state government’s decision to close down the Black Hill Pony Club in my electorate of Sturt. It is on open space at the Magill Youth Training Centre. The state government in South Australia has decided to move the Magill Youth Training Centre to a different part of metropolitan Adelaide. That is not a decision that I oppose; it is a decision that I support. There is a very large tract of land available in that area to build housing and residences for the surrounding communities—for people who wish to live there, for people who wish to buy there—but it will require open space. It is bizarre that the Black Hill Pony Club, which was built from scratch 30 years ago through the hard work of volunteer members of the community—with their own money and their own toil—on what used to be a rubbish dump for car bodies, batteries and bricks from a local kiln, would be closed without even a by your leave. They have been told they have to leave by November.

Our proposal—that is, the proposal of the Black Hill Pony Club; of John Gardner, the Liberal member for Morialta, who was
elected at the last state election; and me—is that the open space that will be required as part of this housing development incorporate the Black Hill Pony Club. It is a club that caters for the mums and dads, the single parent families and the young women and men of that area. It is not an elite pony club by any means. Most of the children who go to the pony club use the facilities and do not pay for the horses, the bridles or the saddles because they cannot afford to. They have been cross-subsidised by wealthier families in the area for 30 years. It is heartbreaking for those members of the pony club and for the local residents, and there is a struggle brewing to stop the state government doing it. (Time expired)

La Trobe Electorate: Roads

Mr WOOD (La Trobe) (4.55 pm)—I would like again to speak on behalf of La Trobe residents of my great concern with what is happening in Clyde Road in Berwick. The Berwick debacle has been an ongoing issue. Sadly, the Labor state and federal governments have recently announced $55 million to go towards fixing up this mess. At the last federal election I committed $25 million to this project and my Labor opponent, who initially thought it was a dumb idea, decided it was a great idea and committed the funding to it. It was only recently that the Brumby government in Victoria matched the federal funding. So we had $55 million and we were all hoping and expecting an overpass or underpass to go over or under the Pakenham train line. That would have been the smart and sensible option. That had been my intention and that had been the intention of the Victorian state opposition.

Lo and behold, the announcement was for $5.5 million. Those would have to be some of the most expensive roadworks in Australia. I assume what has happened is that both the Rudd and Brumby governments have realised that they have to make sure they can accommodate rip-offs and rorts like we have seen in the Building the Education Revolution. Berwick Primary School has been savaged, and it has been the same for Berwick Lodge Primary School. We are still having problems down at Oatlands Primary School. We are having problems at Belgrave South Primary School. They have obviously taken these issues into account and there has to be some huge rort associated with building Clyde Road. I can understand a bit of extra cash on a Friday afternoon to give some beers to the construction guys out there, but $55 million is obviously a lot of beer.

I will go up the road a bit. One kilometre up the road we have the Bryn Mawr Bridge, which we funded under the Howard government. We initially announced $10 million. What did the Labor Party announce? They announced $25 million. What was the bridge constructed for? It cost $7.5 million. I am sure that, if the Labor Party built it, they would have spent every single cent of that $25 million. It just goes to show that the Labor Party cannot be trusted to manage money.

I will look at the last campaign. We had ‘easing the squeeze’ on families. The Prime Minister has been squeezing the families in La Trobe. It is sad to see that we have all of these young people with mortgages and that interest rates are going up. He promised to do something about that. It just has not taken place. We are seeing the price of fuel rise; we are seeing the price of groceries rise. Look at the famous GroceryWatch website. What happened to that? That closed down. Why? It was never going to work, and the government wasted money on that. We then had Fuelwatch. That was another debacle. We
had the home insulation scheme. Again, residents in my electorate—whether in Boronia or Berwick—were savaged.

We look at the environment. At the last federal election I promised $3.5 million for weed control in the Dandenong Ranges. Peter Garrett came out to Berringa when he was minister and met all the local environmentalists. Instead of announcing weed funding, he decided to make an announcement on the Great Barrier Reef. I think the minister should make a mental note to self that the Great Barrier Reef is not in the electorate of La Trobe. We actually have the Dandenong Ranges. The local environmentalists walked away scratching their heads. We also announced prior to the election being called $500,000 to eradicate or find a biological control for a weed called wandering trad. Again, very sadly, one of the first things Minister Garrett did when he got in was take that funding away. That actually affects his own electorate too, because it is in his own electorate. This weed is causing major problems. It has been a tale of destruction with the Labor Party in Latrobe. They have broken promises on weeds and everything else.

The DEPUTY SPEAKER (Mr S Sidebottom)—Order! It being 5 pm, the debate is interrupted.

House adjourned at 5.00 pm

NOTICES

The following notices were given:

Mr Katter to present a Bill for an Act to alter the Constitution to provide that governments’ acquisition of property and restrictions on the exercise of property rights can only be undertaken after the provision of compensation on just terms.

Mr Andrews to move:

That this House:

(1) notes that:

(a) there are around eight million Coptic Christians living in Egypt;

(b) freedom of religion is a universal human right;

(c) Egypt is obliged under international law to ensure the protection of racial and religious groups and individuals; and

(d) Coptic Christians in Egypt continue to suffer religious persecution and discrimination; and

(2) calls upon the Egyptian government to guarantee that Coptic Christians and members of other religious communities and minorities enjoy the full range of human rights and fundamental freedoms.

Mr Andrews to move:

That this House:

(1) notes that the Iranian Government has:

(a) persistently breached universal human rights standards;

(b) ignored the requests by international bodies to protect the rights and freedoms of all its people;

(c) practised blatant discrimination against religious minorities, including Bahai’s, Christians Sunni Muslims and Jews;

(d) repressed religious minorities; and

(e) persecuted individuals because of their religious beliefs; and

(2) calls upon the Iranian Government to guarantee that all people in Iran are accorded their human rights and basic freedoms, including the right to free speech, to practise their religion, to be free from persecution, and to be accorded justice according to the rule of law.
The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9.30 am.

CONSTITUENCY STATEMENTS

LPG Vehicle Scheme

Mr PYNE (Sturt) (9.30 am)—I rise this morning to speak on the LPG Vehicle Scheme and to express the concerns of constituents in my electorate over the current eligibility criteria. While much of these criteria are good policy brought about by the previous government, there is one part of the eligibility criteria that I believe does not reflect the purpose of the program. I recall that the LPG Vehicle Scheme was established under the previous government in August 2006. Its purpose is to encourage the uptake of LPG fuel through offering a grant to those who convert or purchase an LPG vehicle. This grant supports families and individuals to convert to LPG fuel. There are two categories of the program. The first provides incentives to convert already registered vehicles to LPG. The second, which forms the topic of my address today, relates to the purchase of new vehicles fitted with an LPG unit before their first registration.

Naturally, to the objective person, the intention of the second category implies an incentive for people to buy a new vehicle fitted with LPG. When one walks into a motor vehicle showroom to purchase a new vehicle they are presented with a choice of whether to buy or not to buy a vehicle fitted with an LPG unit. The LPG Vehicle Scheme appears to be a success in encouraging people to buy new LPG equipped vehicles. In the VACC submission to the Review of the Australian Automotive Industry— with which Madam Deputy Speaker would be well familiar—it was stated that sales of LPG passenger vehicles jumped by 52 per cent in the first year of the program. Even higher were sales of LPG light commercial vehicles, which jumped a staggering 93.6 per cent. A vehicle that has been used as a demonstration vehicle is, for all intents and purposes, a new vehicle. If it looks like a new vehicle, smells like a new vehicle, sounds like a new vehicle and acts like a new vehicle, fair chance is it is probably a new vehicle, yet the government refuses to allow ex-demonstrator vehicles to meet the eligibility criteria.

As there is no conversion to LPG, those who purchase an LPG-ready ex-demonstrator vehicle cannot claim the grant for conversion. The astounding thing is that they also cannot claim the grant as a new vehicle because the dealer was the first registered owner of the vehicle and not the purchaser. Effectively, there is no incentive for individuals to purchase a new vehicle, despite the government boasting about increasing the scheme by $10½ million for that precise purpose. The message from the Rudd government is that if you purchase a new ex-demonstrator vehicle you are on your own.

A constituent in my electorate is the purchaser of an ex-demonstrator vehicle and contacted me with their concerns. I wrote to the Minister for Innovation, Industry, Science and Research, Senator Carr, requesting the government consider updating these criteria to reflect the clear inconsistency with this policy. Rather than getting a sensible answer from the senator either undertaking to consider reforms to the policy or justifying it in its current form, I got a response that simply recites the current policy. I look forward to the government waking up to
Deakin Electorate: Ringwood Central Community Centre

Mr SYMON (Deakin) (9.33 am)—Today I would like to inform the House of yet another great project that is being delivered by the Rudd government for the benefit of the citizens of Maroondah, one of two local government areas that are covered by my electorate of Deakin. The Ringwood Central Community Centre at Bedford Park is a collection of buildings of various shapes, sizes and ages, used by all types of community groups such as childcare groups and pensioners associations. Even the Air League uses the buildings. It has a varied mix of uses and a lot of people use it each week. Parts of the complex were very old and run down, some even unfit for use—in fact condemned. In 2007, in the election campaign, the ALP made a $200,000 commitment to upgrade the Ringwood Central Community Centre at Bedford Park and the shadow Treasurer at the time, Wayne Swan, made that announcement. So it was very fitting to have the Treasurer come back to the community centre last Thursday, 20 May to officially open the upgrading of the centre. Also in attendance was the Mayor of the City of Maroondah, Alex Makin, along with councillors and Pam Philpot, the coordinator of the community centre.

The former boxing gym has been upgraded and is now being put to another use. It was literally a dungeon with one set of doors, a very low ceiling and an uneven floor and it was so dim you could barely see your hand in front of your face. It has now been transformed; it is now a bright, airy room with brand new surfaces and a lower floor. It is well lit, with open access to the outside and it is able to be used by all sorts of community groups. Whereas once upon a time there was only one group that could use it—barely—now the whole centre has access to it. Along with that was an upgrade to the toilets so there is disabled access. There is air conditioning now so people do not freeze in winter. There is also a kitchenette and baby change facilities, which ties in very well with the childcare centre which is run in the same complex just across the hallway.

That was not all: there was also upstairs, where the main hall was repainted and the floor was sanded back and revarnished. Again, that is of great use to all those groups who use these important community facilities. Other uses for a centre like this are things like council immunisations, so there are quite often long queues of mothers with babies, with lots of noise, waiting to get their kids done. If that is a more comfortable experience for them then hopefully we will get more people through the doors and more programs like that. The boxing club that was formerly there will be relocated to the new multipurpose pavilion being built at Jubilee Park in Ringwood. Again, this is another Rudd government program. It is a fantastic result, not only for the citizens of Ringwood but also for the wider Maroondah community who use the centre every day.

Mayo Electorate: Small Business

Mr BRIGGS (Mayo) (9.36 am)—It is a pleasure to rise in this place this morning to talk about the small business survey I recently undertook with the 7,000-odd small businesses in my electorate of Mayo. Mayo has a very large small business base. It does not have a whole lot of large businesses but is a very typical Australian situation, with many small businesses, largely family based small businesses, employing a vast number of people who live in my electorate. The results were very telling and very worrying. I am sure members will join me in
being concerned about the concern out there in the small business community about the way
the Rudd Labor government is managing the economy and the impact it is having, particularly
on small business, their prospects and their opportunities to employ more Australians.

I thought it was worth while mentioning some of the comments being made, particularly in
relation to the increase in government regulation by both the Rudd Labor government and the
Rann state Labor government. The combination of the two is causing so much damage to the
small business communities in my electorate and, I am sure, more broadly. For instance, Alan
Mayne, a local cherry producer in the Adelaide Hills, complained in his comments about the
reduced flexibility and increased costs under Labor’s new modern awards implemented by the
Deputy Prime Minister. Another from an owner of two small businesses in Hahndorf said:
Labor’s red tape is destroying small businesses, especially in the hospitality industry.
Sippy Furtado, owner of Ginger and Spice Cafe, said:
There should be more rights and flexibility for employers—
and less union interference, which of course has increased with more power given to the un-
ions under Labor’s Fair Work Act. Hilary Spacey of Middleton, down on the south coast, said
it is:
… impossible for small business operators to comply with the [huge] loading—
imposed by Labor’s new general award. And Bronte Chapman of Mount Barker, a well-
known small-business person in that area, said that ‘there is too much red tape and regulation’
and that this regulation is killing small business—in particular, the reintroduction of Labor’s
unfair dismissal laws.

These are a small sample of the countless examples provided in the feedback in the small
business survey. I was overwhelmed by the number of small business people who responded
to the survey. It is a genuine indication of the level of concern in the community about Rudd
Labor’s policies in relation to small business. Of course it will be a very different story when
Tony Abbott, the member for Warringah, the Leader of the Opposition, is elected to govern-
ment in the next three months because we, of course, are the best friends of small business in
this country.

Bennelong Electorate: Asian Language Studies

Ms McKEW (Bennelong—Parliamentary Secretary for Infrastructure, Transport, Regional
Development and Local Government) (9.39 am)—I rise today to promote the cause of Asian
language education, which will certainly not benefit from the member for Warringah. I have
spoken many times in this place about the vibrant, ethnically diverse community that I repre-
sent in Sydney’s north-west, which has a significant proportion of residents from an Asian
background. We are a community that values education very highly, a community in which
people understand the importance of Asian languages and literacy.

In this area, the Rudd government is making up for lost time under the former Liberal gov-
ernment, which quite disgracefully cut Asian languages and studies in schools in 2002. Earlier
this week, the Prime Minister, who knows very well the importance of learning an Asian lan-
guage, along with the Deputy Prime Minister released a series of reports that provide a snap-
shot of the teaching of Chinese, Korean, Japanese and Indonesian in our schools. The reports
show that the number of students studying an Asian language has dropped, particularly at the
secondary level.
A key issue in Chinese language studies is getting more students to continue to year 12 and retaining more students whose heritage is not Chinese. At present, 94 per cent of students in this category drop out by year 12. The report recommends the setting up of an Australian centre for Chinese language education, and I thoroughly endorse that, because it would fit in perfectly, I would suggest, on the site of the Macquarie University campus. It would be a very nice fit. Despite our growing relationship with China, between 2000 and 2008 the number of schools teaching Chinese across the country dropped from 569 to around 380.

The teaching of Korean has also stagnated: 46 schools across the country were teaching the language in 2008, only one more than in the year 2000. The report into Korean language teaching describes the state of language learning in schools as ‘a concern’. Other specialists go further, saying, ‘We’re in a fight for survival.’ The report makes, I think, a very important practical recommendation—that every Australian school teaching Korean needs a direct partnership with a school in Korea. The fact that a language that has been a priority in schools for 20 years can be fighting for survival is a significant indictment of the Liberal Party and its failure to support Asian literacy.

One of the first priorities of the Rudd government on our election was to invest $62.4 million over four years to 2012 to increase the number of students learning these four key Asian languages, and in New South Wales this investment is now resulting in a range of initiatives that will begin to turn things around. Teachers, students and Asian communities across the country know that, when it comes to engagement with their language and culture, only Labor speaks their language. They are saying ‘Xie xie ni’ and ‘kansa hamnida’.

Tangney Electorate: Airport Noise

Dr JENSEN (Tangney) (9.42 am)—I wish to raise the very vexing issue of aircraft noise. In the nearly six years since I became the member of Tangney, this problem has worsened significantly, especially in the last couple of years. One resident wrote to me:

The last 12 months have seen a constant stream of planes day and night over our house. There also needs to be a curfew in place at night like they have in Sydney, Melbourne and Adelaide. There are too many planes leaving the Perth airports now. We are no longer a small insignificant capital city. There are over 400 landings and takeoffs per day. It has got to the stage if something is not done we will be forced to leave. I can put up with the noise during the day but having my nights constantly disturbed is another matter. I do not want to leave here as I’m used to the area and have friends here, who are also suffering with the plane noise.

Another constituent, in Shelley, said they fly directly over her house all through the night and she and her husband cannot get any sleep. She has phoned the mayor, who is on the airport noise consultative committee, and he says he cannot get anything done. She has contacted many other offices, including Airservices Australia. The officer there said he could see how many flights she was getting and was not surprised that she had problems. But everyone in the end told her to ring her local MP. Another constituent lives in Applecross and wants to know why his suburb has suddenly come under the flight path for aircraft using Perth Airport.

When I wrote to the Minister for Infrastructure, Transport, Regional Development and Local Government, part of the advice I was given was for the constituents to raise their concerns with Perth Airport Noise Management Consultative Committee, but my constituents say no
matter which body they submit their complaints to there is nothing being done about this noise. The complaint is the same all over the electorate: more planes are flying over, they are flying later into the night and even through the night, and they are starting frequent flights much earlier in the morning. This minor nuisance has become a major problem in Tangney, with health implications for some of my constituents. I call on the government to take this matter seriously and take some form of action to reduce this problem, as my constituents fear—with some justification—that it will only get worse.

Chifley Electorate: Medicare

Mr PRICE (Chifley) (9.45 am)—I am very pleased to say that the Minister for Human Services and Minister for Financial Services, Superannuation and Corporate Law has announced that a Medicare office will be opening in the Centrelink office at Mt Druitt. This is something that I have been very keen to see happen, and I know our endorsed candidate, Ed Husic, also was keen to see it happen. I should confess and place on the public record that I had suggested to the Minister for Human Services that he was probably one Medicare office short of being a great Minister for Human Services!

But I need to say that this comes from the tragedy of Minister Wooldridge having closed the Medicare office in May 1997. Chifley is a disadvantaged community, especially where I live at Mt Druitt. We have the highest urban Aboriginal population. Just to give you some idea of the make-up, or demographics: we have an average age of 30 years, while the national average is 37; couples with children make up 52 per cent, while the national average is 43 per cent; single-parent families make up 21.8 per cent, while the national average is 15.8 per cent; and the unemployment rate is 10.3 per cent, while the national average is 5.2 per cent.

The other point I want to make is that asking people to travel to Blacktown or to Penrith from my electorate, and particularly from Mt Druitt, imposes quite a burden on lots and lots of people. So I was absolutely devastated when they closed the Medicare office. We took up a petition, and I have never seen a petition signed as quickly as that was. We posted cards to the Prime Minister, which people signed—they were absolutely outraged.

Part of the cuts were to fund new services in rural and regional Australia. I support the provision of services for rural and regional Australia, but that should not be to the disadvantage of outer metropolitan seats. They should be funded on their merits. In fact, the Commonwealth lost over $54,899.48 at the Mt Druitt office. You would understand that the rents paid at Mt Druitt are not necessarily the highest in Sydney, yet 43 metropolitan offices were closed. If they were just paying the same amount of dead rent, that would come to $2.3 million. So I just want to say how delighted I am—(Time expired)

Bradfield Electorate: Ku-ring-gai Town Centres Plan

Mr FLETCHER (Bradfield) (9.48 am)—I rise to raise a matter of grave concern to residents in my electorate of Bradfield. The New South Wales Labor government has added another chapter to the shameful story of undemocratic planning decisions in Ku-ring-gai with the approval by the Minister for Planning, Tony Kelly, of the Ku-ring-gai Town Centres plan. This plan will permit developments of between six and nine storeys in the town centres of Roseville, Lindfield, Pymble, Gordon, Turramurra and St Ives. It is a gross violation of the principle that local planning decisions should be in the hands of people who live locally, who are accountable locally and who are concerned about the local impact of those decisions. But,
by contrast, this plan has been approved by a Labor minister in Macquarie Street with little knowledge of—and even less sympathy for—the unique heritage and character of the Ku-ring-gai area. Frankly, there is a large element of political payback in what state Labor is doing to the upper North Shore, because they perceive it as an area which votes Liberal.

Under Labor’s Metropolitan Strategy, the target for new dwellings in Ku-ring-gai is 10,000. Since 2004, approval for 5,022 dwellings has already been granted, according to the Treadstone review released last year by then planning minister Keneally. If 5,022 dwellings have been approved in five years, what comfort is there that the limit of 10,000 will not be reached and exceeded well before 2031—the stated end date under the Metropolitan Strategy? I have therefore written to Minister Kelly calling for much greater transparency in the information which is provided about approvals. He should provide a quarterly update on his department’s website of all dwellings approved in the previous quarter for each of the Ku-ring-gai and Hornsby local government areas and the cumulative total approved since the Metropolitan Strategy took effect.

But, more fundamentally, we need to stop Labor’s politically motivated attack on the Ku-ring-gai area and its relentless desire to destroy the traditional fabric of our area. The only effective way to do this is to elect Barry O’Farrell and the state Liberals so they can implement their promise to restore planning powers to local communities, to overhaul planning legislation and to scrap part 3A of the New South Wales Environmental Planning and Assessment Act. It is vitally important that local planning decisions are made by people who live locally and are concerned about the unique heritage and character of the local area. Only if these democratic planning principles are adopted will things return to the way they ought to be.

Holt Electorate: Local Sporting Champions Program

Mr Byrne (Holt—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade) (9.51 am)—I rise today to talk about the Local Sporting Champions program and its effect in my electorate.

Mr Baldwin—Good program.

Mr Byrne—Thank you. One of the core elements that binds our community, and especially so in my electorate of Holt, is sport—unless of course you are a Collingwood supporter! A number of young families, particularly in my region, are involved in sport. It is not just important from a health point of view, and it is not only important because so many derive such great enjoyment from it; it is important because of the long-term bonds sport creates within families, throughout neighbourhoods, across suburbs and indeed across our country.

My electorate sometimes gets some pretty bad press about young people, particularly people like Corey Worthington, for example, and the parties he organises. But what a lot of the local media do not talk about is the great number of young people in our community that contribute not only in a community sense but also in a sporting sense. A number of young future sporting champions live in my electorate, people I am confident will become Olympians, Para-Olympians, tennis stars, football stars and netball professionals—it runs the whole gamut. Sport, particularly in the outer suburban areas, is a very important part of the local community.
I believe that the Rudd government has recognised how important sport is for our health and wellbeing and the bonds it creates within our communities. It is why as a government we have allocated over $3 million in the 2010-11 budget for the Local Sporting Champions program and are passionate about its success. The program gives young kids across Australia, including in my electorate of Holt, funding to pursue their sporting dreams. Funding for travel and accommodation costs so that they can go to an event they might not otherwise have been able to and for things like uniforms and sporting equipment is not something to take lightly in light of recent difficult economic circumstances.

One such young outstanding individual, Tara Cecil from Cranbourne, received some funding through this program recently, which enabled her to travel in New South Wales to represent Victoria at the schoolgirls netball championships. Not only was it an exciting experience; it gave her the opportunity to meet new people, make new friends and experience netball at its highest level. Having met Tara recently, I think her career trajectory is going to be a pretty strong one. The local sporting grant certainly helped that.

It is simple opportunities like that across the country and in my area that help bring us closer together and improve our health and wellbeing. This does not happen in a complex way but through the whole concept of sport, with parents gathered around the barbecue on a Saturday afternoon or protecting themselves from the cold winter breeze at their kids’ soccer matches, with families at the local footy club’s trivia nights and dinners and on the joint family holidays that inevitably flow from the friendships that these sorts of scenarios create. This is a great program, and I am glad that it is being continued into the next year. (Time expired)

Greenway Electorate: Building the Education Revolution Program

Mrs MARKUS (Greenway) (9.54 am)—I rise today to speak on behalf of Mount Victoria Public School’s parents and citizens association, who are terribly frustrated and indeed dismayed at the mismanagement of the buildings promised to them under the government’s Building the Education Revolution scheme.

The school was promised a new brick classroom to replace a demountable as well as a covered outdoor learning area, commonly known as a COLA. After being promised the new brick building and the COLA would be provided for $850,000, the school was informed by the government and their contractors, Multiplex, that the new brick classroom would cost approximately $1.5 million and would not be going ahead. The demountable would instead be replaced by yet another demountable. In a letter from the Mount Victoria Public School community, they state that $1.5 million to build a brick classroom is outrageous and excessive. They say: ‘With this type of ineffectual budgeting and project mismanagement it is completely understandable that the money set aside for this scheme is running out.’ What the school community cannot understand, however—and this is their question—is why Mount Victoria Public School is yet again last on the list and having to fight for a fair go.

Only two weeks ago, Multiplex informed the school that the government was going to backflip on the classroom and that they would once again be getting a brick classroom and a much cheaper bus shelter to replace the COLA that they were promised. But this has not yet been confirmed. Today I am calling on the Minister for Education to keep her promise and confirm that the Mount Victoria Public School will indeed get the brick classroom and a bus shelter instead of the COLA that the minister originally promised the school. I support the
Mount Victoria Public School community when they ask the government in their letter why Mount Victoria Public School is yet again last on the list and having to fight for their share.

The Mount Victoria Public School community are fed up with being treated as second-class citizens by a Labor government that just cannot get it right and that continues to bungle program after program, throwing good money after bad. Labor simply cannot be trusted to get it right.

Shortland Electorate: Veterans

Ms HALL (Shortland) (9.57 am)—I rise to share with the House information about and details of a wonderful group that exists throughout Australia, the Partners of Veterans Association. It was formed in New South Wales in 1999 in the Shortland electorate. There are two wonderful women who have been involved right from the outset, Narelle Bromhead and Lesley Minner. It became a national organisation in May 2003. They celebrated their 10-year anniversary on 31 August last year.

They have created a network of state branches, sub-branches and support groups. They offer guidance, information, friendship and support to partners of veterans. The Partners of Veterans Association, as I have already mentioned, originated in New South Wales. As interest was generated across Australia, more of the states set up branches, including Queensland, Western Australia, South Australia and Victoria. Their membership continues to steadily increase.

One of the main aims of the Partners of Veterans Association is to offer support at all levels to both current and former partners of veterans, including war widows and families of veterans. This group has been very effective at doing that. They work as mentors if one of their members has a problem. They are all there for each other. They aim to improve the quality of life and health and wellbeing of all partners, war widows and separated or divorced partners and their families. It is not gender specific. They support partners of veterans from all conflicts and peacekeeping operations and any other hazardous service from World War I through to Iraq and Afghanistan. The association is for partners, and they address their issues positively within the veterans community.

I have arranged appointments for people from this group to meet with ministers from the previous government and with the current Minister for Veterans’ Affairs. They are fierce advocates. They get in there and fight for their members to make sure that they get a good deal. They have been able to bring about change and make improvements in the lives of their members, the partners of veterans. They are a fantastic organisation and fantastic women. I would recommend that any member who has the opportunity to meet with them do so. (Time expired)

The DEPUTY SPEAKER (Ms AE Burke)—Order! In accordance with standing order 193 the time for constituency statements has concluded.
Debate resumed from 25 May, on motion by Mr Swan:
That this bill be now read a second time.

Mr BROADBENT (McMillan) (10.00 am)—There are two issues that go to the credibility of the Treasurer: what is said by the Treasurer on the day and what he does after that. The Treasurer said in 2008:

We will invest $2.2 billion over five years for the Caring for our Country program …

That was in his speech of 13 May. But what has the government done to uphold this commitment in 2010-11? This budget cut funding for Caring for our Country by $81.3 million and ripped the heart out of Landcare, cutting it by $10.9 million. In my seat of McMillan, Landcare is an iconic organisation conducting serious work in revegetation, restoration, erosion and pest control and in improving our environment. The government has turned its back on regional communities in this regard.

I assert that the credibility of the government is in tatters. Again, the Treasurer, focusing on the future and not the present, said:

Tonight I am announcing a further $2.2 billion investment in the health system.

That is why I am announcing $523 million to train and support our nurses, including in aged care and in our rural and regional communities.

You would think that was absolutely marvellous, and I did. GP nurses were a great idea. But what is the reality? A GP clinic has informed me in regard to the GP nurse grant that, given the number of GPs, the clinic would be granted $125,000 for the employment of nurses. As part of the grant process, the practice incentives payments under PIP plus seven other procedures which could be performed by nurses have been removed. This amounts to a total loss of $159,000 to the GP clinic. The net loss of employing the nurses then amounts to approximately $34,600. This is a major disincentive to employing the nurses. There is no logic in this program and it will do great damage rather than provide the benefits that we thought would accrue. The broader question is: is this happening in all accredited general practices and in the much touted superclinics?

I come back to Australians out there working and trying to make a go of it for their children and their loved ones. There was very little mention of them in the budget speech and no mention of rural, regional and remote Australians. But there was plenty of rhetoric about the future and the long run. When the Treasurer did mention families, he said:
But the families I speak to— not ‘with’—
also want more time with each other.
So the government has decided to provide taxpayers the choice of a standard deduction instead of the hassle of shoeboxes full of receipts and the costs of professional assistance.
Let me say this: what does this achieve?
This means less time with the Tax Pack, more time with the loved ones—
said the Treasurer. Does a once-a-year activity translate to massively more time with loved ones? I think not. By the way, professional assistance is tax deductible.

I now turn to the issues facing young people and I will quote from an ACCESS ministries document rather than use my own words:
The issues facing young people today are unique, as is the case for every generation. But today more than ever young people are susceptible to new forms of peer pressure that invades even the privacy of their own homes. The advent of the internet brings with it some amazing prospects, however it also has introduced a new way of interaction among young people. To some it is simply a fun way of keeping in touch. For others it is the ultimate device for inflicting misery on peers and even teachers in a very public arena. Welcome to the world of cyber-bullying.
Here is an illustration for most of us, including me, of a case of bullying:
For most of us, bullying was played out between 9 and 3 and the retreat of home was usually rapid, and we were safe, there was time out.
Imagine what it would be like, to come home from a demoralising day at school, victim of the same group of kids yet again. You come home, throw your bag in the door, you’re tired and stressed out, you’ve got heaps of homework to do. You’re so behind because you can’t concentrate in class, everything is late and the teachers are getting cross.
You turn on your computer and open up your English assignment, a little icon starts flashing on your screen, it’s impossible to ignore it, like an itch that has to be scratched. You try to concentrate on your assignment but the flashing icon requires attention, someone wants to tell you something …
You click, and to your horror you see your own name, plastered on the screen with a photo of you that is enough to make you want to die. It’s private and personal and everyone can see you, and everyone is laughing at you. They are calling you names and you bury your head in your hands, hot tears streaming down your face, humiliation, embarrassment, anger blended together. How can I face another day at school, how can I face another day of my life …
You are too embarrassed to tell your parents, there is no-one to turn to. Welcome to the world of cyber-bullying.
After a sleepless night while you checked your account every few minutes to torture yourself further with what people are saying about you, you decide there is only one thing to do.
You sneak into the school yard early, avoiding everyone, yet you feel their eyes are boring into you sniggering; you walk up the hall and find a door with one word written on it, chaplain … You walk inside, your eyes meet Sarah’s the chaplain and you shake uncontrollably and the tears are unstoppable.
‘There is nothing I can do,’ she—
who is speaking—the chaplain or the student?
says with a sad smile, ‘first things first,’ she says, ‘let me get the hot chocolate on and the comfiest chair in the house.’ It feels like a hug and you know from her smile that she’s in it with you, and you begin to feel safer, and slowly but surely the world begins to shift back into focus, perspective slowly dawns and you begin to realise the humiliation of the night is over and soon it’ll be yesterday’s news.
This is not a one in a million story. This is happening all the time in many schools across Australia. It could be the young man who delivers your paper, the girl next door—worse, it could be your daughter, your nephew or your grandchild. That is why the chaplaincy program is so important in this day and age. It is different. The coalition have committed to the program in upcoming years. I am just worried the government might not have committed to this program in upcoming years. It is crucially important; in fact, I think the program should be extended so that more schools can take the opportunity to provide chaplaincy in their schools so that that young girl and many others can go to that door and find the word ‘chaplain’.

In conclusion, as to the coalition’s announcement of refugee policy today, my views and standing on these issues are well known and documented. I take not one step back from, nor do I resile from, that I have said and that I have done. I live in hope for all people who have made this great south land their home. I stand in the absolute assurance that hope will always triumph over fear.

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children’s Services and Parliamentary Secretary for Victorian Bushfire Reconstruction) (10.08 am)—I rise to speak on Appropriation Bill (No. 1) 2010-2011 and the cognate bills. On 11 May this year the Treasurer began his budget speech with these words:

“Of Australia’s 18 years of continuous economic expansion, Australians can be proudest of the one just passed.

Not just because together we avoided recession when almost all other advanced economies did not.

Not just because together we created 225,000 jobs when many other advanced economies were shedding hundreds of thousands of jobs.

But because our shared successes put us in a position of strength from which we will build growth and opportunity, and secure the future.

The point about the Treasurer comparing this year with the 17 that preceded it is important. It is important because budgets do not pass in isolation. They are part of a continuum, a running account of what we value as a nation, a valuation of ideals made actual. In the end, nations are not judged by what they say, but what they do; by what they invest in and what they build. In that sense, budgets are a balance sheet of our beliefs. There are years that, in hindsight, are more critical than others, where decisions are made in the interests of the common good. 1991 was one such year, when the Hawke government committed Australia to a mandatory superannuation scheme. The decision therefore to increase the super guarantee to 12 per cent alone is enough to make 2010 another notable year. After all, that one decision will benefit 8.4 million Australians. Imagine how much better off those working men and women and their families would be now if our predecessors had stuck to the plan to take the super guarantee to 12 per cent back in 2000. Imagine how many billions of dollars could have been put to work in nation-building investments.

I am not going to dwell on the wasted decade of the Howard years. Instead I want to take this opportunity to do two things: to discuss the great success of the Australian model of progress over the past generation, a model founded on the bedrock of the economic reforms instituted by the Hawke and Keating governments; and to bring to your attention, Madam Deputy Speaker, another issue that, depending on what we say, and more importantly what we do, all members of this parliament will be judged on, an issue that is every bit as vital to the prosper-
ity of our nation over the next 18 years as the Hawke superannuation commitment was in the past 18 years. The critical issue I refer to is that of a national disability insurance scheme.

The Australian model of progress is unique. It is, in essence, all about balancing the wants of the global market with the needs of our Australian people. It is all about protecting the Australian way of life by embracing new opportunities. It is about looking forwards, not back; it is about being confident, not conservative. This budget is fiscally responsible, as it should be with the world still suffering the aftershocks of the global financial crisis. But it is something else too: it is a vote of confidence in the Australian people. At a time when other nations are winding back social investments, what is this budget doing? It is giving back to working men and women who have made the Australian model such a success story. Delivering income tax cuts for all workers, making it possible for pay-as-you-earn taxpayers to claim a $1,000 tax deduction, and boosting savings with a 50 per cent tax discount for the first $1,000 of interest earned, benefiting 5.7 million people, including many retirees.

This budget is also giving back to Australia as a whole through the introduction from July 2012 of a resource super profits tax. That resource super profits tax, which has already won the backing of 20 leading economists and academics and many others in the community, will allow us to cut company tax rates from 30 per cent to 28 per cent. It is a good tax, it is a fair tax. It is a tax that will ensure that Australian people get a fair return for the minerals of our nation, and it is vital to the economic and social progress of our nation. We must not allow the national interest to be sold off.

Madam Deputy Speaker, there is a great deal more in this budget—for hospitals, for skills training, for renewable energy. But I do not wish to talk about those investments. Other speakers from the government will clearly canvass these matters. Instead I want to turn your attention to the area of disability. It is no exaggeration to say that many of the 1.5 million Australians with a profound or severe disability, together with their nearly 500,000 primary carers, live as exiles in their own country. Whereas prior to deinstitutionalisation many Australians with a disability were shut in, now they are shut out: shut out of employment, shut out of services, shut out of housing and shut out of the community. The fact that this state of affairs has been allowed to continue at a time when our nation is enjoying 18 consecutive years of economic growth is shameful, but our government is starting to address this dire situation.

We are now providing more money to the states and territories for disability services than any previous federal government. We have signed the UN Convention on the Rights of Persons with Disabilities. We have established the first access to premise standards for public buildings. And in this budget we are making some modest changes to special disability trusts. These trusts were established to make it easier for families and other carers of a person with a disability to pay for their care. They are not a solution for every family, but they give families with private means a better way of funding care for their loved ones. We have listened to the Senate inquiry into this issue because we want these trusts to be as easy as possible to use. From 1 July 2011 changes will be introduced so that people with a disability will be able to work up to seven hours a week in the open labour market and still qualify as a beneficiary of a trust. The trust will be able to pay the beneficiary’s medical expenses, including membership costs for private health funds and the maintenance expenses of assets and properties. The trust will be able to spend up to $10,000 in a financial year on discretionary items not related to care and accommodation needs which people have so that the beneficiary can be engaged in
social and community participation in our communities. And in two years the government will undertake a review of the amount that can be held in a trust on a concessional basis, the amount that can be gifted and who can request audits. It is estimated these changes will result in an increase in the number of people utilising special disability trusts with additional beneficiaries. I want to see more change to special disability trusts, but this progress should be acknowledged.

Most importantly to the continued success of the Australian model of social and economic progress, we established late last year the Productivity Commission inquiry into a national disability insurance scheme. I am pleased to note the support for the inquiry from numerous members both of the government and of the opposition, and I particularly acknowledge recent comments by the member for Gippsland and the member for Pearce from the opposition. This budget also supports the inquiry by committing $520,000 to involve people with disabilities, their families and carers in the Productivity Commission’s landmark inquiry. This inquiry has already received 1,500 expressions of interest, a record for this stage of a Productivity Commission inquiry, and we want as many people with a disability and their voices to be heard. Disability and care organisations will receive grants of up to $30,000 each to fund travel costs for participants to attend consultations or to engage a facilitator to gather the views of their members and prepare a submission. The first round of consultations will be held in June and July, with a second round to be held next April.

More and more Australians are asking me about a national disability insurance scheme. As Madam Deputy Speaker Burke and I were visiting the Glenallen Special School in her electorate of Chisholm, parents there were most interested to see what was happening with the development of a national disability insurance scheme. Many of those parents at that very excellent education establishment and many others want to know because they appreciate that something has to give in the way in which they interact with the system to represent and look after their children. One statistic tells the tale. Over the next 40 years, the number of people with severe or profound disability is projected to grow from 1.5 million now to 2.9 million by 2050. That is an extra 1.4 million Australians in need of care and support. That is the equivalent of a city larger than Adelaide who we need to plan for.

This is an issue which can touch every Australian family. It is too big to ignore any longer. We need to find a way to secure ongoing services and support for Australians with a disability. We need to understand that doing so will help ensure our economy against rising disability costs and falling labour force participation rates. We need to understand that doing so will target the $21½ billion that the federal government is now spending on disability, which will continue to grow. The question is: can we make it into a system which would ensure that people living with a disability and their families have greater dignity; that they can be turned from charity into consumers; that we can redefine their identities, not as a person with a disability but as a person with many interesting and unique and special individual traits, one of which happens to be their impairment? We need to do so to help ensure our own future. Any of us, at any time, could be struck by one of the rays of fate. It could be the birth of the child with an impairment. It could be the motor vehicle accident in the blink of an eye. It could be the onset of early impairment diseases such as multiple sclerosis and muscular dystrophy.

The Productivity Commission has a huge task ahead of it. The commission, in its issues paper released on 17 May, flagged the questions it considers to be most important. How do we
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achieve early intervention? How does a new scheme encourage the full participation of people with a disability and their carers in the community and in work? How do we ensure that people with similar levels of need get similar support? How do we improve service delivery, including coordination, costs, timeliness and innovation? How do we reduce the unfairness so that people with similar levels of need get similar support? How do we ensure that the professional workforce is well remunerated for the remarkable level of emotional commitment they deploy in their job on a daily basis? Our generation, both within this parliament and outside, will be judged by the ways in which these questions are answered.

Our government is already spending over $22 billion on disability. When you factor in the money provided to the states, the payments made to carers, the $12 billion spent on the disability support pension and the $1.2 billion spent on employment services, we have increased funding substantially. But the fact is that the current system is dysfunctional. It is not working to the best interests of people with a disability or their carers and, therefore, the nation. It is not working for hard-pressed service providers and carers and certainly not for Australians with a disability.

The time has come for us to realise that sticking with the current system is a false economy. We have to make the leap from a crisis-driven system that only intervenes when it has to, and usually at great cost, to one that intervenes early and makes a lasting difference. Making that leap from crisis management to early intervention will not be easy. It has taken decades for this system to become this broken. Building a new system will take time. A new scheme will not be the panacea to all the challenges and problems, but if we can right this wrong we will have built something every bit as important as the mandatory superannuation scheme and Medicare. That is how important I judge a national disability insurance scheme is to our future prosperity and sustainability. I personally have no doubt that the struggle for disability rights is Australia’s last great civil rights challenge. I have every hope that this inquiry will be a turning point in the way that our nation behaves towards its citizens with a disability.

We cannot afford to take progress for granted. We have to make it happen. We can no longer look at the faces of parents with little children diagnosed with a developmental delay and say, ‘I’m sorry, there aren’t any hours available for early intervention services.’ We cannot look at the parents at Glenallen School and other schools around Australia and say to them, ‘There is help when your child reaches primary and secondary school,’ but what happens to them when they turn 18 and they leave those schools? They are on their own again. We certainly cannot keep looking at tens of thousands of ageing carers in their 70s and 80s with adult children with high needs who are sleepless at night with the anxiety: ‘Who will look after my children when I’m no longer here to look after them?’

This budget moves forward the national interest, but there is also the opportunity to develop a proper lifetime care and support scheme for people with severe or profound disabilities—howsoever they acquired that disability, be it traumatically, through early onset or from birth. For those Australians and their parents, it is time that we made them equal citizens in the best country in the world. I commend these bills to the House.

The DEPUTY SPEAKER (Ms AE Burke)—I thank the parliamentary secretary for his contribution and for his visit to Glenallen School in my electorate.

Mr LINDSAY (Herbert) (10.24 am)—Australians have come to expect to be disappointed by the Rudd government and its budgets. This is the third budget by Treasurer Wayne Swan
and the third time Australians have been let down. The list of broken promises from the Rudd government is almost endless. At last count I think I got up to 47 broken promises. People just do not believe the Prime Minister anymore. They have stopped listening because with a record like that in just the first term it really undermines the confidence that Australians have in their government.

It was a classic budget this year relying on big taxes and big spending measures, and they are going to hurt. Australia is living beyond its means, and as much as people say, ‘Well, our debt as a percentage of GDP is much lower than many other countries,’ everybody knows that in your own family the first thing you do is you pay off all your debt if you can because you are better off because of it. A country is no different. Running a country is no different. I am disappointed when I see $4 billion to $6 billion of interest being paid to overseas lenders now because that is money that cannot be spent on Australians. Yes, there is a case to be made for some level of debt, particularly if it funds long-term infrastructure, but much of the debt that the Labor Party has built up was just a one-off thing and there is nothing lasting to show for it.

There has been a bit of debate recently, members might have noticed, about a great big new tax on mining. All sorts of people had all sorts of views. The government has had a view and the alternative government has had a view. The mining industry has had a view, and so it goes on. Treasury has had a view as well. It is sometimes hard for Australians to get to the bottom of what it all really means. Often it comes down to a feeling of, ‘Well, the mining industry was the saviour of Australia in the global financial crisis and why are we now punishing it?’ I thought the Leader of the Opposition made a very good point in question time when he said, ‘Look, if the government is right that this big new tax on mining actually improves jobs, improves investment, then why aren’t a whole lot of other industries clamouring to have a great big new tax on them as well?’ It is a very interesting question. The other thing that many people worried about was in relation to the threshold where the tax cuts in on profits in excess of six per cent. The question was: which was the next industry that was going to cop a great big new tax on profits?

It has been a great debate in the country and I read the speculation in the newspaper today that we are going to see another great big backflip from the government. It is a bizarre way to run the governance of this country. I worry for my own patch in North Queensland where we rely very heavily on the mining industry. The north-west minerals province in North Queensland is the most prospective minerals province in the world and it very much depends on new exploration, new mines and existing mines. So much of our economy is supported by the mining industry. Yet the government wants to put this penalty on it. I asked in question time yesterday a question on behalf of the mining company Miriwin, a small family business, who just said, ‘This is going to affect so many sectors of the economy, not just us,’ and that is certainly very difficult for them.

The budget delivers yet another deficit. What is new? Spend and rack up debt is the mantra of the Labor Party, and I guess that the coalition will come back in and clean up all the mess again. I was elected in 1996 when the government last changed and I remember the pain of having to go through and make the savings necessary to get rid of all of the debt, which we then successfully did. I guess we are just going to have to face all of that again.

In a way it is bizarre, too, that the government comes in and has a heyday in spending and everybody thinks the government is wonderful, then the coalition comes in and has this dread-
ful problem of trying to fix up the problem. It is happening in Britain now, with its new con-
servative government. Famously, the Chancellor of the Exchequer of the outgoing Labour
government in Great Britain left a note for the incoming chancellor which just said: ‘There is
no money.’ Why does that surprise any of us? The deficit this year is $57.1 billion—still the
biggest peacetime deficit in Australia’s history. The deficit next year will be $40.8 billion, the
second-biggest peacetime deficit. That makes my point that Labor governments a have long
history of leaving debt for the coalition to pay off and clean up. The last Labor government,
despite denials, left Australia with $96 billion of debt—and it took them 12 years to rack that
up. It took the coalition 10 years to pay it off. The Rudd government has now managed to rack
up a similar amount of money in just three years, despite the very healthy surplus left by the
coalition government. Economic conservative? I do not think so. And when you look at all the
other promises you think, ‘How can people have confidence in the current Prime Minister and
his claims of good economic management?’ particularly when he is about to slug the mining
industry with this great big new tax.

This advertisement appeared in the Townsville Bulletin this morning. It says, ‘Which North
Queensland businesses will be hurt by the government’s supertax on resources? The answer
is—all of them.’ People have not quite come to the realisation that it is not only the mining
industry that will be affected; it is engineering, restaurants, construction, car retailers, cater-
ing, hotels, small business and manufacturing. So you can rightly ask the question: has the
government really thought this through? I do not think so. Where there is mining there is more
than just mining companies; there is retail, airlines, hotels, car rental, hospitality, construction,
engineering, manufacturing—a whole range of industries that make up whole communities.
That is all of us; the communities we live in. When the Rudd government introduces the
world’s highest resources tax and puts new mining projects at risk, it also risks whole indus-
tries and in some cases even whole towns.

The federal government has to think this through properly and it has to consult with the
mining industry. It has to put all the issues in relation to this matter on the table for discussion
and we have to get a much better outcome. I note that Xstrata has already stopped all of its
exploration. It is pretty sad when you have people on the phone saying: ‘I’ve lost my job.
What is my family going to do?’—all because the government wants to put this great big tax
on the mining industry, so exploration in North Queensland stops. To the government, I say:
‘Hey guys, you are the Labor Party. You are supposed to represent the workers of this country
and you are taking their jobs away from them.’ What kind of a party does that, when it is sup-
posed to represent organised labour? It will be fascinating to see how this plays out. I cer-
tainly believe that we will see another backflip from the government, and it really does have
to happen.

I will turn to a number of other issues. This one is classic of how the Rudd government has
behaved—‘Crisis? What crisis?’ As long as I can remember, we have been having front-page
articles in the Townsville Bulletin about ongoing problems at the Townsville Hospital. The
current problem is the pay saga. Can you believe the Queensland government is not paying
the staff at its hospitals properly—sometimes not at all? I heard that somebody the other day,
for their fortnightly pay, got a cheque for $72,000. That is the other side of the coin. I suppose
it is better to get that than to get nothing at all! That is going on in Queensland, but it is a
symptom of a wider issue in the hospital system.
We had the Prime Minister saying, very famously, that, if the hospital systems in Australia were not fixed by June 2009, he was going to take them over. Remember that? What happened? It went on and on, and then in June 2009 there was another round of consultation, which delayed things further, and then, finally, the federal government did not take them over.

Ms Hall interjecting—

The DEPUTY SPEAKER (Mr AJ Schultz)—Order! The member for Herbert has the call.

Mr LINDSAY—I welcome interventions, Mr Deputy Speaker. The member for Shortland is a very good friend of mine. I have been thrown off the track—that is what interventions are for! What has finally happened with the health debate is that the government has taken back some GST from the states, which it then gives straight back to the states, saying: ‘Here’s our money’—and of course it is not new money—‘but, by the way, we’re not taking over the hospitals. You can still run them. Oh, and here’s our budget this year. We’ve got another $500 million for a whole lot more bureaucrats.’ Already, more bureaucrats than health professionals work in the hospital system. We are getting more bureaucrats, and it is the bureaucracy that stuffs up the health system in this country.

In Queensland, which I know about, the health department in Brisbane runs like a Soviet-style bureaucracy. It is awful. Nobody can make decisions. The local hospitals cannot make decisions. And the Rudd government says, ‘We’re going to have local control of hospitals.’ It just gets out there, bald faced, with these paid television commercials saying, ‘We’ve introduced local control’—utter rubbish. The policy of the Labor government was to basically have a local board to run a number of hospitals in each region. So it was not going to be that the Townsville Hospital would have its own local board—which would happen under the alternative government—but that an amalgam of hospitals would be run by a local board, meaning there would just be another bureaucracy. It has been an abject failure of public policy on the part of the Rudd government. It has been an abject failure of the expectations that were generated in the minds of our community. I will give you another example. Mr Rudd came to Townsville and said, ‘You need a PET scanner.’ Of course we need a PET scanner. ‘Hey, I’m going to give you a PET scanner—here’s the money.’ What he did not say was that it will not happen until 2014. It will be so disappointing when the community finds out they have been sold a pup.

I would not mind betting that, if the Rudd government stays in power, in another three years we will have another set of promises. And nothing will have changed. People will still be on waiting lists—to get on a waiting list. That is pretty disappointing. The Deputy Prime Minister came to Townsville last week. There was a great big fanfare. We were all ears as to what she might promise or what she might say. Do you know what she promised? Do you know what she announced? Nothing.

The Deputy Prime Minister comes to Townsville and she says, ‘We are really interested in looking after skill shortages in North Queensland.’ But nobody took her seriously because she was the one who defunded the Australian Technical College—Townsville. It was the most significant technical college in the nation and Julia Gillard took the money off it because it was a Howard government initiative. Nothing more. The tech college struggles on. It could train twice as many apprentices as it is doing at the moment, but it does not have the money. The government then says, ‘Oh, well, we’ll have trade training centres in schools.’ How many

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have been delivered? They actually promised one in every high school, but that is not going to happen. They then promised 2,650 across Australia. One or two have been completed. We will probably see the rest by about 2020 or something like that. But they do not work. The technical college model, where students were able to do their apprenticeship and get their senior qualifications all at the same time—and get a job—was much, much better. It was just a wonderful model.

In relation to the Broadband Network, in Townsville we have got one of the five demonstrator projects. Do you know what they are going to do with broadband in Townsville? This is just utterly unbelievable. It is a demonstrator project and they are going to string the cables along the telephone poles. Hello! Haven’t you ever heard of cyclones in north Queensland? Why would you prejudice the reliability of a National Broadband Network in a cyclone area by stringing the cables along telephone poles? They should all be underground. All the electricity supplies should be underground. Of course, in all new developments in Townsville all electricity cables are put underground. But for the Broadband Network, no. We are spending $43 billion—and we are borrowing it all, of course—with no business plan. Well, hello! I think we have got to get a bit of sense here and make sure that the security of our National Broadband Network is in fact protected by making sure the cables are underground in cyclone-prone areas. That goes for both sides of the country and the Top End. So often the North is forgotten by these bureaucrats down here and by the government. Senator Conroy, particularly, should take an interest in this, and he should be making sure that we are protected in relation to the security of our Broadband Network.

Let me finish now on defence. This has really disappointed me. Mr Rudd made a commitment that the Defence vote would not be cut in the budget. But there are some really creative things that you can do; you can have your cuts and maintain spending at the same time. It has happened through a thing called the strategic review program. That is the cuts of $20 billion out of Defence over the next 10 years, and it is biting everywhere. Let me tell you where it is biting in the reserves. You cannot get the training days and you cannot get the ammunition. The reserves are just such an important part of our ADF these days. Many ships cannot deploy unless they have reserve officers. We have reservists right through our overseas areas of operation. And, of course, they work in the military justice system. They are all across the Defence Force. But the government is knocking off all of this money and they are not actually going to where the waste is—in the bureaucracy. I am disappointed to see that that is happening to the Defence Force, but our members of the ADF know and I think they will continue to mark down the Rudd government at the next election because of what they have done to the Australian Defence Force.

Mr SYMON (Deakin) (10.44 am)—I assure the member for Herbert that this is only the first of my many terms in this place. I rise to speak in strong support of the Appropriation Bill (No. 1) 2010-2011, the Appropriation Bill (No. 2) 2010-2011 and the Appropriation (Parliamentary Departments) Bill (No. 1) 2010-2011. This is a budget that firmly concentrates on responsible economic management by getting the budget back in the black in three years—and that is three years early. The Rudd government will halve the previously forecast peak debt. The measures in this budget will create a stronger and more secure economy for Australia’s working families. By delivering the third round of tax cuts as promised in the 2007 election campaign, the Rudd government has ensured that a taxpayer on average earnings receives
another $450 a year in their pocket. That is around $9 a week. That may not seem like all that much to those on the other side, but it is a great help to those working people and working families whose entire incomes are consumed by life’s necessities, not by life’s luxuries. Over the past three years, a working person on $50,000 to $70,000 per annum has been around $1,500 better off due to the delivery in full of our promised tax cuts.

But of course there are other tax cuts within this budget that benefit working people and working families. A tax break of 50 per cent for the first $1,000 of interest on savings is an excellent boost to the millions of people who save a few dollars in the bank for a rainy day but who up until now have been stung every year at tax time with full marginal rate tax on their interest earnings. Our simplified automatic tax deductions, also known as the tick-and-flick tax return, will mean that from 1 July 2012 more than six million Australians will not have the hassle of having to save their receipts in a shoebox for a whole year just to have their accountant at tax time say, ‘No, those ones are no good; just give me a few.’

A $500 deduction is available in 2012 and $1,000 in 2013. Importantly, this means that the average taxpayer who chooses to use this system will pay an average of $192 less tax per year in 2013. Furthermore—and I know this quite well; I have seen it firsthand many times—if the taxpayer is employed in a white-collar or retail job, the benefits may be even larger. As anyone who works in those types of industries knows, when it comes to tax time and the claiming of refunds, there is not a lot there to claim. I used to see it firsthand in the construction industry. I worked on the building site, and at tax time I could claim quite a lot in expenses. But a person who worked inside a site shed on the same building site and did an office job could not claim such expenses, even though they worked at the same workplace. So I think this is a very good benefit for people who have a white-collar background, who do not run their own business and who receive wages.

An even greater long-term benefit for working people in this budget is the raising of the super guarantee charge to 12 per cent from the current rate of nine per cent. With incremental rises starting in 2013, the rate will rise from nine per cent and will reach 12 per cent on 1 July 2019. That gives plenty of time for employers, unions and others involved in the industrial process to adjust to these changes. Ninety per cent of Australia’s full-time employees—about 8.4 million people—will benefit from this three per cent increase in retirement savings. For workers on lower incomes, the Rudd government will provide a contribution of up to $500 per annum for workers earning up to $37,500. This effectively refunds the tax contributions paid on super guarantee amounts up to that level.

I have been a long-time advocate of superannuation for everyone in Australia who works. This is something that most people accept these days, but that was not always the case. The original legislation, which those on the other side of the House most certainly did not like, started the super guarantee at three per cent. That seems so small these days, but when I started full-time work back in 1982, a long time ago now, most working people did not get super—not a cent. I think it is quite true to say that at that time super was for public servants and chosen company executives. In fact, I worked for four years before I ever received one cent of superannuation. And I was one of the lucky ones: I worked in an industry where super came in earlier than was legislated by parliament. In 1986, I and the many others who worked with me in that industry started receiving super at the rate of $9 per week. That seems small these days. But the rest of the working population at that time were getting nothing, and for
many years after that they got nothing. It was not until 1993 that the super guarantee charge kicked in and working people actually got to put away money for their retirement.

The problem with that, and it is a very big one and we are still to face the full implications of it, is that people of my age or people older than I am have only worked with super for part of their working lives. And so when it comes to retirement some very valid questions can be asked: do I have enough to live a comfortable retirement? Is there enough money in the super account? Invariably, if you have not spent your full working life receiving super, the answer is going to be no, there is just not enough there to build upon. One of the measures in this budget will extend the $50,000 superannuation contribution cap to over 50s with super balances below $500,000. That is important because it gives some people the chance to catch up, to hopefully have a bigger nest egg for their retirement. Measures such as these will increase Australia’s superannuation savings pool by $85 billion over the next decade. As an example, for an 18-year-old just starting out on a working career on average wages, these changes will mean an extra $200,000 in their super account come retirement.

While I am on super, another improvement to the superannuation system is the extension of the compulsory superannuation guarantee to working people up to the age of 75 instead of the present limit of up to the age of 70. Indeed, it was only last week that I was contacted by a constituent who was very concerned to find out that her last 18 months of employment gave her no super. Her employer had not bothered to tell her that, as she had turned the age of 70, they no longer had to pay compulsory superannuation contributions to her account—and they did not. It was only when she subsequently left employment and checked up with her super that she found she was in that situation.

What might have been a good provision at the time the superannuation guarantee was brought in—that is, the 70 years of age provision—is not so good anymore. Successive governments have encouraged people to work longer. The compulsory retirement age is gone. If we want people to work longer, we need to make sure we encourage them, not discourage them. But the thing that concerns me the most about this subject is if we look at the figures that were not released with the opposition’s budget reply speech, but subsequently came to light through last week’s National Press Club debacle, we see the disturbing information that all of these changes to super that I have spoken about will be gone. Gone would be the increase in super for working people from nine to 12 per cent, gone would be the extension of the super guarantee for those people who choose to work up to the age of 75, gone would be the concessional contribution cap for the over 50s, and gone would be the super contributions tax rebate for low-income earners. That is what we get if we have an Abbott-led government.

At the 2007 election the Australian Labor Party made a commitment to the people in my electorate of Deakin. We committed to fix the traffic nightmare that the Howard Liberal government had failed to lift a finger to fix for 12 long years—that is, Springvale Road. Well-known to people throughout the eastern suburbs, this railway crossing—a railway crossing with 218 train crossings every a day, intersecting a six-lane road with 50,000 vehicles on it—meant that transport was very difficult around the eastern suburbs. If you wanted to head in a north-south direction, chances are you would try to find a road other than Springvale Road to do it on because you knew there would always be a traffic jam there. It had been that way for many years. Indeed, I have spoken to older people in aged-care homes who have told me of problems with the crossing going back in time to before I was born, to a time before it had
boom gates. It has always been busy, and in many cases it has been dangerous. There have been fatalities there and there have been many, many accidents.

Last year’s federal budget made the commitment of $76½ million to the project, and the state Labor government came through with $60 million. The project started, the project finished, and that is the best thing. It is good to be able to stand up in this place and talk about what is going to be done; it is even better to be able to follow it through and make sure that it is done. And the Rudd government has done that with Springvale Road. It opened on time and it opened on budget. It is a great result—not just for the people of Nunawading, where it is located, but for everyone who commutes in or around the eastern suburbs of Melbourne.

It is also a great result for commuters who use the station. What was an old, small, drafty, asbestos-ridden station that was built between the 1950s and the 1960s and not very often staffed is now a brand-new structure with security cameras and a proper public address system that is staffed from first train to last. It is an architectural statement as well. It is a great addition to the suburb of Nunawading. The new station has much better access for people with disabilities, unlike the old station, where we had problems with the ramps leading to it and the closeness of the station to the road where the buses parked.

Also, the new station, as I have mentioned before in this place, has lockable facilities for cyclists. It is quite a good system. It is remotely controlled from a control centre. There is a swipe card that allows you to access your bike when you need to. And there is security. As many people who want to use bikes know, if you leave your bike at a railway station just chained up, the chances are that when you get back on the train that evening you may end up walking home. So this is also a great improvement for our local transport.

That project is a beacon for what else can be done in terms of transport in Melbourne. There are so many level crossings that still need to be upgraded. They were built, to be fair, when the traffic load was nothing like what it is in what is now a very large city. These crossings were built when there were still red rattlers running around the place. Although the red rattlers are gone, the level crossings are not. The state government has committed to putting a program in place to start to get rid of these crossings. These are the sorts of infrastructure projects that should have been undertaken continuously right through from the 1960s to now. There is a huge gap and it is going to take a long time to catch up. But, if we do not do anything now, that catch up is never going to happen.

The Rudd government has invested not only in the Springvale Road underpass but also in much smaller local projects. One that springs to my mind is the notorious black spot inRingwood East, the Dublin Road railway crossing. It is next to the shops. That has been another problem area, not so much for traffic jams but because it is dangerous, and there have been many accidents there. Last year, an amount of $396,000 was put forward to fix this problem. I am very happy to say that that project is now underway. It is not finished yet but works are underway and it will be finished soon. It is one of those projects that needed to be done years ago. It will mean that pedestrians will be safer and that hopefully motorists will be safer. Even the train commuters who have to walk through a lot of this area—a problem caused by boom gates being down and there being a T-intersection right where the railway line is—will be safer.

Talking about infrastructure, there is so much happening in my electorate that is only happening because of funding from the Rudd government that I hardly know where to start. I will
start with the new soccer pavilion that is being built at Ringwood’s Jubilee Park. Last year the funding was announced and this year I can stand up in this place and say that work is underway. The old pavilion—again, asbestos-ridden—was nearing the point of condemnation by the local council because of its disrepair. It is now gone. Now there is a slab and building starting of what will be a brand-new multipurpose pavilion not just for the use of the soccer club but for the use of all sorts of other clubs, too. There will be a synthetic pitch. There will be lighting so that it can be used at night. There will even be facilities for women to use, something that was not thought of when the original stand was built in 1962. In the same facility, we will have the boxing club, which has been looking for a home in Maroondah for many years. Its last home was also condemned due to access problems. It was in the current Ringwood Central Community Centre. That is a good thing for local sport.

I also mention some of my local businesses that contacted me last year and said that the 50 per cent tax rate for investment was such a great thing. They are saying to me, ‘We really like the provisions in this budget—the provisions that allow for instant deductions for the cost of assets up to $5,000 purchased by small businesses, sole traders and partnerships.’ For example, a purchase of $5,000 under the system that the government intends to bring in would be a $5,000 tax deduction rather than the $750 tax reduction that it was in the first year. Measures like that are a great support for small businesses, encouraging them hopefully to expand and put on more staff in what are still economically uncertain times internationally.

The Primary Schools for the 21st Century program has been a fantastic program for every school in my electorate. Some buildings are finished, some are partly finished and there are a couple that are due to start. Of the ones that have been finished, the quality of the workmanship, the usefulness of the assets and the appreciation of the schools is fantastic. They are a great result for our local community. They are also so different to each other—some schools have chosen libraries, some have chosen halls, some have chosen refits and some have chosen some very innovative learning centres. In fact, I was at one only a couple of weeks ago that was a learning and discovery centre. It was an open plan learning space, and when I was there the students were learning about cybersafety. That is a fantastic thing to do at school, because far too many people think that it is the job of parents to teach their children about that—and I agree that it should be—but far too many parents do not know much about turning on a computer, let alone how or where their children should be accessing the internet.

It is now 16 months into the program, and I have schools such as St Luke’s with its now complete discovery centre. I have schools such as Blackburn Primary, which has a wonderful multipurpose hall and a full-size basketball court. That is a $3 million job and it means that the school, which for so many years has been bursting at the seams, can have an indoor assembly with more than just the children present. This is a school where formerly, if the full complement of 450 children and a sprinkling of parents turned up to an assembly, the parents would have had to stand outside the building and put their heads in the window to see what was going on—there was not enough room. I have been to many assemblies and concerts there where that has happened. We also have schools like Burwood East Primary, which up until now has not even had a hall. In fact, I have been to assemblies there in the rain and in the baking heat. The children are only small and cannot stand that sort of thing very long, but they now have a brand new assembly hall, and that is a great thing for that school.
The National School Pride Program has meant so many benefits to all schools across the electorate because of the number of things they were able to do as a result of it, whether it be doing those maintenance jobs that could never be done because there was not enough money—fixing rotted-out window frames at Mitcham Primary School, for example—or completely redoing an oval with new grass so that it could be used all year round by the students. That happened at many schools, such as Ringwood Secondary, Heathmont East and Laburnum Primary, which put a running track around its oval. The kids are out there in droves using it, and it is really great to see. It is great for a school to give its children the message, ‘We want you to get out and exercise.’ There are also schools such as Nunawading Christian College, which has got a fantastic new indoor hall and meeting area. That school added onto its existing building—it leveraged off that and made it even better. This budget is good for working people and for working families, and I commend these bills to the House.

Mr FORREST (Mallee) (11.04 am)—The budget appropriations provide an opportunity for the member for Mallee to comment on the state of the Mallee electorate, particularly in regard to the budget the House is considering. The electorate is large—the largest in Victoria, though by no means the largest in the nation. It is bountiful and has wonderful potential in dryland farming, horticulture, small business and lifestyle, and it now has an opportunity to participate in the future particularly in regard to solar power. One thing we have, which is bountiful to share, is ample sunshine. I am pleased to see the budget maintains in the forward estimates the coalition commitment of $75 million for a photovoltaic power station in the north-west of Victoria, something that will provide a stimulus and give Mallee the opportunity to say it is contributing to the challenges confronting the environment.

Mallee is typical of much of regional Australia, which is the engine room providing a productive base on which our national economy depends. But to achieve our full potential we need the consideration, the understanding and the cooperation of both federal and state governments. A good example of what can be done is one of our most significant engineering feats—the completion of the piping of the Wimmera-Mallee stock and domestic system. The recent opening in Horsham of the Wimmera section of that project gave enormous encouragement to the community across the north-west of Victoria. When you add the Wimmera section to the northern Mallee section completed in 2001, the region has seen a total investment of a figure nudging $1 billion. This is an investment in our most precious natural resource of all, water. It has been achieved through federal, state and community and customer cooperation in a genuine partnership with costs being shared one-third/one-third/one-third. I am immensely proud of my role in ensuring the federal government provided a significant proportion of the funding for this project. It is a project that simply would not have happened without a federal partnership.

The pipeline system replaces 18,000 kilometres of leaking and evaporating earthen channels, and will save 100,000 megalitres of water every year—100 billion litres of water, every year. It has been said that that is enough water to fill Olympic swimming pools placed end-to-end from Melbourne to Darwin and back again. I continue to be immensely proud of this project, and, if I do not achieve anything else during my career in this place, the completion of that scheme, which has been debated and discussed for 60 years, will do. It is a modern-day engineering triumph that replaces an earlier landmark engineering achievement—a channel
system which first brought water to thirsty communities in the Wimmera and the Mallee in the early 1880s, having taken 60 years to complete.

However, Canberra is still to come good with the final $25 million promised by the Rudd Labor government during the 2007 election. It is still short on that commitment it made, and this is a significant contribution that could be used to backfill the old channels. Most of the smaller ones are being backfilled by the landholders themselves, as part of their own contribution, but the big supply channels, which are as wide as a cricket pitch is long—massive carvings in the landscape—will need backfilling by the responsible authorities and those authorities will need the funds to do it. I am concerned that there is no provision for this $25 million anywhere in the current budget. I call on the Prime Minister to honour the promise he clearly made, and subsequently has reiterated, to provide this $25 million.

On a broader note, much of the Mallee electorate is dedicated to dryland farming and irrigated horticulture along the Murray River. It has three major regional centres—Swan Hill, where I reside, Horsham in the Wimmera, and Mildura in Sunraysia. They are all linked by smaller and no less vital contributing communities. Sadly, our immediate farming and value adding prosperity has been adversely affected by five major elements: irrigation water cutbacks on a scale never envisaged by those visionary people who built the irrigation systems along the Murray, a decade of drought, low commodity prices, a looming mice plague to add insult to injury, and, even worse than that, the potential for one of the worst locust plagues ever seen in Victoria.

While we all appreciate and know the impact of the drought, and the Murray-Darling Basin is very much on the news, the effect on irrigation communities has been devastating, and that is seldom reported. Particularly when you look at the enormous potential of the community around Sunraysia, around the strong provincial centre of Mildura, to visit that location today causes one to be greatly concerned about a provincial centre that was once the third-largest growth centre in the whole of the nation. Coalition shadows, to their credit, have been spending time out there talking to irrigators in their packing sheds in a bid to drive a fairer outcome for those special irrigators of our major food bowl. Irrigators who have had their rights severely eroded by inappropriate decisions by governments, state and federal, in recent years, are now fearful that new sustainable diversion limits, SDLs, which are currently being pursued by Rudd Labor, will add further to their disadvantage. Currently the SDL would seem to be badly biased against the farmer, biased against the irrigator, biased against the wealth creator and biased against the economic activity that creates employment in regional Australia because it targets another 30 per cent of water used for agriculture to be converted to environmental needs.

It needs to be recognised that every gigalitre lost to productive irrigation throughout the Murray-Darling Basin represents 30 jobs across the local economy. It affects the corner store and it affects the retail sector, right down to the shoe shop—lost jobs and lost opportunities. The value of irrigated horticulture flows right through the whole community and it is the reason why strong communities like Mildura and Swan Hill are there in the first place—to support the services needed to encourage horticultural activity. There is also the enormous concern of my constituents that water being taken from the Murray catchment is being sent down to Melbourne and the real concern that this will get rebranded for urban use in a permanent
allocation, giving it a greater priority than to those people who produce food—valuable food for the nation.

In 2010 the Victorian irrigation landscape is badly scarred, with many producers having no option now but to sell their water and often their land, although without the water it is not of very great value. This is because their crops were bringing in less than the cost of production, and this has been happening for far too long. It is a tragedy, and the greater tragedy is that it is not yet recognised by the government that presides over Treasury in this place.

We the residents of the north-west of Victoria, we the hardworking people of the Wimmera-Mallee, call for a better balance between the needs of the environment and the river and the needs of wealth creators, employment providers and food production security providers. This can only be achieved by turning to modifications of the overarching federal Water Act. Each year more and more people are getting to the situation where they cannot wait any longer for better times, with more reliability on a water security system that was once the envy of the world. In addition to that, they need a fairer market in a marketplace where they have to contend with the avaricious price pressure from supermarkets. These irrigators are not second-class citizens; they are food producers, they are wealth creators and they are important contributors to this nation’s wellbeing, and their hardship and now their pain flows right across the economic line to every small business. Pretty well every nation around the world defends its food producers, and Australia has a lot to learn in this respect. It is time greater focus was brought to the importance of this productive base in the Australian economy.

We hear a lot of talk about a two-speed economy and the way to address this. It is not to apply additional taxes to those who are successful but to invest wisely in research, extension and implementation. In the past 2½ years under the auspices of this government we have seen nothing but the demise of local research infrastructure, particularly in the north-west of Victoria. Better infrastructure and improvement to those irrigation systems that are nudging 100 years of age and the replacement of the Wimmera-Mallee system are good examples for other locations around the nation to follow.

Our food producers need encouragement to be more globally competitive. They operate where there are not subsidies against commodities in the marketplace internationally that are subsidised. We in the Mallee have had enough of setbacks. I note that regional Australian parliamentarians have been fighting hard to keep their communities together, to try to give them some leadership in the lowest times that we have ever experienced. In the face of drought and low commodity prices, what is looming is the crippling impact of debt. Passionate representations have been made by me in this place about the need for farm debt mediation, because we cannot afford to lose good contributors and expertise in our rural communities. We must do everything we can to put procedures in place to encourage them to stay in their wealth-creating activities. If farmers and small regional businesses cannot trade out of situations, often not of their own making, then we at least need a safety net so that they can exit with dignity. Their passing must not cause a tsunami of lowering of land values. This puts pressure on neighbours across-the-board, puts even more farmers at risk and puts at risk the local government rate base. Local governments across regional Australia are already struggling to raise the revenue to supply the services increasingly demanded of them.

The immediate future of my Mallee electorate concerns me greatly. Reasonable rains have come but accompanied by the blight of a locust plague that could possibly be the worst in his-
tory in Victoria. The locusts have already come, blown down from the north out of Queensland. I understand the Plague Locust Commission position, because of the rainfall and flooding up there they lost the opportunity for pesticide spraying of locusts before they got to the air. I am grateful for the attention the minister for agriculture on the other side has provided, with personal assurance to me that he is alert to the need to deliver radical locust control measures when the hatchings start in Victoria in the coming spring. Each female locust mates at least four times; they are worse than rabbits. Each time she lays eggs she lays 50 eggs. With literally billions of locusts already in the air across the South Australian and Victorian Mallee, that is a prediction for a locust plague in our spring of biblical proportions—black skies which old-timers tell me they can recall from the 1940s, and there was a similar event that happened in the 1970s when I was at Melbourne university.

It is seldom that locusts have penetrated this far south in Victoria. It is amazing to see what they will do to a crop overnight. They have already devoured vegetable crops in my electorate, including those of one of Australia’s largest carrot growers at Wemen. Some $500,000 worth of carrots were wiped out within a few hours, which I watched happening while standing beside the desperate landholder. They do not eat carrots; they seem to know where the juicy parts are and they eat the week-old leaf that has just emerged out of the ground. I saw them do that to barley crop in my electorate last month. I have seen them wipe out a dairy farmer just north of Swan Hill, to the point that within two days he arranged to sell his 300 milking cows. That was the last straw for him. Having just got his water back, irrigated to get a nice pasture going, for some reason only known to the locusts they picked out his brand-new juicy green crop and wiped him out within 48 hours—just staggering. That really worries me about what might happen in the spring. So what I am asking for, due to the high cost of pesticides, which farmers just do not have the resources to budget for, is that governments in Victoria and the Plague Locust Commission get together to make sure that there is adequate pesticide in the nation and get ready for the spring. It is not just on local private land; the huge number of national parks in the north-west of the state require governments to play their part, because that is a breeding ground for many locusts.

Two or three months ago we were all joyful down there that this was the best start to a season that many farmers in south-eastern Australia had seen for a decade. Many got busy with their cropping program after Anzac Day, which is the traditional date to start planting barley, wheat and other legume and grain crops, but now they are hesitant to proceed with their cropping, worrying about what the future might hold. They are worrying about making that massive investment and having it destroyed later by a locust plague. All governments, federal and state, need to work cooperatively to ensure there is enough pesticide in the nation and, better than that, have a plan for its expeditious distribution. Farmers will do their part, but governments need to do their part in the national parks and public land.

When a season starts like this it increases the hope and expectation of farmers that they will have an opportunity at long last to reduce their accumulating debt, which is their greatest ambition, increase their productive investment and take the opportunity to invest in improved technology. We have to encourage them to do this, even with the uncertainty of the season they are confronting.

We as a nation have to defend our regional Australian productive base as never before. The vision of a prosperous Australian farmer driving a Rolls-Royce is long gone—that was maybe
50 years ago. The modern farmer today is a tough individual, working long hours for little reward and busting their guts to remain world-competitive, with no subsidies and no barriers to the importation of cheap competitive products. I admire their resilience and their dogged pursuit in producing first-class, quality food and quality livestock. I commit to continuing to provide them with the vociferous support they deserve in this place. It is time to give our regional economies the respect and recognition they deserve so that they might continue producing the quality foods that too many Australians take for granted.

Critics of irrigators have obviously never gone hungry. They need to be reminded that the plethora of fresh fruit on supermarket shelves—stone fruit, citrus, table grapes—or the good wine, the good steak and the prime Mallee lamb they consume does not originate in a supermarket but comes from the backbreaking work of Australian farmers who have carried the nation for the whole of its history. Today I ask the parliament to give the recognition due to our nation’s productive base and stop treating our regional communities—who are used, abused and neglected—as the poor cousins of those in the cities and call on the Rudd Labor government to respond.

Mrs IRWIN (Fowler) (11.23 am)—In what will be my last speech on a budget in this House, I am pleased to see that this budget represents a real contrast to earlier budgets. The first of Labor’s budgets in government began to correct the imbalance in priorities that the previous 12 budgets of the coalition cemented into place in Australia. Labor’s second budget was framed in the wake of the global financial crisis and, as we look back on the decisions taken at that time, we should appreciate the correctness of the policy decisions which saved Australia from the worst consequences of the economic downturn that affected developed countries around the world.

At a time when more economic storm clouds are gathering, this year we have a budget which builds on the better than expected outcomes, going by last year’s figures, and will see Australia back in a surplus position within three years. It is a responsible budget. Given that this is an election year, unlike budgets under coalition governments, there are no rash handouts. Instead, this budget and programs announced by the government provide a plan for Australia’s future.

While the previous government could never see past the next election, the government’s plans in this budget will place Australia in the best position to meet the challenges of the next decade and beyond. The previous government boasted about surpluses which it had gained through the sale of public assets and by slashing expenditure in vital areas of spending—slashing funding for universities and vocational education and then boosting skilled migration to make up for the skills shortages that its policies had produced. The coalition government managed the strangling of our hospital system by holding back the Commonwealth’s share of funding for so many health services and failed to address the infrastructure needs that have led to so many bottlenecks in our export industries and in our expanding cities. These are not the sorts of budget strategies that we can expect should a coalition government be elected next year.

You could refer to the previous government’s record in office as ‘a tale of lost opportunities’. From the time it took office, the coalition government has squandered the legacy of the Keating and Hawke governments. At that time Australian manufacturing industries were gaining confidence and a foothold in world markets, but we have seen them shrink to a shadow of
their place in the Australian economy. The once thriving inbound tourism industry now stutters along and there is a cloud over the future of our once booming education exports.

This Labor government’s vision of what Australia could be 10 years from now is very different from that of the opposition. For a start, the government acknowledges that we have a two-speed economy—something any observer would notice if they travel from one side of Sydney to the other or from one side of Australia to the other. The Treasurer, when speaking of the budget’s key challenges, referred to ‘a return to full capacity in a two-speed economy’. This is the first time I can recall a Treasurer acknowledging this fact. At last we have a Treasurer with the eyes to see that not every part of the Australian economy is going gangbusters. Better still, we have a Treasurer and a government that have the courage to adopt policies that can ensure a prosperous future for all Australians, not just those in the mining industry but those in other parts of the traded goods sector—our farmers, our agricultural producers, our tourism industry, our import-competing industries, our manufacturers and service providers facing increased competition from overseas based firms, our building industry in non-mining areas and our financial services sector.

To have a stable and vigorous economy we cannot place all our investment eggs in one basket. We need a diverse range of industries if we are to develop the full potential of our nation and all its resources, not just the ones that can be dug out of the ground. We know from experience in Australia in past decades and from the recent experience in overseas countries that reliance on mining alone can produce distortions in the economy, which are not in the long-term interests of development. We know from the work of Professor Bob Gregory in the 1970s that mining investment draws investment away from other domestic industries. We know that dependency on mining incomes can leave an empty shell in regional economies when commodity price falls lead to mine closures or when the resource runs out.

The Leader of the Opposition has described the mining industry as ‘the goose that lays the golden eggs’. Well, that is a bird-brained approach to our national economy. The mining industry is not a goose that lays golden eggs; it is a cuckoo that lays its eggs in the nest of other birds and deserts its young to be raised by unsuspecting parents. The cuckoo chick then flies at the expense of the legitimate chicks, leaving the deceived parents with no live offspring to continue with. That would be the fate of other Australian industries if the opposition and their mates in the mining industry had control of the Australian economy. Their approach belongs in cloud cuckoo land, not in our great country Australia.

I mentioned the fate of Australia’s rural industries. As mineral exports and higher commodity prices force up the value of the Australian dollar, our rural exports yield less in Australian dollar terms and force producers out of business. But where are the cries of ‘We’ll all be ruined’ that we have heard so often from the National Party? In this debate there is not just silence but enthusiastic support for the mining lobby. To mention another bird, they are like turkeys voting for Christmas. But we all know that the National Party sold its soul to the miners decades ago—and they wonder why Independent members are successful in their former strongholds!

But just how does a two-speed economy affect people from different parts of Australia involved in different industries? If you look at the Sydney real estate market over the last 12 months, you will see that prices at the top end of the market have increased by 17 per cent while prices in the most affordable suburbs have increased by seven per cent. Significantly,
first home buyers now make up only 16 per cent of the market compared to 30 per cent in the previous year, and while the closing of the government’s more generous first home buyers scheme is partly responsible for this drop, the six interest rate rises since last October must also be having an effect. With only the blunt instrument of interest rates to cool down inflation in mining states, all Australian borrowers, including homebuyers and small businesses, are forced to share the burden. That makes the Treasurer’s challenge to return to full capacity in a two-speed economy all the more difficult.

While the media have focused on mineworkers’ claims that they will be ruined, I have yet to see anyone interview building workers in New South Wales to ask about the effects of the 13 interest rate rises we saw under the Howard government. This month, when the Reserve Bank again increased interest rates, the building industry in New South Wales was flatlining. If it were not for the much-maligned Building the Education Revolution, the building industry would be in deep, deep recession. That is the challenge of managing a two-speed economy.

If we must share the pain of higher interest rates, why shouldn’t we share the bounty of our mineral wealth, and how should we use that mineral wealth for the benefit of all Australians? The program proposed by the government addresses three key areas. Firstly, it phases in an increase in the superannuation guarantee levy, increasing the minimum employer contribution from nine per cent to 12 per cent. This is a measure that will significantly boost the retirement savings of millions of working Australians, particularly those on lower incomes. It will enable millions of working Australians to share in the wealth of this country and, importantly, it will give them access to that wealth on their retirement from work. You can make a huge difference to the retirement incomes of so many low- and middle-income earners. As well, the money invested in superannuation boosts Australian savings and provides a pool of funds for investment projects around Australia.

Who would oppose such a worthwhile measure? The opposition, of course. They have always opposed superannuation for ordinary Australian workers. They opposed compulsory superannuation when Labor introduced the scheme 20 years ago and, in their time in government, they did nothing to increase contributions. Let us not forget Labor’s long-term commitment to increase the levy to at least 12 per cent. What did the opposition do about increasing the levy? We all remember the L-A-W tax cut promise by the Keating government in 1993—I remember it well. There was a second part to that, which was to be delivered as an increase in the superannuation levy. But too many members opposite have forgotten that the coalition government pocketed that tax cut and saved it for election year handouts. The opposition has never wanted universal superannuation. The only thing superannuation policies mean to them is a way of providing even more lucrative perks for high-income earners. An increase in the superannuation levy is an overdue measure and an effective way of sharing our nation’s wealth. It will benefit all working Australians by improving their retirement incomes.

As well as this retirement savings measure, I am pleased to see that this budget includes the 50 per cent discount on the first $1,000 of interest earned on deposits held in banks, building societies or credit unions and on bonds, debentures and annuity products. This is another example of a Labor government providing tax relief for low- and middle-income earners rather than perks for high-wealth individuals that was common under the previous government. Changes which increase the amount persons over 50 can contribute to top up their super, which is limited to those with balances of less than $500,000, is another example of treating
superannuation as a retirement income base for all rather than the preserve of the wealthy. This treatment allows for what is becoming common practice for many low- and middle-income Australians at a time in their lives when they no longer have dependent children and can commit more of their income to provide for their retirement.

The second measure to address the challenge of managing a two-speed economy is the reduction in the level of company tax from 30 per cent to 28 per cent and the earlier introduction of the changes for small business, including the instant write-off of assets costing less than $5,000. The opposition, which paints itself as the saviour of small business, is strangely very silent on this issue. These are measures which provide direct benefit to small business. The $5,000 instant write-off is far more realistic than the much lower levels which applied. This will allow many small businesses to upgrade equipment and improve productivity.

Mr Slipper—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Mr S Georganas)—Is the member for Fowler willing to give way?

Mrs IRWIN—No. As I was saying, this will allow many small businesses to upgrade equipment and improve productivity, which will benefit their bottom line as well as improving our nation’s productivity. By improving the cash flow of small businesses, this measure will provide greater relief to many small businesses.

The third measure in this initiative is to address the need to improve our nation’s infrastructure. The resource super profits tax offers the opportunity to fund $5.6 billion in new infrastructure expenditure over the next 10 years. This is money that is urgently needed for investment in critical infrastructure projects to reduce bottlenecks. I am pleased to note that the budget provides $71 million for the road-rail terminal at Moorebank in the neighbouring electorate of Hughes. This is a critical project which can assist in reducing traffic congestion in south-western Sydney.

The most important infrastructure development is the rollout of the National Broadband Network. This project is vital to Australia’s future. As many other members would find, the most common complaint coming to my office by email relates to slow broadband services in Western Sydney. It is clear that no private sector operator is willing or capable of providing a world-class broadband network. Failure to proceed with the rollout of fast broadband will leave Australian businesses in an information dark age. But the Luddites opposite seem to think that we can put up with snail-paced information technology for years and years to come.

Nothing illustrates this better than the announcement by the opposition that it would scrap the electronic health records system. This is one of the most effective ways of improving patient safety and healthcare delivery, and it is not surprising to see that it is supported by health professionals across the board. It seems that only the opposition is out of step with this important health initiative. The electronic health records system is one part of a $2.2 billion investment in our health system. While the previous government failed to maintain the Commonwealth’s share of hospital funding, this government has accepted the Commonwealth’s responsibility in health care and ushered in a new age of health system reform.

As I began by saying, this will be my last contribution to a budget debate.

Mr Briggs—Very sad.
Mrs IRWIN—Thank you. I thought that some members might be happy that I am going! I expect that in future years I will have the luxury of watching the Treasurer’s speech on television like so many Australians. I can only hope that those budget speeches will show the vision for Australia’s future that is evident in this budget and not the return of the type of budgets that we saw under previous governments: budgets of lost opportunities to develop our nation, budgets which put the special interest of the wealthy ahead of ordinary Australians. We must continue to have budgets which acknowledge that Australia has developed into a two-speed economy which requires special measures to ensure that we develop the full capacity of our economy and not cater to the needs of one sector.

Mr SLIPPER (Fisher) (11.41 am)—At the outset, I would like to wish the retiring member for Fowler a long and happy life. While we probably disagree on just about every political issue, I do have a very high regard for the honourable member and I think that it is a pity that the hatchet men and women of Sussex Street are forcing the honourable member for Fowler into a premature retirement.

Mrs Irwin—Mr Deputy Speaker, I am reluctant to interrupt the honourable member when he is making his address in reply to the budget, but it was—

The DEPUTY SPEAKER (Mr S Georganas)—Are you seeking to ask a question?

Mrs Irwin—No, I just want to raise a point of order on the comment that he has just made about the ‘hatchet men and women of Sussex Street’. Am I allowed to do that, Mr Deputy Speaker?

The DEPUTY SPEAKER—It is not a point of order. I ask the member to resume her seat. There is no point of order.

Mrs Irwin interjecting—

Mr SLIPPER—I would look forward to any discussion with the honourable member for Fowler. Maybe she jumped before she was pushed.

However, I just want to comment on this budget. While we hear government members talking about spending in a range of portfolios which they say will be of benefit to the community, one ought to appreciate that the budget position is underpinned by a great big new tax on mining. It is all very well to go out there and say that various aspects of government spending are desirable expenditure, and it is all very well to talk about how various sections in the community will benefit from government spending, but the reality is that this budget is built on an illusion because it is by no means certain that this great big new tax on mining will pass through the parliament. It is by no means certain that the companies involved in the mining industry will continue to make investments in that industry. The income projections from this great big new tax on mining are incredibly optimistic given the fact that large mining companies and smaller mining companies have been talking about voting with their feet and going to other opportunities around the world which do not have the same level of sovereign risk as is now presented by Australia under the Labor government. So, even if this great big new tax on mining passes into law, the amount of revenue which will be raised from it will be much less than the optimistic, rosy predictions of the government and the Treasurer. When that money is not received, the budget will not go into surplus within the time frame announced by the Treasurer.
From the point of view of the Sunshine Coast, the area of Australia I am privileged to represent in the Australian parliament, the budget is more significant for what it omits rather than for what is included. There is very little in the budget for the Sunshine Coast. I do not know whether this is a penalty being imposed on the people of the Sunshine Coast because they had the temerity to vote for the Liberal-National opposition at the last election, but this budget is just another big-taxing, big-spending Labor budget with no serious reform. Unfortunately, much needed infrastructure spending for the Sunshine Coast is entirely absent from this budget. I refer to a couple of articles in the *Sunshine Coast Daily* newspaper, which services the Sunshine Coast, the seventh largest population area in Australia. I quote from an article by Bill Hoffman. He says that the budget ‘appears to have done nothing to boost regional economies that have been left struggling by the global financial crisis’. He goes on to write:

Sunshine Coast Business Council chief Jason Law said he had failed to identify any targeted assistance to the regions and rejected claims by Treasurer Wayne Swan that Australia had defied the economic gravity of the crisis.

“I don’t see that here,” he said.

Mr Law said it was essential that council, state and federal politicians, as well as business lobby groups, went in hard to chase any available money to assist the region.

I have already written to the Prime Minister, the Minister for Health and Ageing and other ministers in relation to infrastructure needs of the Sunshine Coast but have not received any response at all from the Prime Minister and from other ministers have received responses that do not give us any cause to be optimistic. Mr Law went on to say in the article:

“We won’t be noticed if we don’t make a noise,” he said.

“We have to punch above our weight. The Coast faces a drain of skills to the mining sector.

“The government isn’t talking about the regions. There has been nothing proscribed for them and we need to fight.”

Mr Law, a very well respected member of the business community on the Sunshine Coast, said what everyone believes—namely, that the government ignored the Sunshine Coast in the budget. The article went on to say:

Hopes that there would be Infrastructure Australia funding for key projects like the $200 million airport upgrade and assistance to get the Sunshine Coast health precinct going was a long bow, he said, because of the amount of money that was already committed to other projects.

Those projects, of course, are in other areas. He pointed out that the reduction of one per cent in company tax may have some impact on major corporations but would have little or none here. He of course is referring to the Sunshine Coast.

There was nothing of significance for seniors in the budget. As part of that nothing for seniors, there was an ongoing failure to index the eligibility for the Commonwealth seniors health card. More and more Sunshine Coast seniors are being forced off the Commonwealth seniors health card. By being forced off the card they lose eligibility for the Pharmaceutical Benefits Scheme at the concessional rate.

I refer to another article by Bill Hoffman and the AAP in the *Sunshine Coast Daily* of Wednesday, 12 May. In this very interesting article he refers to Angela Vogt, a very worthwhile member of the community. He points out that she juggles her own business, three chil-
Children under the age of 12, the family budget and her husband’s frequent absence because of his job in the Western Australian mining industry. I quote from the article:

Last night’s Federal Budget has left her underwhelmed.

“I’m surprised there are no bells and whistles,” Ms Vogt said.

“There is no help for the average worker, no real tax cuts or benefits. Healthcare was an election promise that hasn’t been delivered before now.

“There is no help for a new hospital and there is no help to build up areas like ours that are experiencing the level of growth we are.

“It’s been tough but there are no incentives for small business to employ more workers.”

Ms Vogt said industrial relation laws which require employers to offer minimum three-hour shifts were doing nothing to help kids and students working casually to bring more money into their families.

A Coast resident for the past six years, the publicist said the Budget delivered nothing to improve her husband Steve’s employment prospects here.

He works four weeks on, one week off in Western Australia, and it is the second time the couple has been forced to take that option since they have been here.

“We do that because there is not enough consistent work here,” Ms Vogt said.

Ms Vogt said the new mining tax was scary for her family unit.

The article goes on to say:

“The industry will cut corners, and jobs will go because of it,” she said.

“The Budget does nothing to improve employment opportunities here and with the mining tax it just adds extra pressure on us.”

That is Angela Vogt of the Sunshine Coast expressing as a person in our community her view of the failings of this budget.

It is important also to look at respected commentators like Robert Gottliebsen in the Business Spectator, published at 7.45 am on 26 May 2010. He refers to the world crisis in finance resulting from poor management in Greece and the situation in Europe, but he indicates that there is a double-whammy effect in Australia. I quote:

Of course, as only Australia can, we have shot ourselves in the foot with the mining tax which has triggered a capital strike that will delay over $100 billion worth of new projects. So, if the global markets signal converts to a slowdown, then we face a double blow. That’s why our currency is being hammered and our stock markets are performing so badly.

We have reports that the government are about to do a backflip on this great big new mining tax. It would be a good thing if they did but when they do that their budget will be shown as the sham and illusion that it is. It is important to appreciate that this great big new tax on mining will make sure that residents on the Sunshine Coast will face higher electricity and grocery prices. The government has completely lost the plot and residents in the electorate of Fisher need a government that is committed to paying off Labor’s $93 billion of public debt and in doing so supporting families and securing jobs. It is truly scary that this government, which inherited a budget surplus, has through irresponsible spending turned us into a situation where the future of Australians not yet born has been mortgaged. That is just an incredibly scary position, as is the level of incompetence we have seen in so many areas. One only has to talk to any single Australian to find how concerned people are with the bungled foil insulation disaster which saw four people lose their lives. Now we find in the budget the necessity to
spend another $1 billion to try and sweep up after the mess that was made by Minister Garrett and those in authority in his department. The government, however, has not in my view explained to the Australian community satisfactorily how it is worthy of continued support given its monumental and gross incompetence.

Then of course we have Labor’s dismantling of our border protection which has essentially turned the oceans around Australia into a superhighway for people smugglers. What the government has done is to go out there and tell people smugglers, ‘Roll up, roll up. We’re going to take you passengers,’ and people are paying a commercial figure to people smugglers to be shipped to Australia. Their lives are at risk, and now the government is having to spend another billion dollars to try to do something about the need to have border protection. It is also relevant that this budget deficit is the biggest budget deficit on record at $57 billion.

This high-taxing, high-spending budget is a danger to the economy and a danger to Australians born and Australians yet to be born. I am particularly pleased that the Liberal-National opposition has indicated our very strong opposition to this great big new mining tax, which is a massive threat to Australia’s economic future. On the other hand, the Leader of the Opposition has been prepared to take some hard and necessary decisions that the Prime Minister and the government have shirked. That is why the opposition found it necessary to make certain announcements over the last week or so to indicate that we will return the budget to surplus within the same time frame as the government claims it will but do so without the need for a great big new mining tax, which will threaten the economy, threaten jobs and see investment go overseas instead of to Australia.

It is interesting that the Canadian authorities have said that, now that the sovereign risk in Australia is as high as it is, mining companies ought to look at immigrating to Canada and voting with their feet by investing in a country that does not have the same iniquitous tax that is being suggested by the Labor government. This great big new tax on mining follows the other great big new tax, the ETS, which has been temporarily shelved by the Prime Minister. But there is no doubt that, if the government is re-elected, this other great big new tax, the ETS, will come back in. That will threaten our exports and our economy. There will be disaster all around.

I want to stress that I have written to the Prime Minister to seek assistance in our urgent need on the Sunshine Coast for extra hospital and health services. The Queensland Labor government promised, prior to the last state election, that the Sunshine Coast University Hospital—which is desperately needed, given the rapid population increases on the Sunshine Coast—would be built by 2014. No sooner had the result of the election been declared, they shredded that promise and said that the hospital would not be constructed until 2016. Given the fact that the Prime Minister has grabbed about 30 per cent of Queensland’s GST revenue, I suggest that some of that revenue should be spent on the Sunshine Coast to accelerate the construction of the Sunshine Coast University Hospital that was postponed by the state Labor government.

I would be the first to say that state Labor governments around the country have shown that they are monumentally incompetent in many areas, particularly in the area of health. Now that 30 per cent of the GST revenue is being raked in by the Prime Minister, that money should be disgorged and spent in areas like the Sunshine Coast so that we get our hospital built by 2014 and do not have to wait until 2016. The state Labor government is seeking to impose huge
population increases on the Sunshine Coast. The Palm View development alone will bring 14,000 more people and the population of the Sunshine Coast will double in the next 10 to 15 years. But state Labor governments are not prepared to put in that infrastructure—such as the Sunshine Coast University Hospital—that we need.

It is also necessary to increase the size of the Bruce Highway from Caboolture to the Sunshine Coast to six lanes. I have been pushing both the former government and the current government to do this. We have a situation on the Bruce Highway in which traffic is often gridlocked. The Howard government increased the size of the Bruce Highway to six lanes from Brisbane to Caboolture. That removed the worst bottleneck between Brisbane and the Sunshine Coast. But, as traffic flows continue to grow because of population continuing to expand, there is a need for six lanes all the way from Caboolture to the Sunshine Coast.

I mentioned that I had written to the Prime Minister in relation to the need for extra health and hospital services on the Sunshine Coast. It would not come as a surprise to you, Deputy Speaker Georganas, to hear that I have not received a reply from the Prime Minister. I also wrote to the Minister for Health and Ageing. She did not reply but she got the honourable member for Port Adelaide, the Parliamentary Secretary for Health, to respond on her behalf. Basically what he said was that the Australian government was aware of the challenges facing our public hospital system and is working with the states and territories to make real and sustainable developments.

He also pointed out an accurate statement and said:

… the States and Territories are responsible for the day-to-day administration of public hospitals, included capital infrastructure and service planning, and you may wish to raise your concerns with the Queensland Minister for Health, the Hon Paul Lucas …

And he gave me Paul Lucas’s contact particulars, which I already had. The only reason that I wrote to the federal authorities was the fact that Minister Lucas and the state Labor government had broken their promise to construct the Sunshine Coast University Hospital by 2014. I might add that Minister Lucas is the same minister who introduced the new computer payroll system which saw many people on the Sunshine Coast working for Queensland Health not paid or only paid a fraction of what they were entitled to. That of course was a scandal. I understand that a similar computer system is about to be introduced in another government department in Queensland.

In summing up, this is a budget which is significant for what is omitted as far as the Sunshine Coast is concerned. It is a budget built on an illusion. It is a budget which claims it will get back into surplus within a couple of years. The basis of the calculation of that so-called surplus is the great big new tax on mining, which will either not pass through the parliament or, if it does pass through the parliament, not raise anything like the revenue that the Treasurer claimed it would when he delivered the budget. This is a government which in three years has run out of puff. It really is time for a change of government. This government is more like the Whitlam government than any other government Australia has ever had. This is a government which is tired. It has run out of transparency. It is into creative accounting. We find this budget is a huge fraud on the Australian people, in particular on the people fortunate enough to live on the Sunshine Coast. I am very concerned about this budget, which is a disgrace.  

(Time expired)
Mr Danby (Melbourne Ports) (12.02 pm)—I rise today to speak about the concrete benefits of this year’s budget for my electorate of Melbourne Ports. Every single one of the 15,321 small businesses in Melbourne Ports—from the famous cafes in Acland Street and in Victoria Street, Albert Park, to the St Kilda Road solicitors, to the Elsternwick smallgoods stores—will be better off because of this budget. Every small business will be able to claim a deduction of assets up to $5,000 and their tax rate will be reduced to 28 per cent if they are a company from 1 July 2012. Incentives for individual savings include a 50 per cent tax concession for savings and an increase in the superannuation guarantee to 12 per cent over time. Workers will also be entitled to the superannuation guarantee for a further five years up to the age of 75.

One of the major benefits out of the budget for young people in Melbourne Ports is a training placement guarantee for those under 25. Australia wide, $661 million will be spent on training. There will be 70,000 new training places and 22,500 new apprenticeships over next four years. This very much fits in with this government’s determination to see that there is a skills training program for young Australians, who were so neglected under the previous government, and it fits in with our skilled migration policy, which is designed in a balanced way to fix skill shortages in Australia—concentrating as much on young people getting skilled positions as on immigrants, who help the bottom line of the budget.

The budget also allocates $2.2 billion on providing better access for GPs, primary care and to train nurses, particularly in aged care and the regions. The necessary funds will also be made available so that waiting times at places like the Alfred Hospital emergency department and all other hospitals around Australia should be no longer than four hours.

Despite the budget necessity of reducing the number of childcare centres under construction—and in spite of the Deputy Prime Minister’s fantastic and perceptive work following the collapse of ABC Learning Centres, where she managed to keep in existence a very large number of commercial childcare centres that would otherwise have folded, with all of the attendant problems that parents would have had to deal with—Melbourne Ports is lucky to have secured two of the 38 centres that will be built by the government. Despite some of the local difficulties with one of these centres, in Port Melbourne, I am confident that both are being built. They will ease the strain on the demand for child care in our burgeoning part of the inner city. I might say that the number of young people and young families moving into the area as part of urban consolidation is very evident. Not only will these two government centres be necessary but there are two other commercial childcare centres being built, which I also support and which cover the very top end of the market and are very expensive. It demonstrates the ongoing need for child care.

This budget is good news for Melbourne Ports. It provides additional funding to improve health services, funds additional training places for our young people and provides financial relief for families and small business. This budget also provides for community housing in my electorate—something this government has made firm commitments on. I notice it was criticised recently on Derryn Hinch’s program on 3AW. I do not think Mr Hinch’s interlocutor was aware of the various things that are being done.

On 23 April this year I joined the federal Minister for Housing, Tanya Plibersek, and the Victorian housing minister, Richard Wyne, together with some great people from the Salvation Army, Territorial Commander Caroline Knaggs and General Eva Burrows, to open the...
Salvation Army’s crisis accommodation centre in Upton Road, St Kilda. The centre is a testament to the extraordinary service the Salvation Army has given over 20 years in providing emergency housing for the homeless and disadvantaged singles and families in the St Kilda community. The centre will house 11 one-bedroom units and two four-bedroom units for families.

The funding for the centre was contributed by the federal government, which provided $2.3 million through the Nation Building Economic Stimulus Plan; the Victorian government, which contributed $2 million; and a range of philanthropic contributors, led by Peter Fox, Margaret Jackson and John and Betty Laidlaw, who contributed $3 million. It is a perfect example of a private-government partnership to see that the more disadvantaged in our electorate have a place to live.

If people visit this centre, they will see it is a paradigm for using land, such as this piece of land next to Dandenong Road, which otherwise would not be used. Its various rooms can be allocated according to the size of the family that are in crisis accommodation. I pay tribute to the architects, to the wisdom of the Salvation Army in working with the federal government and to the philanthropists, in particular to Peter Fox for his leadership. Together they have added to the stock of housing we have available for the homeless and for disadvantaged people who are in need of crisis accommodation.

It saddens me that each day outside my office I am confronted with the effects of homelessness on families and individuals. I do not believe it is acceptable in a country like Australia—one that has staved off the global financial crisis and is prosperous—that thousands of Australians need emergency housing. We as a society and as representatives of the Australian people have an obligation to ensure that no-one is left behind from the progress and affluence of our country. Homeless families and singles suffer abject and gut-wrenching poverty which most of us cannot imagine.

The Salvation Army crisis accommodation centre is just one of a number of projects in my electorate to provide emergency housing that the federal government has invested in to the tune of $53 million. Thirty-six million dollars of this is funding targeted to housing projects through the Port Phillip Housing Association, South Port Community Housing Group and St Kilda Community Housing. I have been to most of these projects, and to say that they are achieving their ends is putting it mildly. Of this amount, $5.1 million is for a new building of 17 units in Grey Street, the opening of which I went to the other day; $1.5 million for eight new units in Alma Road; $1.1 million for nine new units in Blessington Street, St Kilda; $1.5 million for 14 new units in Jackson Street; and $5.5 million for 36 new units in Beaconsfield Parade. The Australian government has made homelessness a national priority, and the building of these new facilities in my electorate is a step towards making the changes needed to cut the homelessness rate by 2020.

Another aspect of the budget this week was the accident-prone response of the Liberal Party on economic policy. On Wednesday last week the Liberal Party finally let the public know how they would make changes to the budget. They claimed they would make savings to the tune of $47 billion. One particular program that was not listed to be cut was the school building program. This is despite the fact that, on 12 April, the member for Sturt argued that the third round of the school building program, which has not been rolled out, should be suspended. Perhaps the fact that it was not listed for axing in the budget reply means that mem-
bers of the Liberal Party have seen the error of their ways, but the ferocity of their attacks against this program with the coming election makes me doubt that. As we have seen, the Leader of the Opposition, in particular, will make all sorts of rash claims if he believes they will bring him political advantage. On behalf of my electorate, I warn the Liberal Party against calling for axing of parts of the school building program in the heat of the election campaign.

The schools in round 3 in my electorate are mostly schools with more complex design issues. This means that, as inner city schools with restricted space require more time to organise new construction, they have been put up in round 3. As Melbourne Ports is one of the most densely populated electorates in the country, we have a very large proportion of schools receiving funding in round 3. Sixteen schools in Melbourne Ports are receiving funding in round 3. All these schools will have their funding scrapped if the Liberal Party comes to power and follows through with the member for Sturt’s plans. This is utterly unacceptable, unjust and even immoral. The member for North Sydney has called the budget ‘a shameless con’, but the only shameless con is the Liberal Party’s claim of depriving our schoolchildren of the new teaching facilities that are economically sensible for the future of Australia.

I might point out to the Liberal Party that I have been through all these projects in my electorate, along with the school principals, to see that we can get the best value we possibly can for the government dollar. It is in the interests of the schools. Why would it be in the interest of any school to try to get the worst results possible? Only in electorates where members have been insufficiently attentive to these things, in my view, has this problem been allowed to happen. I know from the projects I see in my electorate that classrooms need to be built for the burgeoning number of children. There are children there. What would the Liberal Party have them do—be taught in the street? If the Liberal Party continues its campaign for the axing of parts of the school building program, I will be demanding that the Leader of the Opposition come to Melbourne Ports to explain to the parents, teachers and students of St Kilda Park Primary School, the Victorian College for the Deaf, Caulfield Primary School or any of the other round 3 schools in my electorate why they do not deserve new classrooms for their schools. The federal government is investing $72 million in schools in Melbourne Ports, and nearly $15 million of it will be ripped off if the opposition comes to power and axes round 3 of the school building program.

I would like to turn to some other aspects of the budget involved in foreign affairs. I was pleased to see the budget is continuing to make progress towards our commitment of spending one-half a per cent across national income on international assistance by 2015. It has become common practice that whenever governments are looking for easy spending cuts they target international development. I am pleased to see they are resisting the temptation to do this. This should not be a partisan matter. I notice, for example, that although the new Tory-Liberal coalition in Britain has announced £6 million in spending cuts they are not cuts in international development. Smart governments of whatever party recognise that international development assistance serves the interests of both the recipient and the donor. Our generous international development programs bring benefits to Australia as well as to those who receive our aid.

While we are briefly focusing on the new British government, I hope it drops its daft policy of the Colonial Office—I am sorry; I mean the Foreign and Commonwealth Office—insisting
that the government in Afghanistan negotiate with the Taliban, a truly disastrous idea, promoted by those in the Colonial Office—I am sorry; I mean the foreign office—who think that the dreadful people in the Pakistani intelligence service will give them warning about attacks on facilities in London if their mates in the Pakistani intelligence service are included in the Afghan government. This is one of the most manipulative, stupid ideas I have ever heard of, and I hope that the new government drops the previous plans to engineer that trade-off.

I was disappointed to see the comments made earlier this year by the Leader of the Nationals in the Senate, Senator Joyce, who attacked this government over our international development program and called for it to be cut. He specifically attacked our donation of $150 million to the World Bank to be used to help to reduce the price of food in some of the world’s poorest countries. This is a foolish position to take, especially from someone who claims to represent farmers. Raising living standards in African countries will create new export markets for our food exports, as they have already done in Asian countries. Fortunately the Australian people have better sense than to listen to such opportunist attacks on our international development program.

In fact, only a fairly small part of our international development money goes to Africa. Much of it goes to assist countries with which we have a direct strategic and political interest. For example, we have committed $323 million over four years to expand our development partnership with Indonesia to tackle key issues such as education, health and governance. Isn’t spending money on governance in Indonesia, where the problem of corruption has been so widespread, in the Australian national interests? Of course it is. That is part of the $500 million a year we will spend in assisting Indonesia. We have an obvious interest in the stability and prosperity of our largest northern neighbour, the largest Muslim country in the world and, to its great credit, a developing democracy. Any assistance we can give them we should maintain. In my opinion the money is well spent. Every dollar you spend in Indonesia on education means that you have to spend less on intelligence and security.

I was in Jakarta recently and had the pleasure of meeting President Yudhoyono and listening to his speech on why Indonesia should continue down the democratic path. I urge anyone who is genuinely interested in the development of democracy in that most important country to read President Yudhoyono’s speech in Jakarta to the World Movement for Democracy.

Similarly to the Indonesian situation, we are giving over $141 million over two years to AusAID and the AFP to step up our civilian assistance to Afghanistan, which will serve to build the capacity of the Afghan government to deliver basic services. We should have learned that military efforts must go hand in hand with civilian assistance if such conflicts as the one we are engaged in in Afghanistan are to achieve their ends. As I have said before, I strongly support our continuing commitment to the conflict in Afghanistan despite its cost in both money and lives—blood and treasure. But that commitment will be futile in the long run unless the people of Afghanistan can see they are getting a better government, better services and better lives for their families as a result of helping to defeat the Taliban and al-Qaeda, which bring so much misery to their country. That is why we must maintain our civilian aid programs as well as our military commitment.

My support for international development does not mean that I think there are no problems with our program; of course there are and there always have been. I have seen recent reports of flaws in our international development assistance to PNG, for example, and I was pleased
to see an interview with the Parliamentary Secretary for International Development Assistance, Bob McMullan, in which he made clear we are cutting back on spending on advisers and putting more into direct assistance.

I also want to be critical of the $12.7 million we are giving each year to the United Nations Relief and Works Agency, UNRWA. This is a single-nation focused UN agency which exists solely to channel aid to the four million people living in the Palestinian territories and other countries. The sad fact is that UNRWA is a refugee organisation which employs 26,000 people, and it is focused on one group. The UNHCR, the refugee agency that covers the rest of the world, only has 11,000 employees. This is plainly totally out of kilter and in fact helps perpetuate the state of dependence on foreign aid and the continuing status of the Palestinian people in these territories. UNRWA should have over the years done what every other refugee agency in the world has done—work to transit people out of dependence and out of refugee status in the part of the world that they are able to live in at the moment.

I am all in favour of humanitarian assistance to the Palestinians and I support the money we are spending on assisting people in Gaza and the West Bank. I think we need to look more closely at how we spend it and where we spend it. In my view it would be much better for Australian aid to go to the Palestinians in the West Bank rather than being given in cash to be put in the bank accounts of the Palestinian National Authority to end up God knows where, although I must say Mr Salam Fayyad, the treasurer of the Palestinian National Authority, is a great improvement on Mr Arafat who used to give out cash in brown bags to leading members of Fatah. By the way, Fatah is conducting an internal investigation into what happened to the entire international aid that was given to them in the 1970s and 1980s, which has disappeared entirely without any accounts and which was used by leading officials of that organisation to buy property in Qatar, Syria and Jordan. The Palestinian people, through their leading political party, Fatah, are demanding their money back from all the leading officials of that organisation. I think we need to look more closely at the endemic waste, corruption and misappropriation of funds that has plagued UNRWA and this kind of funding over the years. One thing I would particularly suggest is that Australian companies should be given tenders to develop sewerage works in Palestinian cities in the West Bank rather than money just being paid directly into a general account of another quasi-government Australians could be employed. This would be a much better use of Australian taxpayers’ money.

I conclude by saying that I commend this budget. I think in so many areas of social concern in my electorate, particularly in education, it is doing a wonderful job. I am very concerned that the claims of the member for Sturt will be activated. All around Australia parents and students who have programs in the third round of the building schools program should be made aware that, if the opposition is elected and the Liberal Party wins office halfway through the construction of these programs, the construction of classrooms for their students will be stopped.

**Mr SECKER** (Barker) (12.21 pm)—I am always pleased to follow the member for Melbourne Ports, who I think gives us a very good knowledge of foreign affairs, which I think many parliamentarians would do well to take note of. It was a shame that at the end of his speech on Appropriation Bill (No. 1) 2010-2011 and the cognate bills he brought out a scare campaign that all the half-finished buildings would be stopped if the coalition got into government. That is a complete fallacy—as anyone knows, whether a Labor government or a
Liberal government comes in, those sorts of contracts are already signed and they would con-
tinue. That is just one of those fallacies that unfortunately marred the rest of the speech and
the contribution from the member for Melbourne Ports. Whilst he said that foreign aid and
development can often be cut in areas when governments are looking for cuts because of the
prevailing economic circumstances, he should acknowledge that the government have cut the
foreign aid budget by a billion dollars. They have changed some reporting on how they rec-
ognise the GNI, but the fact is the government have cut foreign aid funding this year in the
budget.

This was Labor’s third budget and it was just as disappointing, if not more so, than the pre-
vious two. We all know that Labor inherited a budget surplus from the Howard government.
In fact, the Labor government came into government with the best terms of any incoming
government in our history since Federation. Unfortunately, they then embarked on a super-
spendathon that exhausted not only the surplus—and we left them $45 billion, which they
have exhausted—but also plummeted Australia into deficit. There is not much in this budget
for rural people and certainly not much for people in the electorate of Barker. One of the cry-
ing shames of the government is their continuous cut to research and development in agricul-
tural industries in Australia. We will pay the price for that further down the track.

There is no doubt that Labor have been out there spruiking that it was them who carried
Australia through a bad economic climate. They are quick to claim that they orchestrated the
measures that made Australia survive and be so much better off than many other countries.
Never mind that the Howard government built up a surplus or that the resource sector helped
carry us through. The government are trying to put a nail in the coffin of the resources indus-
try with their great big superprofits tax on mining. The Rudd government are quick to claim
the successes but quick to deny the failures.

This budget is built on hopes and dreams. It is built on a great big new tax. The Labor gov-
ernment are robbing the resource industry to pay off their debts. Isn’t it interesting that the $9
billion a year in extra income that they are hoping to get from the mining super profits tax is
equivalent to the interest bill we will be paying each year to pay off our debt. With the debt
they have run up, they need to tax someone. So they have said: ‘The resource industry is an
easy target. We’ll bring in a great big new super profits tax and that’ll pay off our debt.’ The
budget is built on hopes and dreams, and it is built on a prayer that the inflation rates will stay
at 2½ per cent and we will have four per cent growth. The budget is a house of cards. They
think we are going to have 2½ per cent inflation and four per cent growth and somehow have
the best terms of trade that we have had for 60 years.

We all remember the erratic behaviour of the new Labor government. They suggested that
the inflation genie was of the bottle, that it was public enemy No. 1 all of a sudden, and that
this was all the fault of the previous government. And they think they are somehow going to
keep inflation at 2½ per cent over the next four years. This will almost certainly lead to higher
interest rates and, of course, higher interest rates will lead to a higher Australian dollar, which
will make it much harder for our export industries to compete with the rest of the world. So
this budget really is a house of cards. I do not think any rational person would believe that the
government can deliver a surplus in 3½ years time. I like to call this budget legislation the
‘Net Debt Bill’.

We have a history of Labor governments being addicted to debt. It is very interesting to
look at our history since Federation. In 1901 we federated, we basically created a new gov-
ernment. We built a new capital city. We have fought in two world wars and in a few other skirmishes. We took on huge debts to make sure we had a substantial defence force. In our first 90 years, from 1901 to 1991, this country accumulated a net debt of $16 billion. For 90 years the accumulated net debt was $16 billion. But, over the next five years, the Hawke and Keating governments repeated that 90 years worth of debt each year. So the coalition ended up coming into government with a $96 billion debt. The problem with that was that we had to pay $7 billion or $8 billion in interest each year to the banks, the lenders, rather than actually spending it on the things that we really needed to spend it on. It was a huge problem for Australia and for the incoming coalition government. But we were up to it and we delivered surplus budgets. In the end, we were the first government in Australia’s history to have a net budget surplus. We were the first government in Australia’s history that actually had money in the bank. Of course, the current Labor government have benefited from the fact that we were such good managers.

There is no doubt that the Prime Minister and his government are in a league of their own when it comes to waste, mismanagement and sending the country into debt. This year alone they are projecting a debt of $40 billion. Of course, they have been very successful in saying, ‘That’s all right because in three years we’ll be back in surplus.’ But this $40 billion deficit is still a debt of $2,000 for every man, woman and child in Australia—and that is just one year’s borrowing. And that is on top of the previous year’s deficit of $53 billion, which is about $2½ thousand for every man, woman and child in Australia. So, in two short years, we have gone from having $2,000 in the bank for every man, woman and child in Australia to owing $4½ thousand for every man, woman and child in Australia. This is a salient point: this Labor government have no hope of ever actually repaying this debt.

The DEPUTY SPEAKER (Mr S Georganas)—Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting. The honourable member will have leave to continue speaking when the debate is resumed.

ADJOURNMENT

Mr MELHAM (Banks) (12.30 pm)—I move:
That the Main Committee do now adjourn.

Homelessness

Rudd Government

Mr LINDSAY (Herbert) (12.30 pm)—Mr Deputy Speaker, have you noticed how self-centred people have become these days? They are concerned about what is the next show on TV, who is saying what on Facebook, what is going to be happening on the weekend and what is for dinner. The big picture is quickly forgotten. We forget about those who cannot watch television, use a computer or just have a hot meal. Day in, day out, there are many forgotten people on the streets of our great Australian cities. They struggle to find shelter, food and safety every day. Life is not so easy for homeless people, it is an immense challenge. In order to survive they need aid from both the government and fellow Australians to help them have a brighter future. They need to be given a hand up to empower them as individuals so that they can be lifted out of the regrettable circumstances. The time and effort that many Australians already give to aid these forgotten people is much appreciated, but more support is needed to
truly remove this injustice in our great nation. More volunteers are needed to help give hope to homeless people.

One organisation that does remarkable work for homeless people in the nation is the Salvation Army. Many people in the Salvation Army do their part to ensure that homeless people and all Australians who are disadvantaged by circumstances are given a better future. I am reminded of two Salvos officers I know in Brisbane—Major Wayne Maxwell and Major Robyn Maxwell. They have given years and years of service to the Salvos great cause of providing a better future for all disadvantaged Australians and purging injustice from the streets of our nation. Robyn and Wayne, thank you for the service you have given, and thank you to all of your fellow officers and the Salvation Army itself for what you do for those who are disadvantaged. We need to capture the message of the Salvos and do our part to assist these forgotten people. I cannot stress enough the importance of every Australian getting in and doing their bit and not being the self-centred people that we are today.

On a totally unrelated matter, with the election of the Rudd government in 2007 there was set to be a great big change in politics in Asia, and a change in Australia’s approach was to amplify the shifting dynamics of the Asia-Pacific region. However, the Prime Minister, a self-described ‘Asia expert’, has managed to wind back the significant progress made with key states in Asia during the Howard years. The change in policy direction away from a more realist approach of regional security and bilateral trade with the strongest democratic powers in the Asia-Pacific to a ruthless pursuit of a greater stake in China’s growing power and regional influence was certainly evident. The Prime Minister has only managed to unsettle Australia’s friends and enrage influential regional players without making any significant inroads on our relationship with China. While Australia’s Asian neighbours remain indifferent to Australia’s bid for the Security Council—recent developments in the Arab world have had minimal impact on our Asian relationships—the Prime Minister’s pursuit of an Asia-Pacific community is highly unpopular in the region, particularly with Indonesian President Susilo Bambang Yudhoyono. The Prime Minister’s new Commission on Nuclear Disarmament did not gain enough traction to stop our relationship with Tokyo from souring, after he initially decided not to visit Japan on his first international tour, and he ignited debate in New Delhi over the reversal of the Howard government’s sales of uranium.

Within the first few months of Kevin Rudd’s prime ministership it was clear to his Asian neighbours that he was going to risk decades of diplomatic footwork on improving his personal relationship with China. Kevin Rudd’s Lone Ranger attempt to determine South-East Asia’s future has failed. The last two years have shown that the Prime Minister’s reliance on the flurry of activity or poorly thought out articulation of big ideas about policy and process has failed. The Prime Minister should not lose sight of the fact that for the foreseeable future the most reliable guarantor of peace and security in the Asia-Pacific will be the United States and regional allies like Japan, with whom Australia shares its values. We are all concerned, of course, about the destabilisation that is being caused by North Korea at the moment, and we do hope that this can be resolved with the help of China as soon as possible.

Blair Electorate: Regional and Local Community Infrastructure Program

Mr NEUMANN (Blair) (12.35 pm)—The Regional and Local Community Infrastructure Program has been a big boon for the Ipswich and West Moreton area. One billion dollars has
been allocated and distributed across Australia for that program. It is important to cooperate with local government authorities to support jobs in local regions and modernise and build community infrastructure such as parks. Other funding announced in these areas will make a big difference in terms of landfill, a skate park, an indoor sports complex and the like.

Across my region, in round 1, Ipswich City Council received $921,000; the Lockyer Valley, $661,000; the Scenic Rim, $667,000; and the Somerset region, which will be in the electorate of Blair at the next election, $369,000. In round 2 of that program, Ipswich City Council received $396,000, and that money has been put towards the upgrade of the Redbank Plains Recreational Reserve, universally acclaimed as a wonderful facility there in Ipswich. Eleven jobs are going to be created as result of that. The Lockyer Valley received $288,000 for many community infrastructure programs. The Scenic Rim received $291,000, and the Somerset Regional Council received $142,000. The Somerset Regional Council money is being put towards a $500,000 Somerset landfill upgrade.

Why is this important? I think it is important because Ipswich is the fastest-growing region in South-East Queensland, the Lockyer Valley the second fastest and the Somerset region the third fastest. Indeed, the Somerset Regional Council has cooperated with the Rudd Labor government on a number of projects. On 7 October 2009, I was pleased— with the Mayor of the Somerset Regional Council, Graeme Lehmann, and Senator Mark Furner, a Labor senator for Queensland—to inspect projects in the Somerset region. The Esk fitness trail construction was allocated $167,500. The Esk Skate Park construction was allocated $120,000. The Fernvale Campdraft Park amenities block was allocated $81,400. And, of course, the Fernvale Indoor Sports Centre was allocated $2.1 million, part of a $5 million total project cost. When I was inspecting those facilities with Graeme Lehmann and Senator Mark Furner, Mayor Lehmann said a number of things. He said:

"The Esk Skate Park has already proven to be a very popular spot for many of our young residents and visitors …
"The Esk Fitness Trail is a great bonus to our community.
"Since its completion, local walkers have enjoyed the bush walk as well as visitors—and other people. It is a wonderful facility in the Somerset region.

On 1 December 2009, it was announced that the Somerset region, particularly the lower part, at Fernvale, will receive funding for the wonderful new complex being built, the Fernvale Indoor Sports Centre. Deputy Mayor Councillor Neil Zabel ‘said it was an exciting day for the Somerset with the building of this centre’. He said it was wonderful for the people of the Somerset ‘as it was the sort of facility which had previously been lacking in the Somerset, especially at the southern end’.

What is so significant about that? Last Friday week, at the Lutheran convention in Ipswich, where I was speaking, Neil Zabel outed himself as being the LNP putative candidate against me at the next election. Yesterday he was supposed to have come out of the political closet. Having arranged with the local media that he would announce his candidacy after the Somerset Regional Council, he squibbed it and did not announce it. There he was, supporting vital community infrastructure in the Somerset region on 1 December 2009 in the Gatton, Lockyer and Brisbane Valley Star, and what happens when he comes here? He purports to represent a political party that voted against this community infrastructure!
So here we have a Deputy Mayor, who purports to support the Blair area, saying, ‘I’ll support community infrastructure in council but I’ll support a political party that’ll vote against that community infrastructure in parliament.’ He says one thing in Esk but in Canberra the political party with whom he has an affiliation, which he supports and for which he has an aspiration to be their member does another thing. What rank political inconsistency and hypocrisy! The truth is that only the Rudd Labor government, through its candidates in Queensland, will deliver vital community infrastructure throughout Queensland, while the coalition, with councillors as their candidates, will not. That is the truth.

Rudd Government

Mr COULTON (Parkes) (12.40 pm)—What a wonderful parallel universe some of our representatives in this place must live in! I rise today to speak about the incompetence of this government and the effect that its failures are having on the people of my electorate. This budget has confirmed what many Australians already suspected: that this is the most hapless maladministration since the days of Gough Whitlam. At the heart of the government’s incompetence is Building the Education Revolution and the myriad problems that have plagued this ill-named and ill-conceived scheme. This is a textbook example of this government’s ineptitude and it has set the standard as the most corruptible, rorted and bungled program in this country’s history. There are reminders of the folly of this program in schoolyards right across my electorate. There are canteens that have cost $27,000 per square metre to build but are so small that they are virtually useless. Mr Deputy Speaker Scott, on the boundary between our two electorates is the village of Toomelah, which is possibly the most disadvantaged community in New South Wales. For $650,000 they got a tuckshop that you could not put a large sized dog in—the RSPCA would have you arrested for putting the dog in a confined space. It is a disgrace. Another school had its funding for a COLA revoked after the contractor pocketed nearly $140,000 for management fees, and we have seen schools receiving funding for a second science lab or a second canteen—and the list goes on.

However, today I specifically wish to speak about the callous indifference of the government and, in particular, the Minister for Education, Julia Gillard, to the dozens of local businesses in Dubbo that have been left out of pocket for the work they have carried out under the minister’s Building the Education Revolution. Following the collapse of a major company subcontracted to oversee BER projects in my electorate, there are currently dozens of small businesses that are collectively owed more than $1.7 million. Most of these businesses are now suffering severe cash-flow problems and a couple of them are facing bankruptcy. These businesses agreed to undertake this work on the understanding that because it was being overseen by the Rudd government there would be no problems. That was a big mistake. One of the businesses, Jarrod Kennedy Welding, was put in such a perilous financial position by the collapse that it had to remove a structure it had erected at a school in the north-west of my electorate because it could not afford to lose the materials it had used on this project. Another victim, Chris McMaster from Haynes Farm Supplies, is owed tens of thousands of dollars for work he did at a school in Coolah. Like all the other subcontractors, he has been told that he could not expect to get paid but, if he does, it will be as little as 10c in the dollar. I believe the quote from Mr McMaster in the Daily Telegraph sums up the failures of this program perfectly:
This was meant to be a stimulus for rural towns but it’s resulted in further hardship. The amount we are owed is considerable to a business like ours, particularly after dealing with the drought it is causing extreme emotional and financial stress.

The blame for this lies directly at the feet of Minister Gillard. She rushed out a $16 billion program without implementing the required checks and balances. It was designed to fail and, now that it has, Minister Gillard has blamed everybody but herself. These contractors have publicly and privately appealed to Minister Gillard for assistance. However, instead of acknowledging the problem, all we have heard from the minister is endless rhetoric about how successful the program has been. When finally pushed, she said that the matter would be referred to the BER Implementation Taskforce. How long will this take? It is not good enough. There are businesses in my electorate that are staring down the barrel of bankruptcy, and all the minister is concerned about is protecting her image. It is time the minister swallowed her pride and helped these rural businesses—or the lasting legacy of the BER in my electorate will be a trail of bankrupt businesses and tradesmen out of work.

Newcastle Electorate: Sport

Ms GRIERSON (Newcastle) (12.45 pm)—It is the day after the first round of the State of Origin, and some of us in New South Wales are feeling a little bruised by the result, so I would like to share with the chamber some of the good-news sports stories from my electorate of Newcastle. I start by congratulating Newcastle local Kurt Gidley for his fine performance captaining the New South Wales Blues in the origin last night—even if we did lose. We still have two games left, Kurt; I am sure you can turn the team around and steer them to victory. I wish you well.

Mr Lindsay—Mr Deputy Speaker, I rise on a point of order.

The DEPUTY SPEAKER (Hon. BC Scott)—Member for Herbert, this is an adjournment, after all: what is your intervention?

Mr Lindsay—I would just like to ask the member for Newcastle whether she is aware that the man of the match was Johnathan Thurston from Townsville.

The DEPUTY SPEAKER—The member for Herbert will resume his seat.

Ms GRIERSON—I would like to recognise and encourage some of the many people in my electorate who have achieved some success in sport, and particularly the ones who have received a federal government Local Sporting Champions grant. These grants provide financial assistance for juniors towards the cost of travel, accommodation, uniforms and equipment when competing, coaching or officiating at an official national sporting organisation endorsed state or national sporting competition or a School Sport Australia national championship. The grants are not large, but they have a great impact.

I would like to register the names of those who have received those grants in my electorate since they began: Eleanor Ross, Dalton Dowden, Bronte Davies Russell, William Dawes, Connor Eyers, Leigh Halpin, Eliza Smith, Sydnee Knight, Jake Sylvester, Carly O’Toole, Hannah Trypas, William Salsbury, Megan Wright, Estelle Hughes, Harrison Zakarauskas, Philippa Anderson and Tia Brady. The teams that have received these grants are the Newcastle Little League Championship Team and the Newcastle Hunters Under 14 Women Division 1 basketball team. I would also like to congratulate this year’s inductees into Hunter Region Academy of Sport Hall of Fame: Grahame Baxter, Tony Pryor, Peter Horton, Ron Meadows,
Gary Banks, Jack Hutchinson, Marguerite Jenkins, Marilyn Mills, Dick Osborn, Brooke Morrison, Hazel Ronay and Cheryl Salisbury. The hall of fame will be showcased at the Newcastle Regional Museum. I thank parliamentary secretary Maxine McKew, who came up to officially start the construction of that museum after the federal government assisted with an $8½ million grant under the strategic Regional and Local Community Infrastructure Program.

Sporting talent and sporting heritage abounds in my electorate. What is also significant is the sporting talent we are hoping to have visit us in Newcastle at EnergyAustralia Stadium in support of Australia’s bid for the soccer—or ‘football’, depending who you ask—World Cup. As one of 10 host cities, our EnergyAustralia Stadium is currently in the process of a $60 million upgrade to increase its seating capacity to 33,000. If Australia’s bid is successful, EnergyAustralia Stadium will expand its capacity by a further 7,000 to 9,000 spectators through temporary grandstands at the northern and southern end of the stadium.

If our bid succeeds, the Rudd government will undertake to build three new stadiums and upgrade and improve nine others, including Energy Australia Stadium in Newcastle, with estimates of the investment in the national economy ranging from $2.3 billion to $5 billion, which would of course provide a wonderful legacy for all sporting codes and generations to come. Hosting the FIFA World Cup would see Newcastle play an important part in that event, and that of course would be good news for our economy, bringing media attention and jobs, and inspiring the young people of today to become the champions of the future.

Finally, I acknowledge the good work of Minister Ellis and the Prime Minister. I do hope we are able to see Australia host the World Cup, and to win on our home turf would be a wonderful achievement. I would like to say farewell to this year’s World Cup team, who flew out to South Africa just yesterday. It is a case of, ‘Go the Socceroos!’ but I congratulate all those who put themselves in the front line in sport for the pride of our country.

Fadden Electorate: Seniors Forum and Expo

Mr ROBERT (Fadden) (12.50 pm)—Last Monday I ran the Gold Coast North Fadden Seniors Forum and Expo, which was the inaugural seniors expo in the northern part of the Gold Coast. We thought we would take a toe in the water approach and have a small expo at the start, but after two days of having 600 people respond we unfortunately had to say sorry to 400 others who wanted to come along. I take the opportunity to apologise to them that the venue could not actually cope with the extra 400 people. And to those wonderful senior Australians who did come and had to park a long way away and walk, I again apologise. Next year we will move to a much bigger venue, something perhaps like Southport Sharks where the parking is so much easier and we can get courtesy golf buggies to move people quickly. And of course the venue is so much larger.

It was a fabulous day last Monday. Our MC for the day was the legendary Mr Normie Rowe AM, who kept people suitably entertained and kept the morning moving along. So good was Normie that the program went 1½ hours over schedule, mostly because of Normie’s repertoire of songs, poems and hilarious anecdotes. We will certainly look to using Normie again. He is a great Australian and a legendary entertainer, a fine Vietnam veteran and a tremendous bloke. So a big thank you to Normie Rowe.

Let me thank also the venue and the manager of the Arundel-Parkwood Community Centre at Napper Road, who went out of their way to help us, and the Arundel Primary School, who...
allowed us to use car parking there and were so generous with their time. We also thank our
great sponsors. You cannot put on what turned out to be a significantly large event without
people helping you. It was great to see so many community sponsors: 4CRB local radio,
Bendigo Bank and the chairman Robert Knight, Helensvale Surgery and Coomera City Medi-
cal Centre, Dion Raju, the principal partners there Kent and Campbell, and Zarraffa’s Coffee
that provided a thousand bottles of water so that senior Australians could have continual water
during the day, which was tremendous. There were also Dr Roger Welsh of the Vision Centre,
Andrea Johannson from Albert River Winery, Andrew from Super Butcher, which was great,
Noodle Box, Bakers Delight and Telstra. That is a great bunch of community groups which
came on board.

I would also like to thank our fabulous exhibitors. We had over 50 stalls where senior Aus-
tralians could come along and get information that would help them in terms of lifestyle, care
and moving forward with their lives. There were the Gold Coast City Council community
services, Gold Coast Stroke Support, the Lions Club of Helensvale, the District Crime Pre-
vention Unit of Queensland Police, Department of Veterans’ Affairs, Volunteering Network
Gold Coast, Salvation Army, Volunteering Gold Coast Transport Service, HACC services,
Elan Medical Supplies, Relationships Australia, Lifeline Queensland, 501 Hostel and Aged
Care Services, Independent Retirees Association, Transcord Community Transport, Com-
monwealth Carer Respite Centre, Probus Club of Hollywell, Blue Care, Cancer Council of
Queensland, University of the Third Age, Kin-Kare, which is grandparents raising grandkids,
Red Cross in Helensvale, Centrelink, Animal Welfare League, Breastscreen Queensland, St
Vincent de Paul, the RSL subbranch, Alzheimer’s Australia, Paradise Lakes Care Centre,
Queensland Bowel Screening Program, Meals on Wheels Southport, Council of the Ageing
Queensland, Gold Coast Prostate Cancer Support Group, Amputee Advisory Association and
my great Rotary Club of Coomera River Midday. I say a tremendous thank you to all the ex-
hibitors who came and gave their time voluntarily to assist senior Australians in the northern
Gold Coast.

I would also like to thank the some 20 volunteers we had on the day to provide support, to
serve tea and coffee, to serve morning tea and indeed just to serve our senior Australians in
the northern Gold Coast. I especially thank Kay and Kate, who worked so very hard. They are
also two of our great volunteers in police who serve the northern Gold Coast with their time
so generously.

All in all it was a fabulous Fadden Seniors Forum and Expo. I am certainly inspired to do it
bigger and better again next year as a great community service and outreach to that very spe-
cial group of people called senior Australians. I can guarantee them that we will have a bigger
venue and will not turn anyone away next time. I will ensure that parking is simple and easy
and we will not get in the way of school kids by parking at schools. The morning will run I
think a little easier because senior Australians can get there so much easier. Thank you again
to all those who attended, to the sponsors and to the exhibitors. I look forward to running it
again next year.

Australian People for Health, Education and Development Abroad

Ms VAMVAKINOU (Calwell) (12.55 pm)—Yesterday, the Parliamentary Friends of Pal-
estine hosted a briefing from the Australian People for Health, Education and Development
Abroad, known as APHEDA, here in our parliament. The briefing related to APHEDA’s re-
cent study tour to the Middle East and Palestine. APHEDA, or Union Aid Abroad, as it is commonly known, is the overseas aid agency of the Australian Council of Trade Unions. The briefing was timely not only because of our ongoing concern for the plight of the Palestinian people in the West Bank and East Jerusalem, who continue to face daily harassment from illegal settlers and who must endure the humiliation of the checkpoint regime that dictates their daily movements, but also because of our concern for those in Gaza, whose living conditions were described by the Director of UNRWA Operations in Gaza, Mr John Ging, in a public lecture at the London School of Economics as ‘inhumane, illegal and insane; a medieval siege of Gaza in 2010’.

It is also timely because of the government’s decision this week to rightfully deal with Israel’s forging of Australian passports by expelling the Mossad representative here in Australia. All Australians know that Israel’s actions have compromised the integrity of the Australian passport system and risk compromising the safety of Australians travelling abroad.

The story of APHEDA began in 1982 amidst the massacres in the Palestinian refugee camps in Lebanon. Working in the camps alongside the Norwegian People’s Aid, an Australian nurse trainer, Helen McCue, developed a commitment to international solidarity. This commitment found a voice in the then newly-elected Hawke Labor government and just two years later, in 1984, the Australian labour movement established APHEDA. Whether with the Palestinians in the camps in decades past or in occupied Palestine today, in Cambodia, in East Timor, in Vietnam, in Laos or in contribution to the defeat of apartheid South Africa, APHEDA remains steadfast in its commitment to democracy and development across the globe.

I have long held the view that the story of the Palestinian people and the conditions in which they live is a story that must continue to be told because it is an unresolved story about dispossession, the denial of freedom of movement, the denial of the right to self-determination and the collective punishment and suffering of a people who are occupied and denied the most basic standards of life and dignity. It is for this very reason that I want to bring the content and recommendations of this report to the attention of the House.

I seek leave to table APHEDA’s Middle East study trip report.

Leave granted.

Ms VAMVAKINOU—The report focuses on aspects of international law, which are consistent with the Australian government’s own position towards issues which have long been considered intractable. What is important is that the report documents the reality of the deprivation of the basic standards of living that the developed world often takes for granted. An example from the report is as follows:

The most extreme situation that we witnessed was the Palestinian town of Qalqilya, which is almost entirely enclosed by the barrier with the only entry and exit point controlled by the Israeli military. Very often, as reported to us, this access point is closed. To witness the sheer poverty imposed on the people of this town through economic starvation was of major concern. NGOs and local Palestinians reported to us how families trapped between the barrier and the internationally recognised border are subjected to the most extreme conditions, including restrictions on food, access to land and external medical facilities in emergency situations. We fail to understand how this is in the name of security.
APHEDA’s commitment now, as then, to international solidarity and justice, remains a proud unfinished chapter in the Australian people’s ongoing dedication to those who, often by virtue of birth and circumstance, find themselves living in appalling and inhumane conditions.

I would like to conclude with a statement from Nelson Mandela, made in tribute to APHEDA’s work. I feel that such an important reflection by such a historic figure needs to be quoted. Nelson Mandela said:

APHEDA has a long history of support for the anti-apartheid struggle. On behalf of the African National Congress, we would like to express our deep appreciation for your efforts. APHEDA’s development assistance programs have made a very significant contribution. Assistance is not only material, or helping realise the ultimate goal of freedom in South Africa—assistance is about people, about people in Australia caring enough about our people to contribute financially, to contribute their time, their skills and emotions. This is what sustains us. This is what is irreplaceable in human endeavour. This is the true meaning of solidarity. We thank you and the people of Australia, and will be eternally grateful for your magnificent contribution.

I am certain that now it is the Palestinian people who look to us for that same support and I commend APHEDA’s work and commend the report.

**The DEPUTY SPEAKER (Hon. BC Scott)**—I remind the member for Herbert that mobile phones are not allowed in here. He is lucky not to be disciplined for his use of it. As an occupier of this chair, he might reflect on those comments for the remainder of this term.

Question agreed to.

*Main Committee adjourned at 1.01 pm*
QUESTIONS IN WRITING

Veterans’ Entitlements
(Question No. 1037)

Mrs Markus asked the Minister for Veterans’ Affairs, in writing, on 19 October 2009:
In respect of concerns among the veteran community of the increasing use of ‘injured in action’ in place of ‘wounded in action’:
(a) will the interchangeable use of these two terms adversely impact on veterans’ entitlements; and
(b) will he assure veterans that the Government will not formally change the terminology of ‘wounded in action’ to ‘injured in action’.

Mr Griffin—The answer to the honourable member’s question is as follows:
(a) Any use of these terms will have no impact on veterans’ entitlements. These entitlements are determined in accordance with the terms contained in the Veterans’ Entitlements Act 1986 (VEA) and the Military Rehabilitation and Compensation Act 2004 (MRCA). Neither the VEA nor its preceding legislation, the Repatriation Act 1920 have ever contained the terms ‘wounded in action’ or ‘injured in action’. These Acts refer to ‘war caused injury’ and ‘defence caused injury’. The term ‘service injury’ is used in the MRCA.
(b) There is no move by the Government to formally change the terminology of ‘wounded in action’ to ‘injured in action’.

Paterson Electorate: Television Transmitters
(Question No. 1178)

Mr Baldwin asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 2 February 2010:
In respect of television transmitters in the Paterson electorate:
(a) where is each one located;
(b) what stations are transmitted by each one;
(c) which ones are
  (i) digital, and
  (ii) analogue;
(d) which ones in part (c)(ii) are directional, and omnidirectional; and
(e) for each one in part (c)(ii), what stations will be upgraded to digital, when will they be upgraded, and at what cost.

Mr Albanese—The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member’s question:
(a) There are nine television transmission sites in the Paterson electorate their site name and area served are described by the ACMA as:
  • Broadcast Site Coorei Hill serving the area of Dungog;
  • Broadcast Australia Site Kiaora Lookout serving the area of Gloucester;
  • Telstra Site Gan Gan Hill Near Nelson Bay serving the area of Port Stephens;
  • Broadcast Site Mt Douglas serving the area of Vacy;
  • Broadcast Site Booral serving the area of Booral;
(b) Eight of the nine sites broadcast the national services of ABC and SBS as well as the commercial broadcasters of Prime, NBN and Southern Cross which is the equivalent content of Seven, Nine and Ten.

The site serving Vacy transmits ABC and SBS services only.

(c) (i) The four sites serving Dungog, Gloucester, Port Stephens and Vacy are operated by broadcasters and are broadcasting in digital.

(ii) The remaining five sites serving Booral, Elizabeth Beach, Forster, Smiths Lake and Stroud are analog only self-help facilities sites operated by the Great Lakes Council, they do not transmit digital TV.

(d) Of the sites mentioned in question 3 part 2:

(i) Booral and Elizabeth Beach are directional transmission sites.

(ii) Forster, Smiths Lake and Stroud are omnidirectional transmission sites.

(e) Of the sites mentioned in question 3 part 2 those serving Booral, Forster, Smiths Lake and Stroud have been identified by broadcasters as candidate sites for digital conversion. While the Government has strongly encouraged broadcasters to take every possible step to ensure that the site can be converted in a timely fashion, the final decision about whether and how to convert the sites is a matter for negotiation between the current licence holder, the Great Lakes Council, and the broadcasters.

The cost of upgrading these four sites to digital is a matter for negotiation between the Council (as self-help licensee) and broadcasters. In general the offer being made by broadcasters relates to the provision and maintenance of transmission equipment. Broadcasters have advised that the local community or self-help licensee would be expected to continue to meet the basic costs of running the site as well as maintaining the facility in a suitable physical state for broadcasting.

Hawker Britton

(Question No. 1245)

Mr Briggs asked the Minister for Environment Protection, Heritage and the Arts, in writing, on 24 February 2010:

(1) Have you and/or your departmental officials met with representatives of Hawker Britton this Parliament; if so, (a) on what dates and at what addresses, and (b) who attended each meeting.

(2) Has Hawker Britton arranged meetings with other organisations and you and/or your departmental officials this Parliament; if so, (a) on what dates and at what addresses, and (b) who attended each meeting.

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

Responding to this question would require Departmental officials to review calendar and diary entries since December 2007 for meetings that may have involved or been attended by Hawker Britton. This would require the manual examination of a large number of diary and meeting records, which is an unreasonable diversion of government resources.

Conducting the same searches across the diary records of current ministers and parliamentary secretaries in this portfolio would be an unreasonable diversion of resources for similar reasons. The records of
former ministers and parliamentary secretaries are considered personal information in many circumstances and no access to those records will be sought.

Veterans’ Entitlements  
(Question No. 1271)

Mrs Markus asked the Minister for Veterans’ Affairs, in writing, on 25 February 2010:

When will the Government release its response to Sealing a just outcome: Report on the inquiry into RAAF F-111 Deseal/Reseal workers and their families (Joint Standing Committee on Foreign Affairs, Defence and Trade, Canberra, June 2009).

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

The Government announced its response to the Report in the 2010-11 Federal Budget with a package of some $55m over four years to address the recommendations in the Committee’s Report. I tabled the Government’s response in Parliament on Thursday, 13 May 2010.

The Government has accepted 14 of the 18 recommendations, some in modified form, one partially and some with enhancements.