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SITTING DAYS—2010

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FORTY-SECOND PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

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

House of Representatives Officeholders
Speaker—Mr Harry Alfred Jenkins MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP
Members of the Speaker’s Panel—Hon. Dick Godfrey Harry Adams MP, Hon. Archibald Ronald Bevis MP, Ms Sharon Leah Bird MP, Mr Steven Georganas MP, Mrs Margaret Ann May MP, Hon. Judith Eleanor Moylan MP, Mr Rowan Eric Ramsey MP, Ms Janelle Anne Saffin MP, Mr Albert John Schultz MP, Mr Peter Sid Sidebottom MP, Hon. Peter Neil Slipper MP, Mr Kelvin John Thomson MP, Hon. Danna Sue Vale MP and Dr Malcolm James Washer MP

Leader of the House—Hon. Anthony Norman Albanese MP
Deputy Leader of the House—Hon. Stephen Francis Smith MP
Manager of Opposition Business—Hon. Christopher Maurice Pyne MP
Deputy Manager of Opposition Business—Mr Luke Hartsuyker MP

Party Leaders and Whips
Australian Labor Party
Leader—Hon. Kevin Michael Rudd MP
Deputy Leader—Hon. Julia Eileen Gillard MP
Chief Government Whip—Hon. Leo Roger Spurway Price MP
Government Whips—Ms Jill Griffiths Hall MP and Mr Christopher Patrick Hayes MP

Liberal Party of Australia
Leader—Hon. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Opposition Whip—Hon. Alexander Michael Somlyay MP
Opposition Whips—Mr Patrick Damien Secker MP and Ms Nola Bethwyn Marino MP

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

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<td>Zappia, Tony</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

Minister for Veterans' Affairs and Minister for Defence Personnel: Hon. Alan Griffin MP
Minister for Housing and Minister for the Status of Women: Hon. Tanya Plibersek MP
Minister for Home Affairs: Hon. Brendan O'Connor MP
Minister for Indigenous Health, Rural and Regional Health and Regional Services Delivery: Hon. Warren Snowdon MP
Minister for Small Business, Independent Contractors and the Service Economy, Minister Assisting the Finance Minister on Deregulation and Minister for Competition Policy and Consumer Affairs: Hon. Dr Craig Emerson MP
Assistant Treasurer: Senator Hon. Nick Sherry
Minister for Ageing: Hon. Justine Elliot MP
Minister for Early Childhood Education, Childcare and Youth and Minister for Sport: Hon. Kate Ellis MP
Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency: Hon. Greg Combet AM, MP
Minister for Employment Participation and Minister Assisting the Prime Minister for Government Service Delivery: Senator Hon. Mark Arbib
Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government: Hon. Maxine McKew MP
Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water: Hon. Dr Mike Kelly AM, MP
Parliamentary Secretary for Western and Northern Australia: Hon. Gary Gray AO, MP
Parliamentary Secretary for Disabilities and Children's Services and Parliamentary Secretary for Victorian Bushfire Reconstruction: Hon. Bill Shorten MP
Parliamentary Secretary for International Development Assistance: Hon. Bob McMullan MP
Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade: Hon. Anthony Byrne MP
Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for Voluntary Sector: Senator Hon. Ursula Stephens
Parliamentary Secretary for Multicultural Affairs and Settlement Services: Hon. Laurie Ferguson MP
Parliamentary Secretary for Employment: Hon. Jason Clare MP
Parliamentary Secretary for Health: Hon. Mark Butler MP
Parliamentary Secretary for Innovation and Industry: Hon. Richard Marles MP
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<td>Hon. Julie Bishop MP</td>
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<td>Shadow Minister for Trade, Transport and Local Government and Leader of The Nationals</td>
<td>Hon. Warren Truss MP</td>
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<td>Shadow Minister for Energy and Resources</td>
<td>Hon. Ian Macfarlane MP</td>
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<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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<td>Shadow Treasurer</td>
<td>Hon. Joe Hockey MP</td>
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<td>Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House</td>
<td>Hon. Christopher Pyne MP</td>
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<td>Shadow Attorney-General and Deputy Leader of the Opposition in the Senate</td>
<td>Senator Hon. George Brandis SC</td>
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<td>Shadow Minister for Defence</td>
<td>Senator Hon. David Johnston</td>
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<td>Hon. Peter Dutton MP</td>
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<td>Hon. Kevin Andrews MP</td>
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<td>Hon. Greg Hunt MP</td>
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<td>Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals</td>
<td>Senator Hon. Nigel Scullion</td>
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<td>Senator Barnaby Joyce</td>
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<td>Shadow Minister for Agriculture, Food Security, Fisheries and Forestry</td>
<td>Hon. John Cobb MP</td>
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<td>Shadow Minister for Innovation, Industry, Science and Research</td>
<td>Mrs Sophie Mirabella MP</td>
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<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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<td>Senator Mathias Cormann</td>
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<td>Shadow Minister for Consumer Affairs, Financial Services, Superannuation and Corporate Law and Deputy Manager of Opposition Business in the House</td>
<td>Mr Luke Hartsuyker MP</td>
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<td>Shadow Assistant Treasurer</td>
<td>Hon. Sussan Ley MP</td>
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<td>Shadow Minister for COAG and Modernising the Federation and Shadow Minister for the Status of Women</td>
<td>Senator Marise Payne</td>
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<td>Shadow Minister for Early Childhood Education and Childcare</td>
<td>Hon. Dr Sharman Stone MP</td>
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<td>Shadow Minister for Justice, Customs and Border Protection</td>
<td>Mr Michael Keenan MP</td>
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<tr>
<td>Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence</td>
<td>Hon. Bob Baldwin MP</td>
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<td>Shadow Minister for Veterans Affairs</td>
<td>Mrs Louise Markus MP</td>
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<td>Shadow Minister for Ageing</td>
<td>Senator Concetta Fierravanti-Wells</td>
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<td>Hon. Bronwyn Bishop MP</td>
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<tr>
<td>Shadow Special Minister of State and Scrutiny of Government Waste</td>
<td>Senator Hon. Michael Ronaldson</td>
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<td>Senator Cory Bernardi</td>
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<td>Senator Hon. Ian Macdonald</td>
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<td>Mrs Jo Gash MP</td>
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<td>Shadow Parliamentary Secretary for Education and School Curriculum Standards</td>
<td>Senator Hon. Brett Mason</td>
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Tuesday, 22 June 2010

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

MINISTERIAL ARRANGEMENTS

Mr RUDD (Griffith—Prime Minister) (2.01 pm)—I inform the House that the Attorney-General will be absent from question time today as he is attending the farewell ceremony for the Vice-President of the People’s Republic of China. The Minister for Home Affairs will answer questions on his behalf. The Minister for Defence Materiel and Science and the Minister Assisting the Minister for Climate Change and Energy Efficiency will be absent today as he is attending defence briefings at Victoria Barracks in Sydney. The Minister for Veterans’ Affairs and Minister for Defence Personnel will answer questions in relation to defence and the Minister for Infrastructure, Transport, Regional Development and Local Government will answer questions in relation to climate change.

AFGHANISTAN

Mr RUDD (Griffith—Prime Minister) (2.01 pm)—by leave—Yesterday afternoon I advised the House of the accident involving a coalition helicopter in southern Afghanistan in the early hours of Monday morning. I informed the House that, tragically, three Australian commandos from the Special Operations Task Group were killed in that crash. Seven were wounded. The United States has confirmed one of their personnel was killed and three other soldiers were wounded. In addition, a civilian interpreter who was travelling with the Australian element was wounded. All seven injured soldiers are in the Kandahar military facility. The Australian Defence Force continues to ensure that they receive the best possible medical attention. I am advised that the most recent assessment of the seven wounded soldiers is that two are in a very serious condition. One of those soldiers has sustained a very serious head injury. Both these soldiers are in intensive care. The five other soldiers are now listed as being in a satisfactory condition. Six of the seven soldiers have undergone surgery.

The medical authorities have not yet made any decision as to when any of the injured soldiers will be moved to the NATO medical facility in Germany. Any move will only be taken when the condition of the soldiers allows. The names of the fallen soldiers have not yet been released. As the House would be aware, there are protocols in the Department of Defence which apply in these circumstances. The department will only release the names of the soldiers when they have approval from all the families involved. This is a terrible time for them and we need to respect their privacy. With regard to the wounded soldiers, they are Special Forces and, as a result, they have protected identity status. This means their names cannot be released.

The cause of the incident is yet to be determined. It would be inappropriate to speculate until the investigation into the incident has been completed. I am advised that this incident was not caused by insurgent action. I am also advised that casualties occurred when the aircraft crashed heavily to the ground. Defence is making arrangements for the repatriation of the three fallen soldiers later this week. Today, let me reiterate that the thoughts and the prayers of all Australians are with the families, friends and colleagues of those involved in this incident. These are hard days—very hard days—but I wish to reaffirm to the House the government’s commitment that we will complete this mission in Afghanistan. Fundamental national interests are at stake, national interests which go to the security of us all and the security of our friends and allies. We therefore will stay the course and complete the
mission which we have embarked upon in Afghanistan.

Mr ABBOTT (Warringah—Leader of the Opposition) (2.04 pm)—by leave—I rise to support the statement of the Prime Minister. Our thoughts are with the families, fellow soldiers and friends of the dead and wounded at this grim time. I again commend the work that Australian Defence Force personnel are doing in Afghanistan in very dangerous conditions. I hope that knowledge of their vital contribution to our security will be of some consolation to their families and friends, and I wish to assure the Prime Minister that the mission of Australian forces in Afghanistan has the support of the whole House.

Honourable members—Hear, hear!

CONGO AIR CRASH

Mr RUD (Griffith—Prime Minister) (2.05 pm)—Mr Speaker, on indulgence: members would be aware that an aircraft chartered by the Australian company Sundance Resources went missing two days ago on a flight between Cameroon and the Republic of the Congo. The missing aircraft has now been located. As members would be aware, the search team that went to the crash site has confirmed that no-one on board has survived. On behalf of the government, I express our sincere condolences to the families of the passengers and to the staff of the companies that have lost colleagues and friends in this tragic crash. The aircraft was carrying two crew members and nine passengers. Of those nine passengers, six were Australian mining executives and one was an Australian permanent resident. Our thoughts and our prayers are with all these Australian families and other families at this tragic time.

Mr ABBOTT (Warringah—Leader of the Opposition) (2.06 pm)—I also rise on indulgence. I rise to support the statement of the Prime Minister. It is a dreadful disaster not only for the families, of course, but for everyone who knew the people on board that ill-fated aircraft. Many of them were very well known, including to people in this House. I assure their loved ones, their families and their friends that all of us in this House feel for them in this terrible time.

QUESTIONS WITHOUT NOTICE

Budget

Mr ABBOTT (2.07 pm)—My question is to the Prime Minister. I refer the Prime Minister to the Treasury secretary’s preference to extend the superprofits tax on mining to other sectors of the economy. Will the Prime Minister now nominate which industries are on the government’s hit list? Is the construction sector next or will it be the retail, agriculture, manufacturing or small business sectors? Why has the Prime Minister failed to reveal the full extent of his future tax grab to fuel his spending addiction?

Mr RUD—The first thing that I would say in terms of the government’s tax reform plan is that the proceeds of that reform are to go to reducing company tax for all Australian companies, to reducing the tax burden on 2.4 million Australian small businesses and to providing on top of that extra superannuation for some 7½ million Australian workers. That is the basis of our reform.

Secondly, the Leader of the Opposition made reference to a speech given yesterday by the Secretary of the Treasury. My understanding is that the speech was delivered by the Secretary of the Treasury to the Australian School of Taxation, based at the University of New South Wales. My further understanding is that he was talking to students of taxation and urging them to continue working on tax theory in research for the purposes of policymakers. I quote his speech:

The Allowance for Corporate Equity model appears to offer the most promise.
On paper, it offers a more neutral treatment at the corporate level between debt and equity financing decisions, which has the added benefit of reducing the need for complex rules.

Addressing the students, he then said:

I urge you to continue this work; not with a view to an immediate tax reform package, but to ensure that policy makers have access to the analysis ...

I draw the attention of the Leader of the Opposition to the interesting fact that the Business Council of Australia has provided a similar submission in support of such a theoretical examination. I quote the BCA’s submission to the Henry tax review:

An alternative to lowering the corporate rate, an allowance for corporate equity (ACE) regime, also has the potential to be attractive for the economy.

The adoption of an ACE – whereby companies would be permitted to deduct an imputed normal return on their equity – removes a bias in favour of debt financing and has the potential to stimulate investment both for locally based companies and inbound investors.

An ACE has been adopted in other countries, but further detailed analysis of its application in Australia is warranted.

The government will not be adopting that model in Australia.

The bottom line is that the government’s position in relation to the resources super profit tax is that it applies to non-renewable resources in Australia. That is the entire basis of the regime. The Leader of the Opposition would know that from my earlier answers in this place. It is a taxation arrangement designed to deal with the non-renewable resources of this country. Once they are extracted and removed, they are not returned to Australia; they have gone forever. That is why they have been separately taxed for a long time through the royalties system. We propose tax reform based on a profits based tax, not a production based tax. That is the core of our reform and is therefore unique to the resources sector.

Welfare Reform

Mr RAGUSE (2.11 pm)—My question is to the Prime Minister. Prime Minister, what are the implications of the passage of the government’s welfare reform legislation in the Senate last night?

Mr RUDD—I thank the honourable member for his question. The government has introduced reforms in recent days for paid parental leave. We have introduced reforms in recent days concerning welfare. We have introduced reforms in recent days concerning the future of the telecommunications industry in this country. We have also introduced reforms that will bring about a national broadband network to service all households, businesses and other institutions in this country, including schools and hospitals.

The passage of the government’s welfare reform legislation through the Senate last night represents a significant step towards delivering both stronger economic management and a fair go for all Australians. This legislation makes welfare work by encouraging individual responsibility and fighting passive welfare. It also helps people from welfare dependency into work, education and training. It also makes sure that welfare payments are spent in the interests of kids.

There is no dignity in a life on welfare. The cycle of welfare can in fact be vicious, embracing our children and subsequent generations. Our strong view is that where there are rights there are also responsibilities. This applies in particular, and with no greater severity than, to the way in which we manage the children of our country. They have a right to be treated with fairness and it must be ensured that they have appropriate respect as well. We have a responsibility to treat others, especially children, with the same fairness
and respect. We have a responsibility to make sure that children get the best chance in life; to make sure that our children are fed, housed, properly clothed, go to school and see a future for themselves.

The legislation that we have introduced through the parliament and that was passed last night introduces income management to fight the insidious and destructive impacts of passive welfare as well as increasing personal responsibility. We will fight passive welfare and link income support to school attendance, study and work. Income management ensures that more welfare is spent on life’s essentials like food, clothes and rent and less goes to alcohol or drugs. The legislation provides for greater assistance to families to help them manage their finances to put them on a stable footing so that they can provide for their families and move forward into work or training.

The legislation demands that responsibilities of parents are met. They have the responsibility to make the right decisions about the important things like, education, health and the wellbeing of kids. We are working with parents, starting in the Northern Territory, to build a better life for kids, for young people and for families. What does this mean in practice? For example, an unemployed young person aged 18 to 24 is currently receiving Newstart and has been doing so for 13 weeks out of the last six months. This person would be moved onto income management under the new scheme but can be exempted if they enrol in full-time training or education or if that young person has shown that they want to work by working at least 15 hours a week for six months of the last year.

A mother in Alice Springs, for example, is currently on the parenting payment and may have been on that payment for, say, 18 months. Under this proposed scheme, she will move into income management under the scheme but can be exempted if her children are going to school and she is up to date with their child health checks and immunisations.

These are very basic reforms. They go to the real working lives of individuals. They go to the practical circumstances which people find themselves in. The overall strategy we are seeking to pursue is to get the balance of rights and responsibilities correct and to make sure that we break the cycle of long-term, chronic welfare dependency. I believe that all members of this House share that ambition for both Indigenous and non-Indigenous residents of the Northern Territory. It is for that reason that the legislation last night also represents an important step in restoring the fairness of the Racial Discrimination Act. We have ensured that welfare reform applies to both Indigenous Australians in the Territory and to non-Indigenous Australians in the Territory, putting all Australians on an equal footing.

This is an important reform for the government. It is part of a record of reform for the government in a range of areas, most recently embracing social policy, economic policy, health policy and the economy. We intend to get on with the business of further reform.

Mr ABBOTT (Warringah—Leader of the Opposition) (2.15 pm)—on indulgence—I rise to support the measure that went through the parliament last night and to thank opposition senators for facilitating its passage.

Budget

Mr HOCKEY (2.16 pm)—My question is to the Prime Minister. Given that Telstra, Woolworths, Coca-Cola, JB Hi-Fi, Leighton, Metcash, Foster’s, Brambles and Cochlear, to name a few, were all more profitable companies last year than Rio Tinto, will he confirm that they would all face a superprofits
tax like the great big new tax on mining if his logic to the new tax were applied across all sectors as suggested by the Secretary to the Treasury?

Mr RUDD—I welcome this question from the member for North Sydney on the impact of taxation policy on Australian companies. There is a fundamental difference here: we intend to take the Australian company rate down two percentage points; you propose to take the company rate up two percentage points. That is the basic difference. I could not see a more basic difference. But, of course, I note the member for North Sydney—and I refer the him to the answer I gave the Leader of the Opposition in my last question—has also referred again to share market performance. I will not go to the member for Dickson again, but I notice he is performing well: when he bought in it was $38.53; it is now up to $39.97. He has scored a neat 100 bucks in only one month’s work, and that is what has happened since before the introduction of this tax.

Mr Pyne—Mr Speaker, I rise on a point of order. If this Prime Minister is too embarrassed to answer the question, he should just sit down and allow us to move on.

The SPEAKER—That was not a point of order.

A government member—He’s pointless!

The SPEAKER—The parliamentary secretary is making the road even rockier. It has been a while since he has been out for a cup of tea, but he knows what is involved.

Mr RUDD—The question was about the profitability of firms. I also draw the member for North Sydney’s attention to the following performance of a few mining stocks since before the government introduced its plan for a new superprofits tax on the resources sector. Mount Gibson Iron, for example, on 30 April was $1.71. It is now up to $1.74 a share. Pan Australian Resources Ltd was at 52c and is now trading at 55c. Fortescue, I have to admit, was trading at $4.58 before the introduction of the package. It is now $4.57. We are down 1c, so sorry about that. Rio Tinto was $72.10. It is now up to $72.34. Here is another one: Centennial Coal was trading at $4.30; it is now up to $4.78. It is not going too badly at all. Newcrest Mining was trading at $33.09. It is now trading at $35.74—not too bad at all. We also have Lihir Gold, which was trading at $3.81 and is now trading at $4.40. We have Paladin Energy Ltd. It was trading at $4. It is now at $4.04—and so the list goes on.

Mr Laming interjecting—

The SPEAKER—Order! The member for Bowman is warned.

Mr RUDD—I say to the Leader of the Opposition and the member for North Sydney that of course share markets go up and down; but, insofar as we have seen developments over the last month, I think they point to a certain distinction between fact and fear. We are trading in the business of what actually is the factual impact of the proposed taxation regime we have put forth on the future of the Australian company sector, and that is to bring down the company rate by two percentage points. You propose to take it up two percentage points. We proposed to bring in tax breaks for small business—all 2.4 million of them. You propose to rip those tax breaks away. I could not see a more fundamental distinction between what we stand for on tax reform for Australian companies and what you stand for on tax nonreform for Australian companies.

Welfare Reform

Mr HALE (2.21 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. How is the government reforming welfare to protect vulnerable Australians?
Ms MACKLIN—I thank the member for Solomon for his question, as he is aware that this landmark legislation to make welfare work for all Australians passed the parliament last night. This legislation delivers on our government’s commitment to the fundamental values of fairness, responsibility and opportunity. It also, very importantly, delivers on the government’s commitment to reinstate the operation of the Racial Discrimination Act. The government knows the importance of this change, particularly for Indigenous Australians. Reinstating the Racial Discrimination Act means that Indigenous people, particularly in the Northern Territory, will now be able to take greater ownership and drive change around all the issues that are so important to them.

These welfare reforms are about making sure we do everything possible to protect vulnerable children. In every single circumstance, we want to make sure that welfare is not a destination, is not a way of life, for people in Australia. These changes will start in the Northern Territory and will extend the benefits of income management. They will also provide strong incentives to encourage people into work or training and to encourage people to be more responsible parents and make sure that their children go to school. Of course, we understand that the vast majority of parents do do the right thing by their children, but we want to help parents who are under pressure, particularly those who need assistance to get better financial structure into their lives, and provide them with more support.

These reforms are about providing additional support to both Indigenous and non-Indigenous Australians to make sure that we bring order and dignity to the lives of the most vulnerable and the most disadvantaged in our communities. The reforms will also provide additional funding for financial counselling and money management services so that people get extra help to manage their finances, and there will be a matched savings incentive to encourage people who are on compulsory income management to save. I want to make it very clear that age and disability pensioners will not be automatically income managed. Case-by-case income management will happen only if Centrelink staff identify an individual as vulnerable to coercion or if an individual is recommended by child protection authorities. These are landmark reforms, all designed to both support and protect vulnerable Australians so that every child in our country can grow up expecting to have a job and expecting to go to school so that they can get a better start in life.

Budget

Mr SECKER (2.25 pm)—Given that the Treasury secretary wants to impose a super profits tax—

Government members interjecting—

Mr SECKER—My question is to the Prime Minister.

Government members interjecting—

The SPEAKER—Order! Now that those on my right have assisted the member for Barker, he has the call.

Mr SECKER—My question is to the Prime Minister. Given that the Treasury secretary wants to impose a super profits tax on sectors other than the mining industry and given that Woolworths made a profit last year that was greater than Rio Tinto’s, will the Prime Minister guarantee the security of the jobs of the 345 workers in the Big W distribution centre in Monarto in my electorate?

Mr RUDD—I thank very much the member for Barker for his question. He refers, of course, to Woolworths. There is a big distinction between what Woolworths would pay in company tax under this government’s pro-
posals and what it would pay under those opposite. We would bring Woolworths’ tax down two percentage points; they would put it up two percentage points. That two percentage point increase is to fund the universally supported proposal for paid parental leave by the Leader of the Opposition, whereby he would whack a 1.7 per cent levy on Australian companies who have a turnover in excess of $5 million. Last time I looked, Woolies had a bigger turnover than five million bucks. Therefore, there is a four percentage point difference in the tax between what the member for Barker’s party proposes and what this government has put forward by way of tax reform. I also refer the member to my answer to the previous questions from the Leader of the Opposition and the member for North Sydney.

Broadband

Ms BIRD (2.27 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government, representing the Minister for Broadband, Communications and the Digital Economy. What progress is being made to roll out universal high-speed broadband in Australia, and why is it important to regional and remote communities? And are there any threats to broadband delivery in these communities?

Mr ALBANESE—I thank the member for Cunningham for her question, because she understands that this is the biggest nation-building infrastructure project in Australia’s history. Broadband will transform the way we do work, the way we communicate and engage with each other and the way we deal with the health and education sectors. This will deliver right across the nation, and others agree with us. The Age editorial today said this:

Building the NBN is a visionary task whose historic significance will outstrip even that of infrastructure projects such as the Snowy Mountains Scheme, which fired the imaginations of past generations ... Physical distances cannot be shrunk, but their tyranny may at last be overcome under the new forms of human connectivity the NBN will make possible.

That is why this project is so important. First services start in Tasmania just next month. Smithton, Scottsdale and Midway Point will for the first time have high-speed, affordable broadband. The rollout of some 6,000 kilometres of fibre optic backbone links is underway to some 100 regional locations.

The upgraded Australian Broadband Guarantee program will provide tens of thousands of existing and new customers with faster speeds and bigger monthly download limits. The agreement between Telstra and NBN Co. will ensure that the NBN is delivered faster, cheaper and with higher take-up rates, with benefits for both business and households. But it is under threat because those opposite are so out of touch that they simply cannot believe that the government is playing any role at all. Indeed, the shadow finance spokesperson has said: This is government gone mad.

That is their position. The opposition will scrap the NBN, ripping up vital infrastructure, ripping billions of dollars out of rural and regional Australia. But they do have something to take its place. In its place they will set up a billion-dollar regional education fund and will invest the interest, about $60 million a year—$60 million a year in total—to deal with 21st century education and communications tools across the whole country. They want regional and rural Australia to miss out on broadband, just as it did under 12 years of coalition government—

Mr Fletcher—What a lie! Who cancelled Broadband Connect?
Mr ALBANESE—and just as it did under their 18 failed broadband policies. Since then they have had three different shadow ministers, none of whom have been prepared to take that leap into the 21st century, leave their walkie-talkies behind and move into the digital age. They simply are not up to economic management and the challenges of this century.

Mr Fletcher—It is a lie!

The SPEAKER—The member for Bradfield will withdraw the comment.

Mr Fletcher—I withdraw.

Budget

Mr BRUCE SCOTT (2.32 pm)—My question is to the Prime Minister. I refer the Prime Minister to a small business in my electorate, Foztrax, which subcontracts to the resources sector. Since the announcement of the great big new tax on mining, they have had to cut their workforce from 15 to five employees. Will the Prime Minister advise Foztrax on what to say to the working families of the 10 employees who no longer have a job?

Mr RUDD—I thank the member for Maranoa for his question. I draw the member’s attention to the impact of the government’s overall tax reform plan, which in fact is to boost employment in the mining industry by something like 7.7 per cent. That is on the back of the range of measures contained within the overall tax reform plan.

Secondly, he refers to a small business. I do not know whether it is incorporated or not, but incorporated small businesses within his electorate would be entitled to a two percentage point tax cut. If they have a turnover in excess of $5 million then they would of course get a two per cent increase in their effective company rate as a consequence of the policy which he is putting forward for the next election. I know the National Party so strongly supports the Leader of the Opposition’s plan for a two per cent levy, in effect, to pay for the Leader of the Opposition’s Paid Parental Leave scheme.

I also say that when it comes to the employment performance of the mining sector it is very important to put this into the context of the last 12 months. In the middle of last year the minister for resources informed me that we had had something like a 15,000 cut in the overall mining workforce in Australia. That is a very large cut. Of course, they were wrestling with circumstances in the global economy at the time. If that cut had been reflected across other sectors of the economy in percentage terms it would have meant that at that time we would have been seeing something like a 19 per cent unemployment rate across Australia. That is the level of reduction which occurred in employment in the mining industry last year.

I draw the honourable member’s attention to the importance of tax reform. The government’s bottom line when it comes to tax reform is to get it right. The government will be sticking to the framework that we have put forward. The government believe in a profits based tax. We believe in a tax which is set at 40 per cent, a tax which applies to existing projects and one which delivers revenue for the stated policy priorities of the government. That is the sort of framework we are taking to the negotiations with the mining sector at present. Some of those companies are negotiating with us well, others less so. I doubt very much whether some of the big mining companies will be singing and dancing in the streets over the prospect of paying more tax. We intend to get on with the business of tax reform, better super for working families in the member for Maranoa’s electorate, tax cuts for small businesses in his electorate, tax cuts for incorporated companies in his electorate and, overall, a good reform for the nation.
Broadband

Mr SIDEBOTTOM (2.35 pm)—My question is to the Minister for Finance and Deregulation. Minister, how will the development of the National Broadband Network, commencing as it is in my electorate of Braddon, enable the government to improve the delivery of government services?

Mr Fletcher interjecting—

Mr TANNER—Ah, the member for Bradfield!

The SPEAKER—The minister will ignore the interjections.

Mr TANNER—He used to have such a good view on these issues until he got into the Liberal Party. I thank the member for Braddon for his question. The development of the National Broadband Network is going to open up enormous opportunities for improvements in the delivery of government services to Australians, and not just direct government services but also services that are largely financed by government, such as health and education services, and a range of other areas where governments are very directly involved. The National Broadband Network is going to open up great opportunities for innovation, for the development of better ways of doing things, for improving the quality of services and for diminishing the costs of government service delivery.

Neither the government nor anybody else is in a position to be prescriptive and to project precisely what these improvements will be because, inevitably, what is going to occur is a range of innovation, of product development, of new applications, of experimentation which will drive an evolutionary change throughout government service delivery and also throughout the private sector in this country.

I just want to refer to a few specific examples to illustrate the possibilities that the broadband network is going to open up. First, in education, by breaking down geographic barriers we will be able to have a situation where people in classrooms or tutorials will be able to interact with others on the other side of the country or on the other side of the world and with specialists in particular areas who will no longer only be accessible if they happen to be in the same city or the same town as that class or tutorial, which will inevitably involve an expansion of capability for education.

Second, in health, an example which is already being trialled now is people who are genuinely ill remaining in their homes, not in hospital, and being monitored on a round-the-clock basis by machines that can determine their heart rate, their blood pressure—

Mr Tuckey—You can do that now.

Mr TANNER—It may be occurring now, but it is not happening in many parts of Australia. The key thing about a ubiquitous broadband network is that it enables an expansion of those capabilities. What is already being trialled also contains the capability for videoconferencing between doctor and patient, which means that people will be able to stay out of hospital, have lower costs, be closer to family and stay in their own homes as a matter of course. Yes, it is being trialled now, but this does not happen as a matter of course.

Third, there are a range of smart grid technologies that will enable a more efficient use of the electricity grid in all parts of Australia by being able to monitor continuous flows of data—where there are disruptions and where there are problems—to enable a more efficient use of electricity transmission. Finally, there will be a range of opportunities in the area of traditional government service delivery—for example, the capacity to videoconference link with people who have specialities in particular areas of service deliv-
ery that are not located in every town and every suburb because by definition they are specialists that only deal with a relatively small number of problems.

I do stress that no-one can predict precisely how all of these things will unfold, but the government is already committed to developing a greater use of technology to improve the delivery of government services—for example, making the australia.gov.au site a single portal for access of citizens to government services across the board with a universal password accessible to all.

Mr Laming—It is another revolution!

Mr Hockey—How long has that been going on?

Mr TANNER—The Luddites in the Liberal Party mock all of these developments because they are still blocking the National Broadband Network. They are still there after the entirety of the telecommunications sector from Telstra down are now in partnership with the government to develop world-leading, universal, ultra-high-speed broadband for the improvement of the quality of life, the improvement of productivity and the improvement of government services in Australia. The last remaining obstacle to pushing Australia’s productivity and government service delivery into the 21st century is the Luddite opposition. It is about time you woke up to yourselves, got out of the way and helped progress Australia into the 21st century.

DISTINGUISHED VISITORS

The SPEAKER (2.40 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Indonesia’s Commission 1, the Indonesian House of Representatives committee for Defence, Foreign and Information Affairs. The delegation is led by the commission’s Vice-Chair, Mr Hayono Isman.

On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Budget

Mr ABBOTT (2.41 pm)—Mr Speaker, my question is again to the Prime Minister. I refer to his previous answer where he said that his new $9 billion-a-year tax on mining would be a veritable bonanza of investment and jobs in that industry. If the supertax is really as good for the mining industry as he claims, why wouldn’t he introduce a supertax on a range of other industries—on retail, on manufacturing, on construction—as recommended by his Treasury secretary, Ken Henry?

Mr RUDD—Once again I thank the Leader of the Opposition for his question because it goes to the whole challenge of tax reform. I refer also in my answer to the Leader of the Opposition’s question to what I said to the first question he asked in question time today concerning the taxation arrangements for non-renewable resources. I simply reiterate that point.

The Leader of the Opposition also asked about the reception this tax reform proposal has received from various elements of the mining industry. Can I draw the Leader of the Opposition’s attention to what I informed the House of yesterday with those seven separate resource related agreements, which were signed in the presence of myself and the Vice-President of the People’s Republic of China. Agreement No. 8 was a cooperation agreement between Chinese companies and a company called Resourcehouse Limited to establish a US$8 billion China First coal project involving the construction of a mine, the construction of 476 kilometres worth of railway to the port at Abbot Point near Bowen and the construction of a coal-loading terminal. The project is expected to
result in approximately A$4 billion in ex-
ports and the—

Mr Pyne—Mr Speaker, I rise on a point
of order on relevance. The Prime Minister
was asked: if the mining tax is such a verita-
ble bonanza for the mining industry, why
isn’t it good enough for all the other sec-
tors of the economy to improve their jobs
and investment?

The SPEAKER—Order! The member for
Sturt will resume his seat. Whilst I do not
encourage the question being repeated, in
repeating the question he read again the pre-
amble, which referred the Prime Minister to
statements in very floral terms about the
veritable bonanza. I guess the Prime Minister
is responding to that part of the question.

Mr RUDD—Thank you, Mr Speaker, for
your guidance and support. In the first part
of my answer I referred to that element of the
question and I dealt with the application of
this tax reform to non-renewable resources.
This part of my answer goes to the assertion
in the question from the Leader of the Oppo-
sition concerning the impact of this tax re-
form proposal on mining companies. I was
using an example of an agreement signed
yesterday in the presence of myself and the
Chinese Vice-President between Chinese
companies and a company called Resource-
house Limited for US$8 billion. Who owns
Resourcehouse Limited? Clive Palmer owns
Resource House Limited. There we have it—
Clive Palmer, at maximum, representing the
same principle, at minimum, we have had
from the member for Dickson. When it
comes to this impact of tax reform, the
member for Dickson goes out and buys some
shares and earns a tidy 100 on the way
through. Clive says he is prepared to put an
$8 billion project on the line and have it
signed yesterday, notwithstanding the impact
of this proposed tax reform. When it comes
to those opposite, we watch what they do,
not what they say.

DISTINGUISHED VISITORS

The SPEAKER (2.45 pm)—I inform the
House that we have present in the gallery
this afternoon the Chairman of Indonesia’s
Parliamentary Commission VI, Mr Airlangga
Hartarto. On behalf of the House I extend to
him a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Broadband

Mr GIBBONS (2.45 pm)—I have a ques-
tion for the Minister for Small Business, In-
dependent Contractors and the Service
Economy. Minister, what will be a benefit of
the National Broadband Network for Austra-
lia’s 2.4 billion small businesses and are
there any obstacles to delivering high-speed
broadband to those businesses?

Dr EMERSON—I thank my friend the
member for Bendigo for his question and for
his interest in the 10,140 small businesses in
his electorate. He represents a regional area
and nowhere are the benefits of the National
Broadband Network for small business so
clearly evident than in regional Australia. In
regional Australia the National Broadband
Network offers small business teleconferenc-
ing facilities, even the capacity in a place
like Bendigo and surrounding areas to tele-
commute so that people do not have to go
into the city every day but can use these
high-speed broadband facilities, which are
around 50 times faster than facilities avail-
able today. It is very easy to envisage a fu-
ture for small businesses operating from their
own regional centres but then saving the ex-
 pense and time of travelling all around Aus-
 tralia to meet clients. Initially they may meet
face-to-face but perhaps they will follow up
with good quality teleconferencing facilities.
They may also improve their web based
presence—another great advantage of the National Broadband Network—where small businesses are able to present the best possible face to customers and clients.

At present, although 96 per cent of small businesses around Australia have an email address; only 57 per cent have a web presence. In the tourism industry, it would be great to have that interactive web based presence so that people can have a look at the facilities on offer in Bendigo without visiting—they can even do that from overseas. There are so many wonderful opportunities. That is what we believe on this side of the parliament. So much do we believe it that the minister for tourism and I have combined, with the support of the Prime Minister, for a small business online program to get more small businesses into the 21st century through a web based presence and interactive services.

I am asked: are there any obstacles? Yes, there are. I have to advise the House that the coalition, if it were to win government, would shut down the National Broadband Network. Can you imagine any vandalistic behaviour higher than shutting down the National Broadband Network as the government seeks to move us and small businesses from the copper age of the 20th century into a fibre future for the 21st century?

The shadow minister for communications had an observation to make about this. I was involved in a debate on television with him and I was arguing for the benefits of the National Broadband Network. He said: ‘That would be good but we all have wants. I’d like a 53 Corvette.’ I can present to the shadow communications minister a stunning little 53 Corvette, a lovely little number. Doesn’t it say everything? We are talking about the 21st century and the shadow minister for communications says, ‘I want to go back to 1953.’ This guy would make John Howard behind the white picket fence look like a progressive. He wants to go back to 1953. I had a look at some of the features of the 53 Corvette. If you go to the top of the line for a 53 Corvette, do you know what you can get? An AM radio! And if you want to pay a fair bit more, you can get door handles that open the door from the inside rather than from the outside! He was not even born in 1950, but I have had a bit of a look around because he is a friend of mine and he is interested in a 53 Corvette. I can offer him a 53 Corvette for the princely sum of $199,500. He would have to go to Tennessee to get it and would be fresh out of the National Corvette Museum, just like the coalition is fresh out of the museum of the 20th century, while this government moves into the fibre age of the 21st century.

Budget

Ms JULIE BISHOP (2.50 pm)—My question is to the Prime Minister. I refer the Prime Minister to the statement of Indigenous leader and Melbourne university professor, Marcia Langton, who said:

If this super resource tax goes ahead, this could fundamentally change the policies of the socially responsible mining and energy corporations who negotiate impact benefit agreements with local Indigenous groups because I think it is even perhaps a triple tax.

Will the Prime Minister take the concerns of Professor Langton and other Indigenous leaders seriously and scrap his new tax on mining? If not, will he guarantee that no Indigenous community will be worse off as a result of his tax?

Mr RUDD—The first thing I will say in response to the Deputy Leader of the Opposition’s question is in terms of the impact of the proposed RSPT. Under the proposal the costs of employment, training and support for Indigenous employees, provided they are legitimate operating costs, are deductible
prior to the RSPT being calculated. That is
the first point of fact. Secondly, I say to the
Deputy Leader of the Opposition that the
government’s overall tax proposal is de-
signed and reinforced by Treasury modelling
to boost the overall level of employment in
the mining industry. Furthermore the Deputy
Leader of the Opposition refers to the em-
ployment impact of the mining industry it-
self. I would draw attention to Treasury tes-
timony at Senate estimates on Thursday, 27
May. It is worthwhile putting this into con-
text. It says:

In the first six months of 2009, in the immedi-
ate aftermath of the shock waves occasioned by
the collapse of Lehman Brothers, the Australian
mining industry shed 15.2 per cent of its employ-
ees—
that was last year—
Had every industry in Australia behaved in the
same way, our unemployment rate would have
increased from 4.6 per cent to 19 per cent in six
months.

I think it is very important to put the overall
employment performance of the mining sec-
tor in relation to Australia’s overall work-
force size into context, and I would simply
suggest to the Deputy Leader of the Opposi-
tion that she does so as well in terms of the
aggregate impact of the tax reform proposal,
including us bringing down the company tax
rate by two points and those opposite bring-
ing it up by two percentage points.

Budget

Mr GEORGANAS (2.53 pm)—My ques-
tion is to the Treasurer. Will the Treasurer
update the House on the consultation process
that is currently working through the details
of the new profits based tax on resources?

Mr SWAN—I do thank the member for
Hindmarsh for his very important question,
because there was extensive consultation
with the mining industry prior to the report
from the independent tax committee and, of
course, there has been extensive consultation
since that time. Indeed, it was the Mining
Council of Australia that made a submission
to that committee arguing for a profits based
tax. This is something that is not accepted by
those opposite. They do not think that there
should be a replacement of mining royalties
with a profits based tax. That is not even a
position which is held by the mining industry
itself. So we can see that those opposite sim-
ply do not have a clue about what they are
saying and that has been demonstrated in the
House today.

We saw the appalling ignorance of the
Leader of the Opposition getting up and
comparing mining companies to all other corporates in Australia in terms of the
charges that they have to pay. No other com-
pany in Australia gets access to a free public
resource. No other company in Australia has
access to something which is owned 100 per
cent by the Australian people.

Mr Simpkins interjecting—

The SPEAKER—Order! The member for
Cowan is warned.

Mr SWAN—That is why for over 100
years mining companies in this country have
paid a mining royalty to recognise it is a non-
renewable resource which can only be dug
up once. It is to the very great fortune of
Australia that the price of this non-renewable
resource is getting higher and is likely to be
higher for some time to come. It is a fair
thing that the Australian people should share
in that prosperity. But the Australian people
have been getting short-changed for some
time. Of course, that is why the Henry report
recommended a profits based tax to replace
royalties. The Australian people have been
getting short-changed and the consequence
of that is that we have not had the resources
that we need to invest and to strengthen our
economy more broadly.
I know those on that side of the House do not recognise the fact that Australia has been getting short-changed, but there is one Liberal who does—the Premier of Western Australia. The Premier of Western Australia thinks that we have been getting short-changed by a royalty regime. This is what he had to say yesterday:

Had we not done what has been done today, Western Australia would have been essentially selling its iron ore for decades to come at half price. That’s not acceptable.

Australia is being short-changed. Australia deserves a fairer share of its mineral resources. We deserve a fairer share of our mineral resources so we can do something for all of our companies—for small business, for corporates—to make our economy more competitive, to deal with the capacity constraints in the economy, to invest in infrastructure and to boost superannuation to boost our national savings to strengthen and broaden our economy.

What is the reaction of those of opposite? Nothing should be done. Let the windfall walk out the door or let the state governments occasionally jack up their royalties a little bit, have different regimes in every state, have a ramshackle regime that does not provide fair value to the Australian people and let that go on forever. That just shows how unqualified those opposite are to run this country and what little understanding they have of what we must do to prosper as a nation in the Asian century.

We on this side of the House have a fundamental economic reform program which will create jobs, which will encourage investment and which will make our companies more competitive. What we seek through consultation, which has been extensive with the industry, is a sensible and balanced outcome for the country. We seek a profits based tax at a 40 per cent rate applying to existing projects and producing the revenue that can strengthen and broaden our economy. We will not shirk our responsibility to the nation. We understand the importance of long-term reform.

The Leader of the Opposition was in here before talking about jobs and there were questions from the backbench about jobs and about people working at Woolies. Many people in this country would not have jobs if this government did not step up to the plate and stimulate the economy and support employment. And we will do it again because we understand the importance of long-term reform, and those opposite do not.

Mental Health

Mr DUTTON (2.59 pm)—My question is to the Prime Minister. Will he explain to the House why his chief adviser on mental health, Professor John Mendoza, resigned in disgust?

Mr RUDD—I thank the member for Dickson for his question. Can I say that of course Professor Mendoza has made an important contribution to the public debate on this because mental health is a priority of the government and health reform generally is a priority of the government. The government has many health policy advisers, some of whom have agreed and disagreed with elements of health reform. When it comes to mental health reform, I would simply say to the member for Dickson that the government is currently engaged in a series of measures which we believe improve the level of services for those suffering from a range of mental illnesses. The first relates to the expansion of headspace, youth-friendly mental health services, and that is through a $79 million additional investment, and also expanding the early psychosis prevention and intervention centre—

Mr Dutton interjecting—
The SPEAKER—Order! The question has been asked.

Mr Rudd—an expanded investment of $25.5 million.

Opposition members interjecting—

The SPEAKER—Order!

Mr Rudd—Furthermore, there is $13 million over two years to employ 136 extra mental health nurses, $58.5 million—

Mr Laming interjecting—

The SPEAKER—Order! The member for Bowman will leave the chamber for one hour under 94(a).

The member for Bowman then left the chamber.

Mr Rudd—directed to deliver care packages to better support up to 25,000 people with severe mental illness, to be delivered through access to allied psychological services arrangements. I further say to the member for Dickson that, as a result of the government’s $1.6 billion investment in sub-acute beds, these will also assist in providing the step-up and step-down sub-acute services—

Mr Abbott—Mr Speaker, I rise on a point of order. The question was: why did Professor Mendoza resign? Presumably he did not resign because of these measures—

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

Mr Abbott—so the Prime Minister should be relevant and explain.

The SPEAKER—The Leader of the Opposition will resume his seat. I have got the point of order. The Prime Minister knows of his responsibilities to be relevant to the question. The Prime Minister is responding to the question.

Mr Rudd—in response to the Leader of the Opposition’s intervention and the earlier question by the member for Dickson, we are all familiar with the printed statement or with the interview, which was printed yesterday or the day before, by Professor Mendoza. This government understands that mental health reform is a complex, hard, long-term task. We understand full well that the challenges of mental health are such that we must take the steps that we have outlined already and this is a further area of reform. I actually welcome the contribution of all those out there who are passionate about mental health reform, and that includes Professor Mendoza and it includes the Australian of the Year. Many of those who have a public voice on these issues will from time to time be critical of what the government is doing and they will from time to time be supportive of what the government is doing. That is because this government is committed to the business of open dialogue with the sector on the future of health reform.

Mrs Bronwyn Bishop—Mr Speaker—

The SPEAKER—Has the Prime Minister concluded?

Mr Rudd—No.

The SPEAKER—The member for Mackellar on a point of order.

Mrs Bronwyn Bishop—Thank you, Mr Speaker. I refer you to page 527 of Practice where it says:

Ministers accept the fact that they must be informed through a check of press, television or other sources of possible questions that may be asked of them in order that they may provide satisfactory answers.

Clearly, this answer is not satisfactory, not explaining why Professor Mendoza resigned, and I ask that he either answers the question or sits down.

The SPEAKER—On the point of order of relevance I have already indicated that the Prime Minister is aware of his responsibility to relate his answer to the question. The Prime Minister has the call.
Mr RUDD—Thank you very much, Mr Speaker. In response to the two interventions by both the member for Mackellar and the Leader of the Opposition and the earlier question by the member for Dickson, I have said that Professor Mendoza’s statement or interview was published in the newspapers. We the government cannot speak for him. He speaks for himself. And I have said further that we welcome contributions to this debate, as we have done throughout the process of health reform.

The minister for health and I have heard, in the various public forums we have conducted around the country on health reform, contributions from medical experts including those in the mental health sector over the course of the last six to nine months, many of whom agreed with the policy directions of the government and many of whom disagreed with the policy directions of the government. That is what the process of public consultation is about. The business of government is to frame a health reform which is fiscally responsible, hence the $7.5 billion expansion in health and hospitals we announced as part of our health reform program earlier on. Part of those investments also go to the question of sub-acute beds in hospital—an additional $1,300 million, some of which can be used of course for patients with various mental health challenges. Also, action on mental health since the government has come to office includes investment in perinatal depression, investments for the workforce, investments in suicide prevention and the establishment of a range of other measures as well. These are steps that we have taken in the overall challenge of mental health reform. There is much more to be done in this area. There is much more to be done in the area of aged-care reform as well. But I make these comments against a background of a government which has brought about a fundamental reform to the system.

Mr Dutton—Mr Speaker, I raise a point of order, on relevance. I could not have been any more specific in the question.

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

Mr Dutton—It was to explain why—

The SPEAKER—The member for Dickson will resume his seat. I understand that sometimes the questioners think that they are offering questions that can be ticked as a multiple choice by one sentence but, as I have indicated, often they are responded to in various ways. It is as long as a response is relevant. The response here is relevant given that it relates to matters of mental health policy.

Mr RUDD—I thank again the member for Dickson for his intervention. I would also note that the member for Dickson has said earlier on, in 2009, when referring to the state of our overall health system and public hospital system, ‘Patients as well would have seen a dysfunctional system over the last 10 years particularly when you talk about public hospitals.’

Mr Dutton—It’s the state government.

Mr RUDD—There he goes: it is pass the parcel and pass the blame to others. The whole function of the reform of the health system, the National Health and Hospitals Network, is to end the blame game so that we can bring about fundamental reform for the system: more doctors, more nurses, more hospital beds, bringing down the waiting time in accident and emergency and bringing down also the deferrals for those who are in the queue for elective surgery. Mental health reform remains a priority of the government. There is more to be done. Aged-care reform—much more to be done. We are getting on with the business of these reforms.

Mr Dutton—Mr Speaker, I seek leave to table Professor Mendoza’s letter where he
says that there is no vision or commitment from the Rudd Labor government on mental health.

Leave not granted.

**Building the Education Revolution Program**

Ms LIVERMORE (3.07 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations, Minister for Social Inclusion and Deputy Prime Minister. Will the Deputy Prime Minister outline the importance of investing in education in regional areas and update the House on current policies in this area?

Ms GILLARD—I thank the member for Capricornia for her question. I know that she is very interested in education in regional communities, including most particularly in her own. I know that she, like I, was disgusted to find that the track record of the Howard government on participation by students from rural and regional areas in universities was one where participation had gone backwards—had gone backwards to 18 per cent. Nothing effective had been done to get more country kids into universities. Nothing effective had been done to invest in country schools. Nothing effective had been done to invest in quality teaching. There was no national curriculum. Nothing effective had been done to encourage more country kids to finish year 12.

We have been turning around that shameful track record of neglect of the education of students in country Australia. We have been investing in buildings and equipment at schools, we have been investing in quality teaching, we have been investing in trade training centres and we are helping more country kids get to university. Through our Bradley reforms we are rewarding universities for enrolling students from low SES backgrounds—and, of course, country kids tend to have low SES backgrounds. Our loading is actually worth 15 times more than the previous equity funding. Universities have already responded to the Bradley reforms by growing places by more than 40,000. It should be received by this parliament as very good news that the fastest growth rates are amongst the cohort of students who come from the lowest socioeconomic backgrounds—that is, our reforms are working to get more poorer kids, including country kids, into universities. We have also reformed student income support so the system is better and fairer, and in every electorate in this country more students are getting youth allowance as a result.

I am asked about recent policy developments, and of course I tend to follow the statements of one of my counterparts, the Leader of the National Party—the man who would be Deputy Prime Minister if the Leader of the Opposition and his team became the government of this country. That is something for people to contemplate—the man who would be Deputy Prime Minister. On the weekend he announced, ‘A new coalition government will create a $1 billion regional education fund,’ and I thought, ‘That’s very interesting—a $1 billion regional education fund.’ But $1 billion in the hands of the Leader of the National Party is not really $1 billion, because Senator Williams from the National Party clarified it all on radio for us, and I thank him. He was very clear and he said:

... the plan is this. And it’s been ticked off by Tony Abbott and Joe Hockey, that we put the billion dollars invested, away, and what that billion dollars earns in interest, we then spend in regional Australia to improve education. So it is not $1 billion on regional education; it is $1 billion invested and the interest spent on regional education. Then Senator Williams went on to say the kinds of things it was going to be spent on:

... we want to see ... the good teachers...
So they are going to spend on good teachers with this interest—say, around $50 million on $1 billion they are going to spend on good teachers. What they do not tell you is that they are taking $400 million out of our quality teaching program. So they are going to spend on good teachers on one side and there will be a $400 million rip-off on the other side. It is a very edifying interview. Senator Williams went on to say:

There’ll be incentives for the buildings ...

That will come from the interest on the $1 billion that is also going on quality teaching. What he does not tell you is that the rip-off the other side means that 1,800 schools will never have access to a trade training centre. The rip-off the other side will mean that schools will not get their Building the Education Revolution projects. Then he goes on to say that this interest on $1 billion that is going to pay for good teaching and pay for new buildings is also going to pay for infrastructure. Prime Minister, you would find that remarkable, wouldn’t you? What they do not tell us is that the rip-off the other side is that they are going to stop the provision of 120,000 new computers. I see the Independents in this parliament starting to smile. I see them smiling away, because they know a bit about the National Party. What they know about the National Party is tricked-up announcements to try to fool country Australians but proof yet again, proof positive, that what the National Party actually stands for is selling out country Australia and this time they are selling out country kids. It could not be more obvious.

**Budget**

Mr ABBOTT (3.13 pm)—My question is again to the Prime Minister. I refer the Prime Minister to yet another Indigenous leader who is concerned about the impact of his great big new tax on mining. This time it is the former President of the Australian Labor Party, Mr Warren Mundine, who said today of the mining tax:

I’ll be quite honest—it was badly handled upfront … I have concerns as a Labor Party member that the resource super profits tax is totally absorbing all the energy of the government …

Mr Mundine went on:

The mining industry is a major player in getting people out of poverty … It’s the highest indigenous employer in the country—they’re providing the break to the indigenous people on a major scale.

We need to ensure that indigenous people are not forgotten.

That is what Mr Mundine said. So I ask the Prime Minister: why won’t he forget about modelling based on false assumptions, listen to the concerns of real people and dump this bad tax?

Mr RUDD—In response to the Leader of the Opposition’s question, had we followed his prescription in response to the global crisis there would have been 200,000 more people out of work. Had we followed his prescription, we would have done the New Zealand model and had 200,000 to 300,000 more people out of work. When the Leader of the Opposition speaks about jobs and he speaks about employment, he speaks with a complete want of sincerity. Rather than follow his prescription for the challenge facing this economy for jobs for Indigenous people and for jobs for non-Indigenous people, when the challenge was there to act we acted through a stimulus strategy to generate employment for the entire country.

Mr Abbott—Mr Speaker, I rise on a point of order on relevance. The question was about Mr Warren Mundine, and out of respect for Mr Warren Mundine the Prime Minister should answer his concerns.

The SPEAKER—If the Leader of the Opposition carefully looks at his question, he will see that it went on to much wider mat-
ters towards the end. The Prime Minister has the call.

Mr Pyne interjecting—

The SPEAKER—Order!

Mr Rudd—That was the first point. The second is that in terms of Indigenous employment I find it interesting that suddenly the Leader of the Opposition wages into this debate. On the question of Indigenous employment, can I remind the Leader of the Opposition of the range of measures this government has taken to support Indigenous employment across the country, including through direct support of Indigenous employment and training programs within the mining industry as well.

On the overall question of, shall I say, uniformity of view on tax reform proposals, I would draw the Leader of the Opposition’s attention to the interventions in this debate by his predecessor the member for Wentworth, who himself has come out and indicated there are many arguments in favour of changing the tax system in order to make it profit based as opposed to volume based. If the Leader of the Opposition was fair dinkum about economic investment, fair dinkum about the economy, fair dinkum about jobs he would not have simply hauled up the white flag—

Mr Pyne interjecting—

The SPEAKER—Order! The member for Sturt will leave the chamber for one hour under 94(a).

The member for Sturt then left the chamber.

Mr Rudd—If the Leader of the Opposition was fair dinkum about jobs, why did he go missing in action during the global crisis? Why did he say there was no room for stimulus? Why did he say that we should have followed the New Zealand road? Had we followed his prescription and sat on our hands and done nothing, 200,000 to 300,000 more Australians would have been out of work. This government stepped up to the plate, took the action necessary and generated the jobs that Australia needs.

Mr Hockey—You are so full of it.

The SPEAKER—The member for North Sydney!

Mr Hockey—Well it’s true.

The SPEAKER—The member for North Sydney perhaps should take a voluntary walk and come back. He might be in a better mood.

Work and Family

Ms Jackson (3.17 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. How is the government supporting families to make their own work and family choices, and are there any threats to this support?

Ms Macklin—I thank the member for Hasluck very much for her question. She knows that this government supports Australian families making their own work and family choices; that is why we provide support through a range of measures—the baby bonus, family tax benefit parts A and B and, from 1 January next year, Australia’s first paid parental leave scheme. Just today I have announced that from 1 July the baby bonus will increase by more than $100, to just over $5,300. This regular indexation increase will also see other family tax benefit payments increase for more than two million families.

Last week the Senate passed what can only be described as landmark legislation that does deliver Australia’s first paid parental leave scheme. Of course it is the case that Australians have been waiting decades for paid parental leave, even in the face of those opposite who, as we know, were dead against it. It is now the case that this government has delivered. One of the things that our paid
parental leave scheme does is make sure that families are able to make their own work and family choices. We want families to be able to choose how to share the ongoing paid parental leave. We do know that there are more and more dads who want to have a hands on role at home. By contrast, I was interested to see that not only is the opposition leader’s paid parental leave scheme unfair to business, as we know, and unfair to families, but also he will not even let mums and dads figure out how they want to share the ongoing leave. Under the Leader of the Opposition’s scheme, it is only mums who are going to be able to take two weeks of paid leave.

This would not be surprising to anybody on this side of the parliament, because he really is so stuck in the past. He is completely out of touch with the reality of families today. In most homes today it is families together—mums and dads together—who work out what is going to suit their circumstances, and more often we are now seeing dads deciding that they might spend some time at home. Of course it is this Leader of the Opposition that is showing that he really does not understand, that he really does not want to support the choices that those families want to make. We do know that when it comes to husbands and fathers this opposition leader has some very, very low expectations. This is what he told ABC Radio a little while ago:

If we’re honest, most of us would accept that a bad boss is a little bit like a bad father or a bad husband. Notwithstanding all his or her faults, you find that he tends to do more good than harm. I have to say that this is appalling from the Leader of the Opposition, and is a great kick in the guts to all of those very committed dads out there. This opposition leader is a huge risk to mums and dads who want to be able to figure out their own work and family relationships. He is totally out of touch with the choices that families want to make.

Mrs MARKUS (3.22 pm)—My question is to the Prime Minister. I refer the Prime Minister to the statement by the Attorney-General that there are now 508 children being detained by the Department of Immigration and Citizenship. Given this is a near 25-fold increase on the 21 children who were being detained in November 2007 when he was elected, when will he admit that the government’s border protection policies are neither effective nor compassionate?

Mr RUDD—I thank the honourable member for her question. I would simply ask her to reflect on one thing, and that is in the period of the previous government there was a policy of putting kids behind razor wire; this government does not put kids behind razor wire—because we have a different set of values. We actually believe in making sure we have got the policy right. If people come to this country and they are judged to have legitimate asylum status, they stay; if they are seen to be illegitimate, they are sent home. That is our policy, but, in terms of how we handle people on the way through, we will do so with dignity and respect—and that does not include putting kids behind razor wire, like the previous government did.

Ms KING (3.23 pm)—My question is to the Minister for Health and Ageing. How is the government increasing support services for Australian mothers and their babies and are there any threats to this approach?

Ms ROXON—I thank the member for Ballarat for her question. I know she has always taken a keen interest in the services that the government is instigating to support women in her electorate. I am sure that all of the House would be pleased in noting that yesterday we announced the new pregnancy, birth and baby helpline, which will be available from 1 July, 24 hours a day, seven days
a week, to provide support to people who are considering pregnancy, who are in the middle of their pregnancy and wanting advice and support and who have recently had children and might want advice about the early weeks and months of a baby’s life. The independent charitable organisation the Royal District Nursing Service is going to be running this service, offering information and counselling on a wide spectrum of topics relating to pregnancy, birthing and the life of the new baby, including issues such as nutrition for mothers and babies, breastfeeding, relationship support and healthcare options.

One of the things that we get asked in the community all the time is: what are the things that you are proud of as a government? What is making a difference to what you are doing as a government? I can say today that I am very proud that, for any young couple around the country who might be deciding today that they want to start a family, the range of supports available because of the actions of this government are far more extensive than those that were available when the Leader of the Opposition was the health minister in the previous government. This expanded helpline, which will provide real advice, real counselling and referral through to services with particular expertise, was something that was not available when the Leader of the Opposition was the previous health minister. If a young couple are deciding to start a family they will be able to talk about the choice of care they want during the pregnancy. Whether they want to see a midwife in the community and get a Medicare rebatable payment for that or whether they want to see their GP, an obstetrician or perhaps a combination of all of those, that is now going to be available under our changes—something that was not available when the Leader of the Opposition was the health minister.

My colleague Minister Macklin has already mentioned paid parental leave. Anyone who is getting pregnant and starting a family now will know that by the time they are having their baby they will have an option to receive paid parental leave to support them financially during the early days of a new baby’s life.

We can also be confident that people who are discussing whether they want to have children in the future will know that they will be protected if their new status as a parent requires them on occasion to be late to work or to have flexibility in their hours. Instead of having the fearful situation they had under Work Choices, where they could be threatened with dismissal for not being able to turn up, this is something that will be protected by the changes that were introduced by the Deputy Prime Minister.

On top of this we now have 24-hour support for breastfeeding services—something that was not available under the previous government. A non-government organisation that was struggling to make ends meet, with women who provided the service having to pay for the calls themselves to ring someone back who needed support, is now funded by this government—something that the Leader of the Opposition did not support when he was the health minister.

We have also introduced a perinatal depression support service. We know that a great number of women are affected by depression during their pregnancy and in the early years of the child’s life. It is a serious problem and one that needed a coordinated and serious response, and we are very proud that that service is now up and running.

Of course, we could go through the years of the child’s life and look at the increase to the childcare rebate or at the 15 hours of preschool care. All of these things were not available when the Leader of the Opposition
was the health minister and a senior member of the government—because the Leader of the Opposition did not believe in providing this sort of support to working families at times when they were making a decision whether or not they would have children. We are very proud of this record. Unfortunately, because the Leader of the Opposition let his personal views get in the way of good policy, that was something that he never supported.

Opposition members interjecting—

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

The SPEAKER—Order! First of all, has the minister for health concluded? The minister has concluded. The member for Menzies.

Mr Andrews—Mr Speaker, there should be no place for this foul sectarian attack we get from this minister in this place.

Honourable members interjecting—

The SPEAKER—Order! The member for Menzies will resume his seat. That is not the way to handle it.

Asylum Seekers

Mr KEENAN (3.29 pm)—My question is to the Prime Minister. I refer the Prime Minister to reports that a boat carrying 200 asylum seekers, suspected of being Tamil Tigers, has left Sri Lanka and is heading to Australia. Can the Prime Minister update the House as to the location of the boat, its intended destination and what measures the government has taken to divert it from Australian waters?

Mr RUDD—I thank the honourable member for his question. As the honourable member would be aware, if he is familiar with how we deal with operational matters, if there are operational matters of concern involving our assets on the high seas—be they Customs vessels or the assets of the Royal Australian Navy—we do not comment. I would have thought the honourable member would be aware of that.

Young People

Ms RISHWORTH (3.30 pm)—My question is to the Minister for Housing and Minister for the Status of Women. What new measures is the government implementing to prevent violence against women and to assist young people in forming respectful relationships?

Ms PLIBERSEK—I am so pleased to have the question from the member for Kingston, who brings to this chamber her experience as a psychologist and who, as the chair of the caucus status of women committee, has played a terrifically constructive role in working on issues, including the sexualisation of children and particularly young girls in advertising culture. She has, as all members in this House have, an interest in making sure that young Australians are getting positive messages about their future relationships. We know that kids in their teens, as they go into their 20s, are very, very interested in what their relationships are going to look like in the future.

We launched on Sunday a campaign called ‘The Line’ with four terrific young performers—Lisa Mitchell, Maya Jupiter and Pez and Tenielle Muslin—who signed a pledge and donated their music to the government campaign. I am showing the images to members. This campaign will be predominately online, but there is also associated magazine and radio advertising. It asks young people to examine some of the issues about relationships: how do you have a respectful relationship; how do you have self-respect and respect for other people; how do you communicate openly and honestly; and what does it mean to be in an equal relationship? It is terrific to have the support of these young performers, because we know that young people love their parents and listen to
their teachers, but they are very, very influenced by their peer groups and they are very, very influenced by their heroes—their musical heroes, their sporting heroes. Having these people sign the pledge and be publicly supportive of this campaign is terrifically important.

Young people will be able to go onto this website and engage in online conversations. I think there are almost 4½ thousand fans already of the site. Members and senators, of course, are able to link their website pages or Facebook pages with the site so they can direct their constituents to have a look at them. Parents and teachers are able to access the site and use it for information when talking to young people about respectful relationships. This work builds on the respectful relationships programs that we have been rolling out in schools, sporting groups and community settings right around Australia.

It also coordinates very well and very closely with the work we are doing in homelessness, because we know that domestic violence is a huge issue in the area of homelessness and is a huge cause of homelessness. Today, we have had services from around Australia upstairs in the Mural Hall talking to members on both sides of the House who came to have a look at the work that is being rolled out right around Australia. We were particularly fortunate not just to have the Prime Minister and representatives of the parliament there but to have Renee, Jess, Emma Cathy and Alan—five people who have experienced homelessness first-hand—talking about their experiences and the way in which new services and new housing have helped them in their lives.

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

AUDITOR-GENERAL’S REPORTS

Report No. 46 of 2009-10

The SPEAKER—I present the Auditor-General’s Audit report No. 46 of 2009-10 entitled Child support reforms: building a better Child Support Agency: Department of Human Services.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (3.34 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.

MINISTERIAL STATEMENTS

E-Health

Ms ROXON (Gellibrand—Minister for Health and Ageing) (3.35 pm)—I ask leave of the House to make a ministerial statement relating to e-health reform.
Mr Truss—Mr Speaker, normally we would grant leave, but this is not a ministerial statement; it is a tirade of political abuse. It is an abuse of the ministerial statement process, so leave is not granted.

Mr ALBANESE (Grayndler—Leader of the House) (3.35 pm)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Minister for Health and Ageing speaking for a period not exceeding 10 minutes.

Mr ANDREWS (Menzies) (3.36 pm)—The opposition oppose this motion, just as we opposed the giving of leave in the first place. This is an abuse of the parliamentary processes by the Minister for Health and Ageing and now by the Leader of the House. They think they can come in here every day in the way we have seen from the Leader of the House and just abuse the parliamentary process, and the opposition are not going to stand for it. We had it today in this sectarian attack by the minister for health, repeating what she said a week ago, and this was passing somehow as parliamentary debate. It is disgusting.

Mr Albanese—Mr Speaker, this is a suspension so as to allow the minister to speak for 10 minutes. They are taking more time in debating the procedures than in debating the substance, which says it all.

The SPEAKER—There is no point of order. The Leader of the House will resume his seat. The member for Menzies has the call.

Mr ANDREWS—I am speaking against the motion that was moved by the Leader of the House. I put to the House that this is an abuse of the processes of the House, given the attitude that has been taken by this minister in relation to these matters. What we have had from this minister today is an attempt to engage in a tirade of abuse against the opposition rather than debate matters of significance and importance to the people of Australia. It is for that reason that we opposed giving leave to the minister in the first place and it is for that reason we are opposed to this motion by the Leader of the House.

This is a matter which is still before the parliament in other realms. It is a matter which could be debated in a proper setting within this House. But we do not get that. We simply have the minister coming in here at question time with the attitude that she has taken. Now she is being backed up by the Leader of the House, who says, ‘We’ll just waltz this through; we’ll just push it through.’ They are using the usual thuggery that we get from the Leader of the House in this place towards all matters of parliamentary procedure.

As far as we on this side of this House are concerned, we are going to make a stance for proper parliamentary performance and we are going to make a stance against the abuse of the processes and the procedures of this parliament which is so typically engaged in by the Leader of the House.

The Leader of the National Party did not give leave for the reasons that he gave. For those reasons, we are not going to allow this parliament to be used for a tirade of personal abuse from the minister for health, which we have seen her engage in before. She simply wants to bring up a personal attack against the Leader of the Opposition. She did it at the end of a question today and she did it last week in question time. There was nothing of substance: nothing about this government’s proposals for health.

And when she gets a serious question asked about health by the shadow minister—for example, about why Dr John Mendoza resigned saying that he was disgusted with the attitude of the minister in relation to this minister—there is no answer from her and no answer from the Prime Minister, who simply waffles on for minute after minute as per
usual in question time. He could not even name Professor Mendoza yesterday—one of the most significant medical advisers, the Chairman of the National Advisory Council on Mental Health. He sent a letter to the government saying that he was stepping down. Why was he stepping down? He said that it was because the whole approach of this government to mental health was a disgrace and had no vision whatsoever.

Worse than that, he said that what the government was doing—as we know is typical—was claiming for itself the programs and the policy expenditure that had been put into place by the previous government. And the Prime Minister could not even mention Professor Mendoza when he was asked in here why such an illustrious leader in the mental health field in Australia had resigned. It was because of the shabby treatment of mental health policy and programs under this minister.

What do we get from this minister? She comes in here thinking that it is great for her. She thought, ‘I will make a personal attack on the Leader of the Opposition.’ That is what she is about. She cannot come in here and defend her failure to provide adequate funding for mental health programs in Australia; she cannot come in here and say, ‘This is the way in which we’re going forward so far as health is concerned in Australia.’ All she can do is come in here and engage in a foul sectarian attack on the person and the character of the Leader of the Opposition. That is what we have had.

It is for that reason that the opposition did not give leave to this minister and it is for that reason that we will vote against this thuggish motion from the Leader of the House, who thinks that ministers should be able to waltz in here and engage in personal tirades against the Leader of the Opposition and the shadow health minister, which is what they seek to do day after day rather than doing anything substantially so far as healthcare funding in Australia is concerned. If there is any greater example of that, it is composed in this letter from Professor John Mendoza, one of the most illustrious leaders in mental health in this country. He said that there has been a shabby approach from this minister and this government so far as mental health is concerned.

This is what he said today:

On Friday I resigned my position as the head advisor to the Rudd Government on mental health. And it’s because of stories like Mary’s and my frustration over the Government’s failure to do more to prevent them.

So, today I’m taking the unusual step of writing to you through GetUp—GetUp—do you remember them on the other side?—to ask you to sign this petition, because I’ve come to the regrettable conclusion that my advice was not getting through—only public pressure will spur politicians into action.

This is Professor Mendoza.

Mr Melham interjecting—

Mr ANDREWS—Are you seeking to deny his reputation, Member for Banks? This is Professor Mendoza, a person chosen by this government for his ability, knowledge and expertise so far as mental health is concerned. He has been reduced to resigning, and the Prime Minister dare not mention his name in this parliamentary chamber. In order to get his concerns and the concerns of thousands and millions of Australians through to this thick headed government, Professor Mendoza is asking people on GetUp to start protesting and petitioning this government because of their absolutely disgusting failure of performance so far as mental health in this country is concerned.

If you want to have a debate about these issues, we will have a debate about these
issues—and not using the sorts of personal tirades that we get question time after question time from the minister for health. They are why we are saying no. Do not abuse this chamber; do not abuse this parliament. Let us deal with your failures so far as mental health and the health system in Australia are concerned.

This is a motion to allow Roxon, the minister for health, to speak for 10 minutes only, to come in here and thuggishly say that we are going to have another tirade against the government. We have said: ‘No, we object to that. We object your personal approach to these things, Minister.’

The SPEAKER—Order! The shadow minister will refer his remarks through the chair.

Mr ANDREWS—Mr Speaker, I refer them through the chair out of deference to you. What I am saying through you, Mr Speaker, is that we object to this approach by this minister. This is a disgusting approach by this minister. It is a regrettable approach by this minister. It is another opportunity for this government simply to engage in a tirade of personal abuse. We have had enough of the personal abuse from the Leader of the House and others in this government. So far as we are concerned, your abject failure so far as mental health in Australia is concerned is an indication of the total incompetence of this government that cannot deliver a program and that engages in overblown rhetoric day in, day out—and yet the people of Australia are waking up every day and finding out that promises which have been made are simply not capable of being delivered by this government. The reality is that this motion should be opposed.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (3.46 pm)—I speak against the comments made by the member for Menzies, who has finally lost it in this House. He has absolutely no recollection that the process for ministerial statements is to provide them, as was done, at 12 o’clock to the opposition. It is a statement about e-health, an important part of the future reform of our health system. The reason they want to talk about anything other than this topic is that they are cutting half a billion dollars out of e-health and they are looking for every other distraction they can possibly find rather than actually having a debate—with the minister standing here and the shadow minister replying—on an issue of substance. The shadow minister for health does not have anything he can say when it comes to the Liberal Party’s view on e-health because they are slashing half a billion dollars out of this system. So they are looking for every other diversion. They are pretending that the processes have not been followed. They are letting the member for Menzies off his leash to go absolutely barking in here, when he is talking about something that is nothing to do with the topic that is here for the ministerial statement.

Just minutes before we came into the chamber for question time I was in discussions with the shadow minister, with the shadow minister wanting to know if we would accept amendments on this so that the bills could be passed in the Senate. So this is a substantive health reform question. It is appropriate for it to be able to be debated here in the House. It is appropriate for there to be discussions about what is happening in the other place. And it is a complete distraction for the member for Menzies to get up and have a rant and rave about sectarianism—nothing at all to do with e-health and the significant reforms that are being introduced by this government. That is why we are seeking to suspend standing orders—in order to have this significant debate and in order to encourage the Liberal Party to actu-
ally put on the record their view about e-health.

Mr ALBANESE (Grayndler—Leader of the House) (3.48 pm)—I move:

That the question be now put.

The House divided. [3.52 pm]

(The Speaker—Mr Harry Jenkins)

Ayes………… 79
Noes………… 59
Majority…… 20

AYES
Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.S.
Butler, M.C. Byrne, A.M.
Campbell, J. Champion, N.
Cheeseman, D.L. Clare, J.D.
Collins, J.M. Combet, G.
Crean, S.F. D’Ath, Y.M.
Danby, M. Debush, B.
Dreyfus, M.A. Elliot, J.
Ellis, A.L. Ellis, K.
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Fitzgibbon, J.A.
Geogantas, S. George, J.
Gibbons, S.W. Gray, G.
Grierson, S.J. Griffith, A.P.
Hale, D.F. Hall, J.G. *
Hayes, C.P. * Irwin, J.
Jackson, S.M. Kelly, M.J.
Kerr, D.J.C. King, C.F.
Livermore, K.F. Macklin, J.L.
Marles, R.D. McClelland, R.B.
McKew, M. McMullan, R.F.
Melham, D. Murphy, J.
Neal, B.J. Neumann, S.K.
O’Connor, B.P. Owens, J.
Parke, M. Perrett, G.D.
Plibersek, T. Price, L.R.S.
Raguse, B.B. Rea, K.M.
Ripoll, B.F. Rishworth, A.L.
Roxon, N.L. Rudd, K.M.
Saffin, J.A. Shorten, W.R.
Sidebottom, S. Smith, S.F.
Snowdon, W.E. Sullivan, J.
Swan, W.M. Symon, M.

Tanner, L. Thomson, K.J.
Turnour, J.P. Zappia, A.

NOES
Andrews, K.J. Baldwin, R.C.
Billson, B.F. Bishop, B.K.
Bishop, J.I. Briggs, J.E.
Broadbent, R. Chester, D.
Ciobo, S.M. Cobb, J.K.
Coulton, M. Dutton, P.C.
Farmer, P.F. Fletcher, P.
Forrest, J.A. Gash, J.
Georgiou, P. Haase, B.W.
Hartsuyker, L. Hawke, A.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. * Hunt, G.A.
Irons, S.J. Jensen, D.
Keenan, M. Ley, S.P.
Macfarlane, I.E. Marino, N.B.
Markus, L.E. May, M.A.
Morrison, S.J. Moylan, J.E.
Neville, P.C. O’Dwyer, K
Oakeshott, R.J.M. Pearce, C.J.
Ramsey, R. Randall, D.J.
Robb, A. Robert, S.R.
Ruddock, P.M. Schultz, A.
Scott, B.C. Secker, P.D. *
Simpkins, L. Slipper, P.N.
Smith, A.D.H. Somlyay, A.M.
Southcott, A.J. Stone, S.N.
Truss, W.E. Tuckey, C.W.
Turnbull, M. Vale, D.S.
Washer, M.J. Windsor, A.H.C.
Wood, J.

* denotes teller

Question agreed to.

Original question put:

That the motion (Mr Albanese’s) be agreed to.
The House divided. [3.57 pm]

(The Speaker—Mr Harry Jenkins)

Ayes .......... 81
Noes ........... 57
Majority ....... 24

AYES

Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.S.
Butler, M.C. Champion, N.
Campbell, J. Cheeseman, D.L.
Collins, J.M. Clare, J.D.
Crean, S.F. Combet, G.
Danby, M. D’Ath, Y.M.
Dreyfus, M.A. Ellis, K.
Ellis, A.L. Ferguson, L.D.T.
Emerson, C.A. Fitzgibbon, J.A.
Ferguson, M.J. George, J.
Georganas, S. Gray, G.
Gibbons, S.W. Griffin, A.P.
Grierson, S.J. Hall, J.G. *
Hale, D.F. Irwin, J.
Hayes, C.P. * Kelly, M.J.
Jackson, S.M. King, C.F.
Kerr, D.J.C. Macklin, J.L.
Livermore, K.F. McClelland, R.B.
Marles, R.D. McMullan, R.F.
McKew, M. Murphy, J.
Melham, D. Neumann, S.K.
Neal, B.J. Oakeshott, R.J.M.
O’Connor, B.P. Parke, M.
Owens, J. Plibersek, T.
Perrett, G.D. Rague, B.B.
Price, L.R.S. Ripoll, B.F.
Rea, K.M. Roxon, N.L.
Rishworth, A.L. Saffin, J.A.
Rudd, K.M. Sidebottom, S.
Shorten, W.R. Snowdon, W.E.
Smith, S.F. Swan, W.M.
Sullivan, J. Tanner, L.
Symon, M. Thomson, K.J.
Thomson, C. Turnour, J.P.
Trevor, C. Windsor, A.H.C.
Vamvakion, M. Zappia, A.

NOES

Andrews, K.J. Baldwin, R.C.
Billson, B.F. Bishop, B.K.
Bishop, J.I. Briggs, J.E.
Broadbent, R. Chester, D.
Ciobo, S.M. Cobb, J.K.
Coulton, M. Dutton, P.C.
Farmer, P.F. Fletcher, P.
Forrest, J.A. Gash, J.
Georgiou, P. Haase, B.W.
Hartseyker, L. Hawke, A.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. * Hunt, G.A.
Irons, S.J. Jensen, D.
Keenan, M. Ley, S.P.
Macfarlane, I.E. Marino, N.B.
Markus, L.E. May, M.A.
Morrison, S.J. Moylan, J.E.
Neville, P.C. O’Dwyer, K.
Pearce, C.J. Ramsey, R.
Randall, D.J. Robb, A.
Robert, S.R. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. * Simpkins, L.
Slipper, P.N. Smith, A.D.H.
Somlyay, A.M. Southcott, A.J.
Stone, S.N. Truss, W.E.
Tuckey, C.W. Turnbull, M.
Vale, D.S. Wash, M.J.
Wood, J. * denotes teller

Question agreed to.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (3.58 pm)—We are at a crucial point for the future of electronic health development in Australia.

Given the key role that e-health will play in reforming Australia’s health system, progressing e-health is vital for the future direction of the health reform agenda.

For more than three months the government have wanted the Senate to consider the Healthcare Identifiers Bill 2010. We want to get on with implementing e-health, but these attempts have been blocked by the Liberal Party, by their delay and their dithering.
The bill sitting in the Senate as I speak today seeks to establish a single national healthcare identifier system for patients, healthcare providers and healthcare provider organisations.

This new identifier system will facilitate reliable healthcare related communications, support the management of patient information in an electronic environment and provide the foundations necessary to support the development of a national e-health record system.

Put simply, this is like building Highway 1, the main backbone of the new e-health system. Without unique healthcare identifiers there cannot be an integrated, consistent, national e-health system in Australia. We have to build the highway which will allow each and every healthcare provider and consumer to connect to a national system.

Electronic health records will help revolutionise the delivery of health care in Australia. That is why last month’s budget included almost $467 million to roll out personally controlled electronic health records for all Australians from 2012-13.

This investment will establish a secure, personally controlled electronic health record system that will provide:

- summaries of patients’ health information—including medication and immunisation summaries, and results of diagnostic tests;
- secure access for patients and healthcare providers to their e-health records via the internet;
- rigorous governance and oversight to maintain privacy; and
- the national standards, planning and core national infrastructure required to use the national system.

Patients will, for the first time, be able to access their key health information when and where they need it. Patients will no longer have to remember every detail of their care history, medications or test results and have to retell it to every health professional that they see.

It is estimated that two to three per cent of hospital admissions in Australia are linked to medication errors, which equates to 190,000 admissions each year and costs our health system $660 million per annum. And about eight per cent of medical errors are because of inadequate patient information.

E-health will save lives, reduce medical errors, keep people out of hospital and save money for the taxpayer.

Nine of the National Health and Hospitals Reform Commission’s 123 recommendations deal with the need to progress e-health, including a recommendation to introduce healthcare identifiers by July 2010—that is just next week—and individual electronic health records by 2012.

The government has worked hard to progress these reforms as a priority and to progress the legislation.

We referred the bill to the Senate Standing Committee on Community Affairs to allow for more community consultation on the bill after two rounds of consultation last year.

Stakeholders including the Australian Medical Association, the Australian Nursing Federation, the Royal Australian College of General Practitioners, the Royal College of Pathologists of Australasia, industry and the Consumer Health Forum of Australia all outlined the critical need for this legislation to be passed.

The committee recommended the passage of the bills without amendment.

However, following further consultation on the draft regulations and the recommendations proposed by the coalition in its minority report, the government has been pre-
pared to propose amendments to the bill and regulations to respond to some of the issues raised.

Despite this, the coalition are still yet to commit to supporting the legislation and have announced that they would cut the budget funding to roll out e-health records—defying the almost unanimous support in the health sector for e-health.

The coalition have abandoned, unfortunately, more than a decade of bipartisan support for e-health reform and once again embraced the health funding cuts agenda they pursued when they were last in government.

This contradicts three specific speeches that Mr Abbott, the Leader of the Opposition, gave as Minister for Health and Ageing calling for e-health records.

Indeed, he based his first speech as the new health minister in 2003 on the need for e-health records. He gave his government five years to implement a national scheme or it would be an ‘indictment against everyone in the system, including the government’.

The member for Dickson, sitting at the table today, is also on the record as offering bipartisan support for e-health. Last September he stated the lack of e-health was a ‘very poor reflection on the last decade of discussion’.

The shadow Treasurer told parliament in 2008 that ‘there was a very bipartisan agreement’ on e-health.

After the Liberal decision to cut the next tranche of funding announced in this year’s budget was widely condemned by the AMA, the ANF, the AGPN and other stakeholders, Andrew Robb, the opposition finance spokesperson, declared they would not support e-health as there was no ‘individual identifier’ in place.

Today is the opportunity to change that. I say to the Leader of the Opposition, the shadow Treasurer, the member for Dickson and the member for Goldstein: here is the chance to right the wrongs of the last decade. Here is the chance to demonstrate that the Liberal Party is serious about health reform.

The decision to introduce a national approach to identification for patients and providers was made as far back as 2006 by COAG—under the Howard government. The decision was then affirmed in November 2008 when COAG agreed to universally allocate healthcare identifiers to all healthcare recipients in Australia.

Now it is crunch time for the Liberal Party. This is an opportunity to stop standing in the way of this building block for e-health in Australia. Clinicians, patients, industry and business all see this legislation as vital to improving patient care and efficiency in the health system.

There is much at stake with this legislation. Building a national e-health system depends upon having a secure, consistent foundation to correctly identify all records. Allocating healthcare identifiers for all Australians provides that foundation.

Personally controlled electronic health records will require specific safeguards, in separate legislation and governance arrangements.

The Liberal Party must think carefully about whether they want to risk consigning our health system to languishing under a paper based system or whether they want to support taking a big leap into the 21st century with this legislation.

The government has consulted often and widely on this legislation—with two rounds of public consultation, three independent privacy impact assessments, and the Senate committee all examining the design and operation of the identifiers service and legislation.
It is time for the Liberal Party to stop playing politics with patients and either support this legislation or step aside and allow the Rudd government to get on with the job it was elected to do.

So today I call on the Liberal Party and the shadow minister here at the table to state on the record if they will stand with the patients who want this, with the clinicians who want this and with the healthcare stakeholders who want this, or if they will continue to consign our health system to the paper records of the last century.

This is the choice that the Liberal Party face, and this is why this is a matter of such importance to be discussed in the chamber today.

We can consign e-health to the last century. We can leave it there, languishing with paper records. That may be where the Liberal Party’s health policies belong, but they should not stand in the way of such fundamental reform to our health system any longer.

We want the Liberal Party to stop playing games with this piece of legislation, acknowledge the government’s genuine attempts to address the issues raised during the consultation and allow the bills to pass the Senate this week.

I ask the shadow minister to please indicate today and advise the House in his reply if the Liberal Party will allow this legislation to pass in the Senate in the remaining few days before the winter recess and before the all-important 1 July start date.

Mr DUTTON (Dickson) (4.08 pm)—by leave—it is widely recognised and acknowledged that the introduction of a unique individual healthcare identifier is one of the important pieces of architecture in e-health in our country. The opposition understands this. We support e-health. We supported it in government. For example, the widespread computerisation of general practice was an initiative of the Howard government almost a decade ago. We support the introduction of a unique individual healthcare identifier; however, as many submissions to the Senate inquiry identified, the healthcare identifier legislation is too broad. That is why the opposition has drafted a number of sensible amendments to prevent function creep and to see that there is greater parliamentary scrutiny of the laws that will underpin the healthcare identifying service.

E-health is an area where substantial amounts can be wasted. According to Deloitte’s 2008 National e-health strategy report, $5 billion has been spent by the Australian state and territory governments over the past 10 years alone. This minister is proposing $467 million for electronic health records before they even have an identifier in place. At the COAG meeting in December 2009, $218 million was allocated from 30 June 2012 for the introduction of a health identifier, so the crocodile tears from the minister today really need to be exposed for what they are. There is money in the system. We propose sensible working amendments to the Healthcare Identifiers Bill 2010. We want to encourage the government to support them so that we can have a healthcare identifier.

To put this debate in perspective, I was first contacted by the Minister for Health and Ageing in relation to this bill at one o’clock today to say that she was going to provide this ministerial statement. A draft text of the ministerial statement was sent through to my office. We perused that information and it does not reflect the speech that was given by the minister only a few minutes ago. A page magically disappeared from the text of the speech that the minister provided—the page which included the tirade of personal abuse that we have become used to from this minister. It was not what was delivered to our office and it shows that this minister knows...
nothing else but personal abuse. She probably took that decision to modify her speech on the advice of the Leader of the House.

Why are we debating this bill today, at a time when this opposition has said that we will support sensible legislation? We are having this debate today because the government want to distract from their major failings, particularly in relation to mental health but also in relation to health more broadly. This is a government who have sat on their hands for the last 2½ years in the health arena. We have seen great frustration from health providers and indeed from patients right around the country, and that really came to a peak in the last 48 hours when Professor John Mendoza resigned his position as chief advisor in relation to mental health. For that the government should stand condemned. That is what we are doing here today.

This is a government that are trying to distract. They cannot say that they have a good record in health. They cannot say that they have a good record full stop. There are a number of reasons why people should not vote for this government at the next election and they have been well detailed—the insulation program, the billions of dollars being wasted in the school halls rip-off and the way in which GP superclinics have not been delivered. This government promised 31 GP superclinics at the last election and have three fully operational 2½ years later. Now they want us to believe that they can take over Australia’s 762 public hospitals and somehow competently run them when they cannot manage money and they cannot manage the health system.

We are here today as part of a massive distraction. If this minister were sincere about getting this legislation through, why would she approach me only a couple of hours before question time today? Why would that be the case when the shadow parliamentary secretary for health has been negotiating with the minister’s office in relation to this matter for some time and we said before question time, in a meeting which I urgently convened with the minister, that we would be prepared to look at a sensible halfway mark? We should be able to sensibly negotiate an outcome because we as an opposition want to see this bill passed, but we have some serious considerations that the government has ignored. They are not just our considerations; they are considerations that have also been raised during the Senate process by people who have an expert knowledge in relation to these matters.

We have raised those concerns on behalf of some of those stakeholders because we want this bill to be legitimate. We want to address some of the concerns so that, as we go forward in what is a contentious debate, particularly around the privacy issues, we do not have function creep and this government cannot just introduce by way of regulation some further function under the guise of this legislation when it should be a legislative change passed by both houses of this parliament. In essence, that is all we are asking for. We are asking for a sensible outcome and a debated outcome with this minister, but that is not the approach of this government. This government have been sitting for months on recommendations. It took them about two months to reply to the Senate committee’s recommendations. They want to come in here at the eleventh hour, only a week before 30 June, with this legislation due to start on 1 July this year, yet this minister cannot get her act together. This is not the first example of the way in which this minister has been completely negligent in the way in which she has managed her portfolio. She is completely incapable—with all due respect to the minister—of negotiating sensible outcomes.
We see it in relation to a number of issues, not the least of which is cataract surgery where announcements are made with no consultation and there is an expectation from the government that the opposition should just meekly roll over and agree to what is a failed process. All we have said as part of this debate is that we should have sensible amendments agreed to. Dr Southcott, our shadow parliamentary secretary, has put forward those arrangements and negotiations are now ongoing between the government and the opposition. I expect we will get a reasonable resolution to this, but do not come in here as a government trying to take some sort of high road and make some political issue of the fact that we want sensible amendments supported.

The Australian people should know that Mr Rudd is a complete failure as our Prime Minister. There are countless examples of that and I detailed some of them before. The real reason, as I said in my opening remarks, is that the government want to deflect from their other failings, not just in other policy areas but specifically today in relation to the ongoing criticism which they are receiving for their failure in mental health.

Professor John Mendoza is one of the most respected mental health professionals we have seen in a generation. He has great respect from both sides of parliament. This man says he took up the position as the chair of the National Advisory Council on Mental Health as ‘perhaps the most important public service responsibility of my life’. They were his words. This man is passionate about mental health and he reflects the passion that is in the mental health sector right around the country. This is a government which, at budget time, tried to rip money out of mental health, while having said over the last couple of years that they really want to put money into mental health. That is not the case. Do not look at what they do. Do not take our word for it; take the word of an independent expert who was chosen by the Prime Minister himself to chair the Advisory Council on Mental Health. This man is highly respected in the Australian community and he said in his letter to the Minister for Health and Ageing of 18 June:

... it is now abundantly clear that there is no vision or commitment from the Rudd Government to mental health. While significant improvements have been made in disability employment policy and to a lesser extent in housing ... there is no evidence of a change in policy or investment in mental health.

This is a person also who claimed quite rightly that the Rudd government was trying to rip off the policies which had been implemented by the Howard government, by our commitment to mental health. It just shows why we are in this chamber today. We will accept sensible negotiations and I think we will provide a resolution, but we will not be bullied and harangued into supporting what is otherwise a flawed bill—not just identified by us but identified by others as well. This is clearly a government that has sought to distract from the main business. The main business that this government has shirked its responsibility on is trying to implement the reform they promised at the last election. The Australian public should not forget at this election that an amazing amount was promised by Kevin Rudd in 2007 but this Prime Minister clearly is all talk and no action and there is no clearer example than in the area of health. (Time expired)

MATTERS OF PUBLIC IMPORTANCE

Education

The DEPUTY SPEAKER (Hon. BC Scott)—The Speaker has received a letter from the honourable member for Lyne proposing that a definite matter of public importance be submitted to the House for discussion, namely:
The national crisis that is the deterioration of regional and remote access of participation rates in education over the last five years.

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

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

Mr OAKESHOTT (Lyne) (4.19 pm)—Thank you, Mr Deputy Speaker, and thank you to other members who have come back from various places to support the MPI. I start by noting the words of the Deputy Prime Minister in question time where she also pleasingly talked about some of the data in relation to rural and remote access and participation rates. My response to her is that I hope she is right because the reason for putting this MPI on the Notice Paper is a report which has flown under the radar in the last month released by her department, the Department of Education, Employment and Workplace Relations. The title of the study of participation rates in education is Regional participation: the role of socioeconomic status and access. I have not lightly used the words ‘national crisis’ in the wording of the MPI before the House. I note this is not one of the contentious issues about mining tax, an emissions trading scheme, a Henry tax review or a budget, but based on the words in this report this is an issue which is ‘a national crisis’ and worthy of a greater priority by all members in this chamber and more time and resources of this House and us as policymakers. I make this point based on one critical sentence in the introduction to this report:

Regional and remote access and participation rates, as measured by administrative data—

the government’s own data—have deteriorated over the last five years.

There may be a political response from government that there is a lag in administrative data. So the question is: is this the period from 2005 to 2010 or is it an earlier period? I do not know. I would be interested in the feedback from government. What this report is highlighting is that we have a serious problem on our hands when regional and rural students and the regional and rural population are, for some reason, disengaging with the education pathway.

I say that in the broader context of recognising the work that is being done by government. I am in the camp of ‘vive le revolution’ in regard to education. I genuinely want to see reform and improvements in this area. I recognise the trade training centres and the
role that they play and potentially will play in the future. I would ask that, in that con-text, the coalition reconsider their views on the important role that trade training centres play. The computers in schools program is being rolled out. It is a valuable contribution for engagement for regional and rural stu-dents. I would hope that regional and rural members of the opposition would certainly lobby the decision makers to reconsider their position.

I can fully get national curriculum and na-tional teacher accreditation. What we are all watching now are reviews of funding and possible announcements soon around how funding is going to be distributed into the future. I get all that and think they are all very worthy contributions to the challenge before us, particularly for my electorate where we do not have a bricks and mortar campus for a university. I particularly get the work that is happening in the post Bradley environment and all those key words about ‘collaboration, not duplication’, ‘pathways’ and ‘pipelines’. I get the partnership that hopefully is now forming between some of my communities and the federal government to try and make it a seamless pathway through the certificate IIs and IVs and into the diploma and bachelor and postgraduate degrees. I get all that and I support all that.

In that environment, for this report to have been dropped in the last couple of weeks and for this one particular sentence to jump out, it rings alarm bells. It rings huge alarm bells and should ring alarm bells, particularly for anyone who is representing a regional or rural electorate. The fact that we have seen a deterioration of engagement in this five-year period, as measured by the government’s own administrative data, is a huge concern. It does need some responses from government as to the time frame exactly. Is this 2005 to 2010 or is it some other time? Why have we seen that deterioration? What are the reasons, from a government perspective, that has happened?

The rhetoric from both the previous gov-ernment and the current government is that they acknowledge and support regional Aus-tralia and regional students. The rhetoric is that they get the challenges. We saw a lot of that rhetoric shaped around the youth allow-ance debate. Yet, now we have administra-tive data saying something else, that the rhetoric is not matching the truth. The rheto-ric is not matching the facts of what is hap-pening in Australia today.

Yes, we are seeing greater engagement in low-SES areas. Yes, we are seeing greater engagement in Indigenous communities. But we can still shape a boundary based on geog-raphy. The regional and rural students, which are 27.9 per cent of the Australian popula-tion, are disengaging. Their engagement with higher education has deteriorated. We are a country at present that is firing on three cyl-inders. That is a quarter of the potential population who could engage in education, and then the country, hopefully, would get all the benefits of innovation, productivity and all the entrepreneurship and the inclusion that goes with that engagement in the educa-tion pathway. But for some reason the most recent DEEWR report says that it is not hap-pening. We are a three-cylinder country at the moment and it is shaped around that is-sue of geography. I would hope by bringing this MPI before the House that we can get some answers over the time period in ques-tion. We need to get the exact reasons from government as to why in this five-year pe-riod—either 2005 to 2010 or sometime very recently—there has been this deterioration, this collapse, in engagement from regional and rural students.

We like to say we are the clever country. I do not think it is very clever at all to leave people behind. I do not think it is very clever
at all to leave 27.9 per cent of potential opportunity for the country behind. I do not think it is very clever to be a two-tiered education system based on geography. I do not think it is very clever to increase urbanisation because of this issue of education. This brain drain continues to happen from regional and rural areas. The kids who do want to chase an education, hope or dream have no other option but to move to urban centres. I do not think it is the clever country to have a lack of engagement on education, which then leads to all sorts of issues. The Minister for Population is sitting at the table and there is the issue of 457 visas and skills shortages.

We are creating secondary issues for ourselves by not engaging a quarter of our education opportunity, which is students from regional and rural areas. So I certainly hope the government responds to these words and also responds in detail to this report. It is important that we see this issue become the matter of public importance it should be. It overrides in many ways the debate around mining taxes. We will not have the mining industry we want if we do not have people of good calibre with good skills to work in the mines. We can have all the debates on ETS and renewable energy that we want, but we must have people who understand what sustainability is, have skills as to sustainability and provide entrepreneurship as to sustainability for the future.

At a local level we have some huge challenges on the mid-North Coast. We want to engage with the federal government on many of their tertiary education targets. They are noble targets. Forty per cent having a bachelor degree or higher by 2025 is noble and a 20 per cent low-SES target in the same period is noble, so much so that one of the councils in my local area has set those same targets as its targets. We are coming off a much lower base with regard to a bachelor degree or higher. According to our current data, around 11 or 12 per cent of the Port Macquarie-Hastings population has a bachelor degree or higher, so for us to get to 40 per cent in the time frame in question is incredibly ambitious. We are going to give it a go as we think there is such a growing aspiration in the regions, including ours. We also think that some of the work that the federal government is doing in this space is assisting in achieving that. It is still not seamless as there are plenty of blockers in the system. The youth allowance mongrel hybrid, which was the end product of using some dot-connect system and drawing lines according to whatever the dirty deal was between the government and the opposition, is for regional areas, not so much for rural areas, a mess. It has people on different sides of the street having different sets of rules applying as to accessing youth allowance. We can do better. In the same time period some Senate inquiries identified a range of issues and they remain unaddressed. If we are serious about relocation issues and if we are serious about issues of proximity so that we can start to see an expansion of teaching and, ideally, bricks and mortar in regional locations so we see more university towns within Australia—and I know it is a dirty concept because no-one likes spending capital on bricks—we must acknowledge that proximity matters. Proximity is a driver in its own sense and it does encourage people to attend.

Mr Windsor—Hear, hear!

Mr Oakeshott—And so the member for New England interjects. You only need to look at the figures coming out of Armidale to see comparatively what a university presence in a community does in engaging regional and rural students. The comparative figures tell the story. So we have to get over this issue that spending money on bricks is no good in regional and rural areas. Well, it actually drives some answers to many of the questions being raised in reports. So I hope
these words are listened to, I hope this report is generally responded to and I hope we can see the revolution in education start to get into the regions, where obviously we have a problem that still remains unaddressed.

Mr CLARE (Blaxland—Parliamentary Secretary for Employment) (4.34 pm)—I thank the member for Lyne for bringing forward this matter of public importance for debate in this House today and, more generally, the issue of education in regional and remote Australia. On that I make the point that the Learn. Earn. Legend! program is underway in parliament this week. It includes 100 Indigenous students that are doing work experience in the offices of different members of parliament. They include two who are in the chamber today sitting in the advisers’ box, Skye Bortoli from Port Stephens, who is 17, and Zari Hardie from Shepparton, who is 15. These two people are great young leaders who are learning about how the process works here in parliament but also they are two young people who come from regional Australia, two of the people like those mentioned by the member for Lyne, who understands the importance of education in building opportunities for young people, those from regional Australia not just those from the cities.

I have spent a bit of time working with the member for Lyne on this issue and I understand how seriously he takes this issue. He understands the direct link between education and employment opportunity. School retention rates on the mid-North Coast, the area that the member for Lyne represents, are lower than the national average. Unemployment is higher. I had a look at the data for the mid-North Coast this afternoon. For Bellingen the retention rate is about 50 per cent, for Gloucester it is 49 per cent, for Greater Taree, 55 per cent, for the Hastings area, 65 per cent, for Kempsey, 51 per cent, and for Nambucca, 47 per cent. The average across the mid-North Coast is 57.6 per cent. The national average is 77.5 per cent. Unemployment in the region that the honourable member represents is higher than the national average. Unemployment across the country is 5.2 per cent. On the North Coast it is now 6.9 per cent. This is the same story that I find working in all 20 employment priority areas across the country. Over the last 12 months I have been on the road with Bill Kelty and Lindsay Fox working in these areas, areas that have been hardest hit by the global recession. We have gone as far north as Cairns and as far south as Burnie. We have been to the northern suburbs of Adelaide and the south-western suburbs of Perth.

All these areas are very different and all have their own different challenges, but they have one thing in common: in every one of them, high school completion rates are lower than the national average and unemployment is higher. That is the common thread, and that is why what we do in education is so important. It is the key to boosting employment in electorates like that of the member for Lyne and in electorates like mine.

This is very important because the workforce is changing. In the future there will be more high-skilled jobs and fewer low-skilled and unskilled jobs. I was in Washington in January, and I spoke to some think tanks and employer groups there. They told me that three out of four jobs created in the next decade will require postsecondary skills. In other words, 75 per cent of new jobs created in the US over the next decade will require completion of high school and an extra qualification after that. Monash University has done the same research here in Australia, and it reached the same conclusion.

If most of the jobs of the future are going to require postsecondary qualifications, then we have to boost both retention rates in schools and the number of people who go on
to get qualifications at TAFE or university. That is why the government has set the target of 90 per cent of students completing high school by 2015. We have also set the targets of halving the number of adults without a certificate III qualification or higher in the next 10 years and of increasing the number of 25- to 34-year-olds with a university degree to 40 per cent in the next 15 years. The government is already making progress. This year there are 44,495 more places at university than there were this time last year. That means that more young people from both the city and the regions are going to find it easier to get a place in university. Important in this debate is the point that the Deputy Prime Minister made in question time—that is, the biggest increase in those reaching university in the last 12 months has been among people from low SES backgrounds, and that is a good thing.

It is not enough just to increase retention rates nationally or increase the level of qualifications nationally. We have to do it in areas of greatest disadvantage, and many of those are in regional Australia. The Bradley review of higher education identified regional and remote students as one of three groups that remain significantly underrepresented in higher education. The others were students from low socioeconomic backgrounds and Indigenous students, and there are plenty of students from all three of these categories in the member for Lyne’s electorate. The member for Lyne spoke about the report recently prepared by the Department of Education, Employment and Workplace Relations, entitled Regional participation: the role of socioeconomic status and access. This report says that university participation among 19- to 21-year-olds from regional areas increased from 18 per cent in 1996 to 21 per cent in 2006. Interestingly, though, university participation amongst metropolitan students increased at a faster rate, from 28 per cent to 35 per cent. That confirms the findings of the Bradley review and also the point well made by the honourable member for Lyne in his contribution that regional students are falling behind their metropolitan counterparts. The Deputy Prime Minister and the government recognise this. The Deputy Prime Minister wrote about it in the Australian last week. She said:

If we are serious about building our national economy, strengthening regional communities and improving the lives of Australians, then we have to be serious about lifting the capacity and performance of Australia’s universities, especially those beyond our capital cities.

That is why we have created more than 150,000 new annual student start-up scholarships this year worth $2,128 or $1,300 in 2010 and why we are increasing the parental income test, which will benefit over 100,000 students. On top of this, we have created a new relocation scholarship worth $4,000 in the first year and $1,000 for each subsequent year in which a student is studying. Already there are around 18,000 of these scholarships, compared with 3,571 Commonwealth accommodation cost scholarships when this government came to power. I particularly thank the member for Lyne for supporting these reforms on student income support when they came before the parliament.

We are providing universities with $433 million over four years to enrol, engage and support students from low socioeconomic backgrounds through partnership funding focused on outreach. We are also providing a loading which will be worth $1,500 by 2012. I am sure the member for Lyne would agree this is a very important initiative, one that is important not just for students in regional parts of Australia but also for students in the sort of electorate that I represent where, as in the electorate of the member for Lyne, fewer students go on to finish high school and fewer students go on to university. I know
that the member for Watson, the Minister for Agriculture, Fisheries and Forestry at the table, would understand that as well, because there are similar statistics for the area that he represents.

The loadings involved in the reforms we are undertaking represent 15 times the current equity program. Regional and outer metropolitan universities in particular will benefit from these new loadings, given their local student populations. The new loadings include $325 million to enable universities to provide intensive support to students from disadvantaged backgrounds and $108 million for a new partnerships program that will enable universities to work towards raising the aspirations of students of low socioeconomic status. The sector has already responded by increasing its effort to bring in more disadvantaged students. As I mentioned earlier, the figures already indicate that the greatest growth this calendar year in the number of students at university has been amongst low SES students, and that is good news. I also note that the government has begun a review of the system that provides additional financial support to regional universities. This review will design a more transparent and logical system and is due to report at the end of the year.

I encourage the House to compare this with the record of the Howard government. When the Howard government was in office, the number of students from regional Australia going to university actually fell. As we heard in question time today, the commitment that was made by the National Party at their conference on the weekend is not all that it appears to be. On the weekend, a commitment was made of a $1 billion regional education fund, but we heard that Senator Williams, when questioned about it on radio, said that it would not be $1 billion after all; it would only be the interest earned on that $1 billion. Significantly, that amount would be around $50 million.

We learned that what you get on one hand will be taken away on the other because, whilst you might get the interest on this fund, what members in this House should know is that their communities will lose the funding that they would otherwise have got—from computers in schools, from trade training centres or from the investment in teacher quality that this government has committed to—but that the opposition has said it will take away. The shadow finance minister, who is at the table now, knows this very well because he is the author of that decision to take money out of schools if the opposition were to be elected. That means that regional schools would no longer receive computers in schools and would no longer receive funding for trade training centres, and there would no longer be funding for teacher quality. So regional communities need to be aware, and the member for Lyne needs to be aware—all members of the House need to be aware—that an Abbott government to be elected regional communities would be worse off. The coalition ignored education for more than 11 years and now they are trying to cut funding in areas like computers in schools, trade training centres and teacher quality.

I have spoken about universities. It is not just tackling disadvantage in universities that is the key; we also have to tackle it in our schools. I know that the member for New England will talk about this in some detail. I will use the time remaining to me to talk about the importance of tackling disadvantage in our primary schools. The program called smarter schools that the government has initiated is very important. It will fund extra classroom teachers, so primary school classes can break into smaller groups and practise reading, writing and maths. It will also fund extra assistance for children who
fall behind, and extra pay for our best teachers to come and work in places like my electorate and like the electorate of the member for Lyne. In my electorate, that means $62 million for 42 schools. In the member for Lyne’s electorate, it will mean $23 million for 22 schools. This is really good public policy in action. It is not just allocating the money to any electorate irrespective of the disadvantage or the need; it is allocating money to schools on the basis of need. You can see that through the schools falling behind on the MySchool website. They are the schools that get that extra funding and support to break kids into smaller classes and help them to catch up with reading, writing and maths. It is good public policy. Schools in my electorate, and I suspect schools in the member for Lyne’s electorate, have never seen funding like this before from a federal government. It would never have happened under the Liberal Party, and it will never happen under the National Party. They had 12 years to do something and they never did anything. In fact, and the shadow minister knows this, part of this program would be cut if the Leader of the Opposition were to be elected Prime Minister.

I will finish on the point of apprenticeships. It is about universities, it is about schools, and it is also about preparing young people for work. I was in the member’s electorate recently and we were talking to two young people who had recently got apprenticeships as part of the Apprentice Kickstart program. One, Jessica, who is an apprentice chef, and another, Jesse, who is an apprentice mechanic, are two of 227 young trade apprentices who got an apprenticeship over summer on the mid-North Coast through the Apprentice Kickstart program—a great initiative and a good practical example of what government can do to make a difference in a region like the member’s electorate. You just have to look at the data to see what has been achieved there. In the summer of 2008, the number of apprentices put on on the mid-North Coast was 188, the global recession hits and it dropped to 144, we take action and we boost it back to 227—more than before the global recession. That is what has happened all across the country. We are now recruiting more apprentices today than we did before the global recession. It is a good example of government taking action in a practical way to really make a difference for regions like the member for Lyne’s and all across the country. It is these things that we are doing in education and training that will help us to build a stronger economy and a fairer country.

Mr WINDSOR (New England) (4.49 pm)—I congratulate the member for Lyne for bringing forward this matter of public importance on education. One of the most important things parliamentarians can be involved in is the education of their children. I am very pleased to see the Minister for Population here today because education directly relates to any population research that we enter for policy for the future. There is significant empirical evidence that suggests that the previous government and the incumbent government, even though it has not been in power terribly long, should be seeing that report as a flashing red light—running the risk of not addressing the substan-
tive issue being raised by its own bureaucracy, and that is the deterioration in participation in and access to education for rural and remote students. I am pleased that this matter has been brought on for discussion because it does deserve concentrated debate. As I made the point a moment ago, it directly relates to the focus of population into the future.

There are a number of ways in which these issues can be addressed. I am pleased that the parliamentary secretary suggested towards the end of his speech that this is not only about education at university, and I am pleased that he mentioned the TAFE sector. The TAFE sector is very important if we are to achieve the skill levels we need. It is critical. This is also about our young people at primary school. If we allow that deterioration to occur at that very early stage, when our young people are at infant school and primary school, it is almost irrelevant to them as individuals whether they can access university—irrespective of how many places are made available. It is absolutely critical that this parliament address those issues at an early age.

I have spoken before—and the Parliamentary Secretary for Employment is aware of this, as is the minister—about some of the intervention services that are available within our schools. I would particularly like to take the opportunity to refer again to the QuickSmart program. I have raised this on a number of occasions in the past, and the government has funded the QuickSmart program. Given the number of schools that are keen to take up this program on the basis of empirical evidence and success, I urge the government to have a very close look at this because there are solutions to the deterioration problem that the member for Lyne refers to. I will explain a little about the QuickSmart program. It is different to the Kickstart program, which the parliamentary secretary referred to; the QuickSmart program is about assisting young students who are having difficulties with numeracy and literacy. It is a concentrated 30-week program conducted one on one that is aimed at building the confidence of students. I think we are all well aware as individuals that, as you gain confidence in anything, your capacity to pick up and run with other skills is enhanced. The QuickSmart program has been in place for about nine years and was developed at the New England University by the National Centre of Science, Information and Communication Technology, and Mathematics Education for Rural and Regional Education—the very level of rural education that the member for Lyne’s motion refers to. It has primarily been developed by Professor John Pegg, ably assisted by Associate Professor Lorraine Graham and a team of people who give far beyond what they are paid for.

I will quote from examples of some of the successes that have occurred. One student said:

When I am in QuickSmart I really feel smart—like I am not dumb any more. When I wasn’t doing QuickSmart I felt dumb. I didn’t really know how to do maths but it helped me in a lot of ways, like how to do problems and teaching me all my times tables. If it wasn’t for QuickSmart I don’t know where I would be right now. I love QuickSmart.

I have looked at videos of students in this one-to-one process and you can actually see the confidence building in them, because the education is tailored to the level of the student. The centre’s view is that any student can improve, irrespective of the level they are starting at. They go to the starting point and improve that student’s capacity and, in doing so, improve their confidence levels.

There are a number of things I could read out from various parents and students, but time will not allow that. I would like to highlight a critical point in relation to this pro-
gram. It has been going for so long now that empirical evidence can be established. They are revisiting the schools many years after and retracing the steps of the students to see whether this 30-week program has actually lasted longer than the 30 weeks. The evidence has suggested very, very strongly that it is putting people on a trajectory which lasts. Part of that is based on the confidence that these students gain through the attention they are given in the one-on-one process. There are a myriad of programs out there and I am sure that a lot of them are very well intentioned, but there is very little empirical evidence where the success rates of these programs have been revisited to see whether they have had a lasting effect or whether they have just been able to lobby effectively to get the ear of the minister of the day and convince them to spend money. So I would ask the Minister for Population—because, as I said, it is very important in relation to that area as well—and the Minister for Education to look very seriously at this program again and assist where possible.

In conclusion I will cite an incident at Orara High School at Coffs Harbour: Forty-two of the 44 Orara High School students, at Coffs Harbour, who undertook the QuickSmart program in 2006 were above benchmark on the 2008 national NAPLAN test in year 9. The two students who performed below benchmark were diagnosed as IM students in year 7. Each of these students, however, managed above-average growth for the period 2006-08.

This is the very group of students we are all trying to get to in different ways. Here comes the rub:

Interestingly enough, the principal of the school was so enthusiastic about the program that he put 44 students on it to bring them forward—not the top students, but students who were behind. The next year the school lost its disadvantaged schools money because it had lifted its results. It makes me wonder what we are trying to achieve with some of the programs we have put in place. It is absolutely critical that, when we start to get some success from these programs, we do not penalise the schools for being successful. The same thing applies to some people within the teaching profession. I agree with the coalition in relation to some of the policies that they are developing on this. We do have to encourage the better teachers and not dumb everybody down to a particular level. If nothing else comes from this matter of public importance, we have to understand that there is deterioration and that we can do something about it. (Time expired)

Mr CRAIG THOMSON (Dobell) (4.59 pm)—I rise to speak on this matter of public importance and acknowledge the member for Lyne for bringing this matter on and the contribution of the member for New England. The member for New England comes from a university town. I grew up in Bathurst, which is also a university town, and know the benefits that having a university in town brings.

This matter of public importance is about participation rates and access to education. What we all know on this side of the House—and I know, from the contributions of the member for Lyne and the member for New England, that they also believe this—is that access to education is so important for anyone in securing a job in the future and progressing in life. This MPI is about making sure those of us who live in regional or rural Australia have access to education at all levels. The member for New England made the point that it is not just about a university education; it has to start much earlier than that. It is a point that the Minister for Education, the Deputy Prime Minister, has made on many occasions. It is important to start as early as we can, to make sure there are resources going into education and that resources are also made available to regional and rural Australia so that there is equal opportunity for all Australians to pursue an education and hence a career.
I want to use the seat of Dobell to show not only the difficulties that we have at the moment but also the programs this government has put in place to assist students. Dobell has the lowest average family household income in New South Wales. It is a poor area. Dobell has the fastest growth rate of Indigenous Australians—around three per cent a year. What we also have is very poor retention rates in our schools. Some of our schools have retention rates of below 40 per cent but, on average, the rate is below 50 per cent in all of our high schools. This is very much below the national average retention rate. This is reflected in figures referred to earlier by the Parliamentary Secretary for Employment, where unemployment in my electorate on the Central Coast is over one per cent higher than the national average.

The real problem for us on the Central Coast is youth unemployment. Youth unemployment is in excess of 40 per cent on the Central Coast. You can see the direct parallel between the retention rates that we have at our schools, under 40 per cent, and youth unemployment, over 40 per cent. What is frustrating for many job seekers on the Central Coast—and this is typical of many areas—is that there are jobs on the Central Coast, but they often require skills that the education system does not provide them with. We see people coming from Sydney and Newcastle for these better-paying jobs on the Central Coast, because we have not been equipping our local young people with the skills to be able to take these jobs.

These are very real issues for me and very real issues for everyone on the Central Coast. What are we doing about it? There is a whole range of programs that we have put in place, starting with the Building the Education Revolution. Bricks and mortar are important for education—making sure that kids have access to proper facilities does assist in their educational outcomes. It also makes sure that kids go to school and enjoy school more because of the surroundings. I was at Wyong Grove Public School the other day, where a new hall is being built. Wyong Grove Public School is a very disadvantaged school. A little six-year-old came up to me and I asked him what he thought of the new hall. He said, ‘I get up every morning excited to come to school because of the activities that we do in this hall.’ That shows, directly, the effect that this is going to have. This child is going to school, participating, being retained in the school system and getting an education—because of the Building the Education Revolution. This six-year-old nailed it better than any of us could—the importance of these new buildings, this investment in infrastructure at these schools. It is an important lesson that we should all remember. There are over 106 schools on the Central Coast that are either just completed or in the construction phase and we are seeing lots of stories like the one of this six-year-old from Wyong Grove.

The computers in schools program is absolutely vital. I have a letter from Mr Andrew Newman, who is the Deputy President of the New South Wales Secondary Principals Council. He is also the Principal of Tuggerah Lakes Secondary College, which has three campuses in my electorate, with over 1,500 secondary school students. He wrote to me saying that the Digital Education Revolution in New South Wales has been an outstanding success in government schools. Careful planning that involves secondary principals has seen all year 9 students in 2009 receive a laptop. He said ‘We are well on the way to completing a second phase this year, with 14,000 laptops being rolled out per week to the current year 9 students.’

He goes on to say that they have put state-of-the-art software on the machines, which allows every student to be innovative. Additionally, technical support officers were ap-
pointed to all secondary schools to support the rollout, along with a wireless network with laptops to work on. Money was set aside for professional development of teachers so that there could be real changes in the classroom, and this is changing the way many teachers now teach. Classrooms reflect 21st century best practice.

This shows the importance of the computers in schools program. It ensures that kids in regional and rural areas right around Australia get the same chance as kids in the big cities. This is a program that rolls out right across Australia. It is absolutely vital that this program continues so that kids right across Australia get the advantage of this education and are not hamstrung. This program ensures that it is not just schools in the major metropolitan areas that have more money that are able to provide this type of education, which gives an advantage to children. We need to make sure that kids in regional and rural areas have the same base starting point. The computers in schools program is a vital program in relation to that.

Another very important program that we have in place is the Trade Training Centres in Schools Program. In my electorate, we have a $13 million promise so that four schools working together will be able to provide trade training at school. When you have only 40 per cent retention rates in your schools, you need to make sure that you are not just training kids at school for university, because many of them are not going to go to university. You need to make sure that you are training them for the jobs that are available in the area and jobs that they are going to be interested in—jobs that are not going to turn them off education. That is why it is so important that trade training is part of the curriculum in our schools. It needs to be part of what we do there. It is an absolute travesty that if the Abbott opposition is elected this program—the $13 million that is promised for my electorate—will simply not go ahead. We need to make sure that kids right around Australia get the opportunity for trade training.

In conclusion, I would also like to talk about the KickStart program and the success that it has had, building on the comments made by the Parliamentary Secretary for Employment. In the year before the global financial crisis, 303 apprenticeships were attained in my area. In the year of the global financial crisis, we lost over a third of those and there were just over 200 apprenticeships. In 2010, with KickStart the number went back up to 334—more than what we had before. This is an important program. This is the government acting to make sure that there are opportunities for education for all Australians. It is vital that rural and regional kids get the same chance as other kids. That is why this government is putting in place so many programs as part of the education revolution.

Mr KATTER (Kennedy) (5.09 pm)—Unfortunately, I represent Urandangi, Doomadgee, Mornington, Yarrabah, Normanton and Camooweal, which are six of the worst 10 schools. Charters Towers and Croydon make it eight out of the worst 20 schools. We say that school attendance is terrible, but I find the kids at Yarrabah the happiest kids that I have seen in all of Queensland. They are kicking footballs around; they are riding horses. I would prefer our kids to be happy, quite frankly, than well educated. I say that after a lot of forethought. I am a person who had the privilege of having parents who were reasonably well off and I had as good an education as it is possible to provide for your children.

Having said those things, the Kennedy electorate of North Queensland is the most certainly the eye of the storm. These are the worst performances in Australia. At Atherton
Primary School, year 5 have been told that they have to find $2,000 for laptops. The government told us that everyone was going to have a laptop. That is not the case at the Atherton State Primary School. The proposed removal of PCAP funding will leave St Anthony’s at Dimbulah, St Therese’s at Ravenshoe, Mount St Bernard at Herberton and other state schools off the table. To a lesser extent, this funding was used by St Anthony’s at Dimbulah to allow kids to travel 160 kilometres to Cairns, the nearest regional centre. That costs $2 a kilometre if you are not going under PCAP.

Moving on very swiftly in the limited time available to me, this next point is rather interesting. The government said that the problem was alcohol and they are trying to stop people from drinking. How utterly stupid. I do not know how many deaths we are up to in Queensland now, but I would hazard a guess that there would be at least a dozen deaths attributable to the state government’s efforts to ban alcohol. Has prohibition worked anywhere in the world? Why should the first Australians be treated as second-class citizens? It is impossible to say that all are treated equally when any of the 40,000 people living in the communities in Queensland are not allowed alcohol. It was always part of our upbringing as young people. I was a person who did not drink much, but a lot of my friends did. I cannot think of any evils that emanated from drink that affected the young people who I mixed with.

They are now saying that, if the kids do not attend school in all of the centres whose names I have reeled off, they will not get welfare payments. Does the government really think that they can force people to do things—force them not to drink? I am sorry, you cannot. Human beings have drunk since time immemorial. Read your Bible to find that out or read your archaeological books to find that out. Every race on earth figured out how to ferment alcohol. The pygmies in the Congo and the people on obscure islands in the South Pacific all figured out how to ferment alcohol. It is verified that we are up to our third death now from what they call ‘the brew’, which is a fermentation of vegemite. What is the state government going to do in Queensland, ban vegemite? That will be their next move.

You have to go to the root causes. I have canvassed those root causes many times in this place. It gives me no great joy—it causes me great suffering—to go to bed of a night knowing that this place has not taken any notice of a single one of those recommendations, with the exception of the last minister for aboriginal affairs in the last government, who made some efforts in the Northern Territory. They are now saying that if you do not have your kid attending school they will take away welfare payments. What are people going to do, starve to death? How are they going to live without welfare payments? The parents cannot discipline their kids. I imagine that other members of parliament have had people in their office who have tried to discipline their children and the thought control police have taken their children off them. How unfair. (Time expired)

Ms Livermore (Capricornia) (5.15 pm)—I am pleased to have the opportunity to speak on this matter of public importance placed on the Notice Paper by the member for Lyne. I realised, as I was closely reading the topic and listening to the member for Kennedy, that I had probably misunderstood a little bit the exact nature of the issue that he was talking about. I asked the Deputy Prime Minister in question time today about participation in higher education, which led me to thinking about it along that track. But I can see that the issue is actually much broader than that. Having said that, the government is well aware of the breadth of this issue and is working right across the educa-
tion sector—in primary, secondary, VET and higher education—to deal with participation rates of students in regional and rural areas.

One of the great things, if we start with the primary and secondary area, that I am finding as I go around to inspect and open Building the Education Revolution projects around my electorate is just how they have transformed these schools and transformed the way the teachers see their role in their school and the scope they have for innovation, for taking initiative, for seeing the possibility of engaging with students in a whole new way. And the students are responding to these new facilities and to that new attitude of the teachers by really becoming much more engaged in education.

There is also a mood in my electorate very much due to the reforms that the government has foreshadowed in higher education funding and policy. Coupled at the same time with a new vice-chancellor at our local university, Central Queensland University, a much stronger relationship is starting to form between the university and our local schools. The university is looking to take on that leadership role and engage with schools in communities in my electorate to build the aspirations of students and to make university and higher education something that is real, something that they can touch and see in front of them. An example of that is the Glenmore educational precinct, which involves a number of both primary and secondary schools and our local Central Queensland University looking at how those institutions can work together to improve teacher quality, to improve professional development for teachers and, through that, to get better educational outcomes for the students—always with the university sitting in the background wanting to show those students that they can contemplate higher education at the end of their secondary schooling. The people involved in that, I know, will make a great success of that precinct concept. Again, the Building the Education Revolution facilities really do boost all of the efforts that are going on within those precinct activities.

The other thing that is happening, again involving the university, is a much stronger partnership with our local TAFE. The university is strongly seeking to formalise that partnership with our local TAFE. The university has also put up its hand to host the trades training centre up in Mackay, which, again, is a Rudd government initiative.

The DEPUTY SPEAKER (Hon. DGH Adams)—Order! The time allotted for this discussion has now expired.

SUPERANNUATION INDUSTRY (SUPERVISION) AMENDMENT BILL 2010
AGRICULTURAL AND VETERINARY CHEMICALS CODE AMENDMENT BILL 2010
TRADE PRACTICES AMENDMENT (AUSTRALIAN CONSUMER LAW) BILL (No. 2) 2010

Referred to Main Committee

Mr PRICE (Chifley) (5.19 pm)—I move:

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

I indicate to all honourable members that this motion enjoys the support of the Chief Opposition Whip, the honourable member for Fairfax.

Question agreed to.
ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION AMENDMENT (RECREATIONAL FISHING FOR MAKO AND PORBEAGLE SHARKS) BILL 2010
SOCIAL SECURITY AND OTHER LEGISLATION AMENDMENT (WELFARE REFORM AND REINSTATEMENT OF RACIAL DISCRIMINATION ACT) BILL 2009

Returned from the Senate
Message received from the Senate returning the bills without amendment or request.

COMMITTEES
Industry, Science and Innovation Committee
Report
Ms VAMVAKINOU (Calwell) (5.21 pm)—On behalf of the Standing Committee on Industry, Science and Innovation, I present the committee’s report entitled Australia’s international research collaboration together with the minutes of proceedings.

Ordered that the report be made a parliamentary paper.

The DEPUTY SPEAKER (Hon. DGH Adams)—Does the member for Calwell wish to move a motion in connection with the report to enable it to be debated on a later occasion?

Ms VAMVAKINOU (Calwell) (5.21 pm)—I move:
That the House take note of the report.

The DEPUTY SPEAKER—In accordance with standing order 39, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting.

Industry, Science and Innovation Committee
Report: Referral to Main Committee
Ms VAMVAKINOU (Calwell) (5.22 pm)—by leave—I move:
That the order of the day be referred to the Main Committee for debate.

Question agreed to.

Public Accounts and Audit Committee Report
Ms GRIERSON (Newcastle) (5.22 pm)—On behalf of the Joint Committee of Public Accounts and Audit, I present the committee’s report entitled Report 417: review of Auditor-General’s reports tabled between February 2009 and September 2009.

Ordered that the report be made a parliamentary paper.

The DEPUTY SPEAKER (Hon. DGH Adams)—Does the member for Newcastle wish to move a motion in connection with the report to enable it to be debated on a later occasion?

Ms GRIERSON—I move:

That the House take note of the report.

The DEPUTY SPEAKER—In accordance with standing order 39, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting.

Public Accounts and Audit Committee
Report: Referral to Main Committee
Ms GRIERSON (Newcastle) (5.23 pm)—by leave—I move:
That the order of the day be referred to the Main Committee for debate.

Question agreed to.
Mr HOCKEY (North Sydney) (5.23 pm)—As the Minister for Competition Policy and Consumer Affairs identified in his second reading speech when introducing the International Monetary Agreements Amendment Bill (No. 1) 2010, this bill amends the International Monetary Agreements Act 1947 to allow Australia to accept the changes to the New Arrangements to Borrow of the International Monetary Fund adopted by the executive board of the IMF on 12 April. The recent global economic turmoil has had a dramatic effect on numerous countries, obviously. On 2 April 2009, the G20 countries agreed to increase the level of finance available to and the number of members involved in the IMF’s New Arrangements to Borrow. The New Arrangements to Borrow is a credit arrangement between the IMF and 26 members and institutions to provide supplementary resources to the IMF in times of economic turmoil. The former Treasurer, Peter Costello, worked to establish this mechanism, which came into effect on 17 November 1998 and has been renewed twice, most recently in November 2007. Australia has supported these arrangements since that time, and that support is not wavering today at all. On 12 April this year, the executive board of the IMF approved changes to the new arrangements to increase the finances available and make the system more flexible. This decision resulted in a tenfold expansion of the resources available from SDR34 billion to SDR367 billion. These rates are approximately, in Australian dollar terms, $51 billion to $617 billion at today’s exchange rate.

This bill will increase Australia’s credit line in the IMF’s currency of special drawing rights from SDR801.29 million to SDR4,370 million, so Australia’s potential exposure is approximately $7.3 billion at today’s exchange rate. Should the IMF access this credit—and we hope it will not have to—the loan would have to be repaid in full with interest in five years. The changes to the new arrangements also increase the number of participants in the mechanism. China, Russia, India, Brazil and nine other countries will now be involved in the new arrangements. In terms of flexibility, the changes require a large majority of participating members to agree before the New Arrangements to Borrow can be activated.

This bill obviously would have no direct impact on the budget, which is a relief for many and is unlike so much of what the government does. Any loans, if they are to be made, would represent monetary assets. The successful passage of this bill would mean that Australia will be supporting the New Arrangements to Borrow and therefore would provide the consent required by the executive board of the IMF to activate the changes to the terms and conditions. This bill will also confirm Australia’s commitment to that G20 agreement, as well as its strong and ongoing support for the IMF. Having been involved in the architecture of the framework, the coalition supports the bill.

Mr CRAIG THOMSON (Dobell) (5.27 pm)—I rise to support the International Monetary Agreements Amendment Bill (No. 1) 2010. The purpose of this bill is to amend the International Monetary Agreements Act 1947 to allow Australia to accept the changes to the International Monetary Fund’s New Arrangements to Borrow adopted by the IMF executive board on 12 April 2010. The bill
would authorise the proposed increase in the IMF’s existing line of credit from Australia under the New Arrangements to Borrow from special drawing rights 801 million, or around A$1.4 billion, to SDR4.37 billion, or around A$5.7 billion, and would also reflect changes to the New Arrangements to Borrow to make it more flexible in a number of ways and a more effective crisis management tool.

On 2 April 2009, G20 leaders agreed in London to an expanded and more flexible New Arrangements to Borrow, increased by up to US$500 billion. The New Arrangements to Borrow is a set of credit arrangements between the IMF and a subset of its members—currently 26 members, increasing to 39—that provides the IMF with borrowed resources to supplement its quota based resources in the event that they are insufficient. Australia has been a participant in the New Arrangements to Borrow since its inception in 1998. In his media release of 12 May 2009, the Treasurer announced that Australia will join with other countries to ensure that the IMF has resources available to maintain stability and support recovery in the global economy, announcing Australia’s increased commitment of US$7 billion to the IMF.

On 12 April 2010, the IMF Executive Board adopted a decision to modify the New Arrangements to Borrow to expand its size and increase its flexibility. The total size of credit arrangements under the New Arrangements to Borrow will increase from US$54 billion to US$589 billion, as valued at 24 November 2009. The IMF’s managing director said at the time:

The expansion and enlargement of the NAB borrowing arrangements provides a very strong multilateral foundation for the Fund’s efforts in crisis prevention and resolution, as an essential backstop to the Fund’s quota resources. This will help ensure that the Fund has access to adequate resources to help members that are vulnerable to financial crises …

The NAB is a standing set of credit arrangements under which participants commit resources to IMF lending when these are needed to supplement quota resources. The expanded NAB will become operational when it receives formal acceptances from the required proportion of current and potential participants, which will require legislative backing in some cases.

The expansion of the New Arrangements to Borrow will make an important contribution to global financial stability, but, as the IMF has said, it is not a substitute for a general increase in the fund’s quota resources. The IMF is, and will remain, a quota based institution. The IMF also said at the time that it is important now that member countries rapidly take the necessary steps to make the increased resources available—and that is what Australia is doing through this bill.

Let us have a look at the New Arrangements to Borrow in some more detail. It is a credit arrangement between the IMF and a group of members and institutions to provide supplementary resources to the IMF when these are needed to forestall or cope with an impairment of the international monetary system. The New Arrangements to Borrow is supplementary to quota resources, which are made up of the quota subscriptions each country pays upon joining the fund, broadly based on its relative size in the world economy. IMF members’ quotas currently total SDR 217.4 billion. Like quota allocations, the New Arrangements to Borrow is reviewed on a regular basis.

To put this amount into some context, let us briefly observe what special drawing rights—SDRs—actually are. SDRs were created by the IMF in the late 1960s to supplement the supply of international reserve assets, which were in limited supply under the Bretton Woods system of fixed exchange rates. SDRs operate as an international reserve asset because they can be sold to other IMF members in return for foreign ex-
change—in particular, US dollars, euros, Japanese yen or British pounds. SDRs are not—as is sometimes thought—a currency, although their value is calculated as a weighted average of the above four currencies. They are best viewed as a potential claim on the foreign currency reserves of other IMF members. Beyond supporting the capacity of the IMF to lend to countries with balance of payments needs, the international community has also supported the IMF’s efforts to boost global liquidity by issuing SDRs to its members.

Shortly after the creation of SDRs, the Bretton Woods system of fixed exchange rates was abandoned, reducing the importance of SDRs. Prior to 2009, SDRs had only been issued or ‘allocated’ twice—once in the early 1970s and a second time in the late 1970s to early 1980s. When an SDR allocation takes place, countries receive an increase in their SDR holdings, an international reserve asset on which countries earn interest from the IMF, as well as an equal increase in their SDR allocation—a liability on which countries pay interest to the IMF. Five countries retain the allocation but may sell their holdings in exchange for foreign currency. Consequently, issuing SDRs enhances global liquidity because it provides countries that want to boost their foreign currency reserves with an off-market mechanism to do so. Given that an SDR transaction involves an exchange between two IMF members of SDRs for foreign currency, the transaction results in a change in the composition of both members’ official reserve assets.

The recent unprecedented shock confronting the global economy led to a sharp increase in the demand for IMF financing. To ensure that the IMF continues to have sufficient resources to meet demand, leaders of the G20 agreed in April 2009 that immediate financing from members of US$250 billion would subsequently be folded into an expanded and more flexible New Arrangements to Borrow, increased by up to $500 billion. In the years leading up to the financial crisis, strong economic growth in emerging and developing economies and the ready availability of private capital inflows to those economies resulted in a decline in demand for IMF lending. However, the financial crisis has brought renewed demand for IMF assistance. In response, the IMF has increased its traditional lending and explored new ways of providing funding to member countries.

The G20 countries and other members of the international community have supported the IMF in this regard, contributing to a sizeable increase in the IMF’s resources. In addition, the IMF has boosted global liquidity by substantially increasing its members’ holdings of special drawing rights. The call was endorsed by the International Monetary and Financial Committee. The G20 leaders reaffirmed their commitment on 25 September 2009 to a tripling of the resources available to the IMF, from a pre-crisis level of about US$250 billion. At its meeting in October 2009, the International Monetary and Financial Committee welcomed the expected agreement to expand and enhance the New Arrangements to Borrow. Pending the entering into force of the expanded New Arrangements to Borrow, member countries have pledged more than $300 billion in immediate bilateral financing, should the fund require additional resources for lending. This amount actually exceeds the G20 leaders’ commitment because of the large number of new participants.

As part of this expansion, the IMF’s existing line of credit from Australia under the New Arrangements to Borrow will increase. The New Arrangements to Borrow will also become more flexible in a number of ways to make it an effective crisis management tool.
Among these changes, the predictability of the IMF’s access to the credit arrangements during crisis periods will be increased. Strong governance structures will be retained, requiring the agreement of a large majority of participants before the New Arrangements to Borrow can be activated. For Australia to accept the amendments, we are required to undertake a legislative process to amend the International Monetary Agreements Act 1947 to reflect the changes, and that is what this bill does. The current New Arrangements to Borrow, NAB arrangements, form schedule 4 to the IMA Act.

The proposed bill would allow Australia to accept the amendments to the New Arrangements to Borrow and would implement the updated arrangement for Australia when it enters into effect. The bill would authorise the proposed increase in the IMF’s existing line of credit from Australia under the New Arrangements to Borrow, denominated in special drawing rights, to SDR 4,370.41 million from SDR 801.29 million. The value of this expanded credit line in Australian dollars will vary over time depending upon prevailing exchange rates. At 28 May 2010, its value was around A$7.5 billion.

Progress on this legislation will demonstrate Australia’s commitment to ensuring the stability of the global economy and leadership in implementing G20 commitments. The passage of the bill in this sitting would strengthen our international negotiating position on IMF quota and governance reforms, particularly in arguing the need for a substantial increase in quota resources. IMF quota and governance reforms are widely seen as a litmus test of the credibility of the G20 in relation to these issues. While attention is currently focused on domestic reforms, the government also continues to press for important global reforms from our seat at the G20 table. The Australian government continues to work closely with its fellow G20 countries.

Developed countries are soberly facing the huge task of reducing debt while grappling with double-digit unemployment rates and weak growth. Fortunately, the situation for Australia could not be more in contrast. We came through the global recession in far better shape than other economies because we acted quickly and decisively. Stimulus meant we avoided recession and largely avoided the business failures and large-scale job losses that have occurred elsewhere. Our unemployment rate of 5.2 per cent is around half of that in the US and Europe, and we are getting the budget back to surplus in three years—three years early and ahead of every major advanced economy. The RBA board meeting recently confirmed our growth prospects remain sound, stating: While the international environment facing the Australian economy had become more uncertain, members noted that the medium-term outlook remained positive.

While our recovery is on track, globally the situation is more patchy and uneven. There is strong growth in Asia but more sluggish growth in many of the world’s major developed economies. The shift in economic activity towards our region was underscored by a report put out by the IMF last week. The IMF expects that within five years Asia’s economy will be about 50 per cent larger than it is today and will account for more than one-third of global output, rivaling the US and European economies in size.

In the first three months of this year, Asian economies grew at an annualised rate of 10 per cent. This contributed to big increases in global commodity prices, with iron ore prices doubling since last year and big increases in coal prices as well. Australia is in a strong position to benefit from these trends, but we need to manage the challenges that
come with them. Earlier this month the RBA Deputy Governor, Ric Battellino, said, ‘Australia is having an unprecedented mining boom at the moment.’ He went on to say, when looking at how the economy has performed in the past through those periods:

… it’s pretty clear that those sort of booms have very significant impacts on the economy and do cause a lot of stresses and strains … [T]he challenge for the Australian economy for the next few years is going to be how to accommodate this mining boom.

This government is determined to manage this boom better than our predecessors managed the last one by using the proceeds of the resource super profits tax to strengthen our economic foundations. We cannot afford to repeat the mistakes of the past and squander the opportunities of another mining boom. We only have one shot at getting a fair price for our non-renewable resources, which can only be mined once. It would have been easier to just let the old broken system of royalties continue, but getting a fairer price for our mineral wealth and investing those proceeds back into building a stronger economy is the right thing to do by our nation.

I will now sum up why this bill is needed and why it should be passed. The global recovery is fragile. In light of the tentative global recovery, urgent implementation is prudent to support confidence in the markets. We must help ensure that the IMF has a credible backstop to its normal quota-based resources, and is able to support its members should there be a need. The G20 took action to support the global economy through the recession. Last April, G20 leaders committed to trebling the IMF’s lendable resources. Australia has always been a participant in the New Arrangements to Borrow. Our standing in the G20 could be affected if we were not considered willing to do our fair share. The Treasurer announced on 12 May 2009 that Australia would join with other countries to ensure that the IMF had resources available to maintain stability and support recovery in the global economy.

This bill proposes to amend the International Monetary Agreements Act 1947 to authorise the increase in Australia’s existing line of credit under the New Arrangements to Borrow from SDR 801 million, around A$1.4 billion, to SDR 4.37 billion, around A$7.5 billion. There is no direct impact on the underlying cash balance or the fiscal balance. In the event of the IMF calling on the New Arrangements to Borrow, a drawing under Australia’s credit line would be through a loan, to be repaid to Australia in full with interest within five years, as it was on the only previous occasion on which it was required, to support Brazil in 1998. Our new commitment to the expanded New Arrangements to Borrow is of a similar order of magnitude in real terms to commitments made by the previous government during the Asian financial crisis, which included US$3 billion in contingent support to Indonesia, Thailand and Korea as well as Australia’s initial commitment to the New Arrangements to Borrow of SDR 801 million. I commend the bill to the House.

Mr LAMING (Bowman) (5.43 pm)—As the previous coalition speaker alluded to, we strongly support the International Monetary Agreements Amendment Bill (No. 1) 2010. This is also an opportunity to go through part of the history of the IMF, its important function in providing stability to developing and emerging economies and also the important role Australia plays as not only a member state but a key contributor to the fund we are debating today.

By way of history, from 1947 the IMF has played a very important role. It is sometimes criticised for being too economically austere and placing too stringent regulations on economies that have fallen into trouble, but
generally there has been very strong support from nations like Australia, and this will continue with this bill. In 1997 it became obvious around the period of the Asian financial crisis that additional requirements above and beyond the General Agreement to Borrow were necessary. I recall working at the World Bank in the Human Development Network at the time that the first agreement was struck for additional requirements from member states, of which there were initially 26. It is good to see that just recently the G20 has agreed to expand that by another 13 nations, including, importantly, Russia, China, Brazil and India among nine other nation states.

That now strengthens what is effectively a great big safety net which sits under developing and emerging economies. It increases the confidence in that we can trade and engage in financial transactions between states and know that in the end there will be as little sovereign risk as possible, keeping in mind that often what goes on behind the books of many nations is not revealed often until the government changes—something we saw in Europe just recently. The IMF has the important role of raising the revenue to put it in a position to give this kind of support through the three instruments. The first component of that is the special drawing rights, which have been alluded to by previous speakers. In that respect, Australia pays according to the size of its economy—that is, around three billion SDRs, about a quarter of our contribution. We also contribute with our own currency. The IMF also has gold stores of around 3,000 tonnes, of which it is divesting itself of 12 per cent at the moment.

Finally there are the special borrowing arrangements, with the most recent ones from the last 13 years referred to as the NAB. Obviously the NAB has to be expanded and this bill fulfils the commitment made back in May 2009 by this Treasurer when in a press release he made a commitment to work with other member states to increase that from a quarter of a billion to three quarters of billion, and therein lies the additional $500 billion that needs to be committed. Australia plays its part according to the size of its GDP. It is very important that we play our role along with every other nation state, to make sure that happens. We do not really, truly and genuinely have an option to pull out on this and simply pass the burden on to other economies. That would not be responsible.

Everyone in this chamber and everyone outside hopes that the NAB is never called upon, but it is very interesting to note what happened in Greece. Greece, being two per cent of the OECD, is effectively to the EU what Australia is to the world—a fairly small player at about two per cent when you measure it in economic figures. Yet the bailout in Greece, in Australian terms, was $155 billion, larger than anyone initially imagined. That money can disappear quite quickly, even in moderately small economies where the calls upon those economies are significant. Let us just note that there are a number of economies where that is still to be priced and written to the market, still to be revealed, and we have some concerns that the NAB needs to be resilient enough to deliver in those circumstances as well.

There is a lesson for every member state. Australia is a resources based commodity based economy. We should be the island of certainty surrounded by a sea of chaos and uncertainty, given the blessings we have with our commodities and the core resources we are lucky enough to be able to exploit. I note Charlie Aitken from Southern Cross Equities wrote only two days ago that we have some of the highest cash rates in the OECD, among the lowest unemployment rate in the world and the highest prospective divided yield of any First World equity market at around 4.6 per cent.
Our equity markets should be trading far better than they are. If you look at the long-term performance of our dollar, historically it sits in the mid-70s against the US dollar. We should not be far behind Canada, when you look at the size of our economy. Canada is approaching parity with the US; Australia is not. We need to find reasons why Canada is and Australia is not. I put to you that the key discussion in the Australian community on the RSPT is the major reason Australia truly is struggling. That does not mean that individual mining companies will not be reporting small increases in their share prices, as was pointed out in question time today. Imagine where they would be trading if we did not have that sovereign induced risk which is the RSPT. We would have completely different share prices, I suspect.

So in a world where certainty is incredibly precious, it is important to remember that governments need to be doing everything they can to offer certainty to investment. Let us face it: about half of all investment coming from overseas is to fund Australian banks. Half of all the financial resources we need to lend to Australians who hope to own a house comes from overseas. We must not be fearful of foreign investment, but we also cannot afford to be twiddling these knobs as a government and raising great uncertainty.

The Financial Times again reported today—and this will be big news tomorrow—Canada saying thank you very much for all the uncertainty delivered by that mining tax because Canada stands to benefit. I remember from Canada’s mineral council a statement by one of their key spokespeople saying that Kevin Rudd should be Canada’s mining man of the year. The Prime Minister has already been named as Australia’s man of the year. I do not see why we should be debating policies in 2010 that make him somebody else’s man of the year because the key thing for him to be doing is making Australia an island of certainty for investment that maximises our opportunities to deliver to the world the commodities which are so sought after.

Why do I diverge there? Obviously the previous speaker has already talked about the three elements of the stimulus package being timely, temporary and targeted. I will concede that the Prime Minister was timely. Temporary? Absolutely not. The pedal is still to the metal and we are looking at the Australian crisis through the rear-vision mirror. Targeted? No. Splashed in every corner of our economy are people wondering just where those $900 cheques are now. No-one said to put 4.7 per cent of our GDP into a stimulus package.

The MYEFO which came out in August 2008 said that this recession will be only half the size Treasury described it at early in 2008, but it did not help us one bit, it did not pull up the spending one bit. That is why we are now fundamentally a medium-sized debt economy trying to find the money to help other nations when we should be running a strong surplus. We have all of the antecedents to do that. I make that point because, as we seek to provide up to seven-point-something billion dollars to the IMF to do their utterly essential work, the question is: we are no longer a surplus economy, so where does the money come from? Our economy is running at deficit and will have significant government debt until at least 2013, even in the most manufactured of Treasury modelling—and we have seen a lot of it in the last three years. So where does the money come from if we get a call from the IMF between now and 2013? We borrow it. Who from? From someone else, from countries running surpluses like those in the Middle East and China. We borrow it so that we can lend it, so that the IMF can lend it to someone else.
I raise that paradox because never would we not support doing this, but the responsibility of any head of state is to put us in the strongest financial position. As I said, Charlie Aitkin can attest to that—that our currency and our share market are running nowhere near where they should be. We need to be maintaining sensible, steady state, foreign capital attracting policies, not ones that suck investment away to other nations.

Even the international trade minister from Canada has said, as reported this week, that this is great news for Canada, and we have seen international investment advisers saying that other countries will be looking at the RSPT and saying, ‘Whatever we do, make sure it is less than Australia’s so that we look more attractive compared to Australia.’ That is the savage reality; that capital chases certainty. I think anyone can see that that is what is missing at the moment in the current RSPT debate and lack of consultation.

Let me move now to the arrangements to pay it back. To pay back any money that we commit through the IMF is predominantly done by an undertaking from the IMF to pay it back within five years and with interest as an average of European, Japanese and US bond rates. That all made sense when countries did not run massive debts themselves. The IMF, very smartly towards the end of 2009, allowed themselves to do paper issuance of debts which means: ‘We can’t pay you back but we will write you a chit. That remains as a monetary asset for you but, of course, there is a possibility that that may be what we hold onto for a long time and you don’t actually see that money.’ Again, I can understand it is more important to have stability in emerging economies than to be demanding our moneys paid back within five years. So it would be important as a member of the IMF and G20 to be able to do some options appraisals to make sure that that money is achieving the stability we want.

I still raise the point: where does that money come from? The money is an opportunity cost on the Australian people. If we were running a surplus we would be in a very, very strong position to be able to help. We have seen in Greece that there will be, absolutely, a priority that sovereign states are too big to fail. If these calls come again this is exactly what the IMF has to do. I note that in the media there has been some criticism regarding the potential for global inflation by having more of this money washing around the system. In the end the obverse is actually something you would never wish to contemplate, which is that investors look upon the entire developing world as a place that is too dangerous to go because there is not an investor of last resort who can actually save administrations should that arise.

There are plenty of examples in history where administrations have not been able to repay those moneys and where they have had to go back to the World Bank and say: ‘These investment and spending decisions were made by previous administrations. It was not a democratically elected one. The people of our country should not be held to ransom nor made to pay back the exorbitant amounts of money,’ and some of this has been written off. The intention of the IMF is to intercede and intervene before we reach those points. You would never not want to see a proactive forward-leaning IMF doing everything that they can with the 186 member states to make sure that international trade and finance remains strong.

I just want to say that there is an issue here of money being provided purely as an insurance policy to the IMF and that both sides of the chamber support it. But I would also point out that the one element that makes Australia the strongest possible contributor in the international financial world is to run a strong, stable, reliable economy that does not introduce uncertainty and lead to
the flight of capital. The sooner this government can resolve the RSPT, sit down in good faith negotiations and put this dreadful period of uncertainty to an end, the sooner Australia can be a strong player and do exactly what it can, both in its region and also with the IMF, to commit to those sums.

Australia will do it, and I point out that it still requires an act to actually send that money to the IMF when that call comes. There are no true budget implications here. There will obviously be another act at another time to debate when that money is moved out as an appropriation bill. There will be a time again to debate that but what should be beyond debate is the fact that we will support the IMF and the strong contribution that they make to maintaining stability in international financial arrangements.

Ms McKEW (Bennelong—Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government) (5.56 pm)—I thank honourable members for their contribution to this debate on the International Monetary Agreements Amendment Bill (No. 1) 2010. The purpose of this bill, as has been pointed out, is to amend the International Monetary Agreements Act 1947 to allow Australia to accept the changes to the IMF’s new arrangements to borrow, which was adopted by the IMF executive board on 12 April of this year. These changes to expand the new arrangements to borrow and make them more flexible will deliver on the G20 leaders’ commitment to strengthen the IMF’s capacity to assist countries in future economic crises.

The new arrangements to borrow act as a backstop to the normal quota resources of the IMF by allowing it to borrow from its members when supplementary resources are needed to forestall or to cope with an impairment of the international monetary system. The bill will increase the size of the IMF’s line of credit with Australia. As part of an international effort involving 39 countries, including 13 new participants, the total size of the IMF’s credit arrangements will increase to $367 billion on special drawing rights from the current size of SDR of $34 billion. Australia’s contributions will be capped at a maximum of $4.37 billion special drawing rights.

In addition the bill will reflect the internationally agreed amendments to make the new arrangements to borrow more flexible and a more effective crisis management tool. The bill will have no direct impact on either the underlying cash balance or the fiscal balance. Indeed, Australia’s increased contribution to the new arrangements to borrow will be in the form of a contingent loan and recognised as a contingent liability as it was in the 2010-11 budget papers. In the event of the IMF drawing on its credit line with Australia the loan would be repaid to Australia in full with interest within five years. Any loans to the IMF would represent monetary assets and the associated transactions would be classified as financing transactions.

In conclusion, Australia’s prosperity will rely on a return to strong and stable growth within the environment of the world economy. The IMF played an important role during the global financial crisis in helping to stabilise financial markets, to boost confidence and usher in a recovery from the severe global recession. Passage of this bill will ensure the IMF has sufficient resources to continue to support the global recovery and global economic stability from which every country, Australia and others, will benefit. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.
Third Reading

Ms McKEW (Bennelong—Parliamentary Secretary for Infrastructure, Transport, Regional Development and Local Government) (6.00 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

BUILDING ENERGY EFFICIENCY DISCLOSURE BILL 2010

Second Reading

Debate resumed from 21 June, on motion by Mr Combet:

That this bill be now read a second time.

Mr KELVIN THOMSON (Wills) (6.00 pm)—Before debate on the Building Energy Efficiency Disclosure Bill 2010 was interrupted last night, I was observing that an Australian Conservation Foundation submission has recommended:

… governments should adopt a package of priority measures for promoting energy efficiency in the buildings sector that covers the following areas:

- building codes for new buildings;
- passive energy houses and zero energy buildings;
- substantial opportunity for retrofitting existing buildings;
- more energy efficient appliances;
- windows and other glazed areas.

A recent report by UNEP Assessment of Policy Instruments for Reducing Greenhouse Gas Emissions from Buildings 2007 concluded that “Regulatory and control instruments such as building codes were revealed as the most effective and cost-effective” policy instrument open to Government for addressing greenhouse gas emissions from the built environment.

The concept of zero carbon precincts is taking off overseas and, given that Australian developers are amongst the global thought leaders in driving innovation, the government should give serious consideration to providing greater incentives to get in place demonstration programs in each of our capital cities. A bit like tax-free hubs, these precincts could attract a concessional rate of tax and treatment and they would drive successful innovation and competition if they are done right. The Australian Conservation Foundation submission also includes a recommendation for Australia to be aiming for higher energy saving standards above six stars for new homes. It points out:

In the US, Canada and the UK, average building standards are 6.8–7.5 stars for similar climate zones to Australia.

…

Not only should Australia fast track towards 7 to 8-star standards for new homes and renovations by the end of 2010, if we want to keep up with international best practice, we also need to address the increasing size of houses and the direct energy use of lighting, heating, air-conditioning and hot water and commit towards zero carbon homes by 2020. The UK has committed to making all new homes zero net carbon by 2016.

A collaboration of organisations including ACF, Alternative Technology Association, Friends of the Earth, Environment Victoria, and Moreland Energy Foundation Limited produced a report last year, Towards climate safe homes The case for zero emissions and water saving homes and neighbourhoods, which calls on the government to commit to climate safe and zero net carbon new homes by 2020.

In terms of retrofitting existing homes, a package of home audits linked to energy and water efficiency improvements could be focused initially on 3.5 million low-income households scaling up over time. Such a program could create 40,000 jobs and generate energy cost savings of $14 billion over seven years, with an investment of about $8.7 billion.

…

Existing homes should be upgraded to a minimum of 5 star NABERS rating by 2020.
So these are observations made by the Australian Conservation Foundation and others.

This bill represents another string in the bow of climate change action that the Labor government has been pursuing to ensure that all policy fronts are explored in addressing this critical issue. In the time remaining to me I want to make some observations about the work of the Alliance to Save Energy because their focus is on energy efficiency. As I said earlier in the debate, I think energy efficiency has been something of a Cinderella in terms of discussion about reducing carbon emissions. The Alliance to Save Energy is a collaborative alliance between energy efficiency stakeholders. Their research approach is to work with partners who are already active in this area, seeking to leverage existing research programs and therefore provide additional value. Their research has several key themes. The first relates to energy use, examining physical end-use energy demand including ‘new technologies and appliances’, ‘trends in energy use’, ‘energy efficiency financing techniques’ and ‘ways to motivate smarter end-use behaviour’. They also focus on energy networks, reviewing ‘different energy delivery systems and associated energy savings, including energy transportation and distribution to the point of end-use’. The third is examining energy culture, investigating ‘Australia’s cultural readiness to embrace energy efficiency’ including ‘commonly held perceptions about energy efficiency’, ‘predictable patterns of energy behaviour towards known barriers’ and ‘how energy choices are influenced and made’. I want to draw to the attention of the House an article by their CEO, Mark Lister, titled ‘Unlocking energy efficiency: what Australia can learn from the rest of the world’, which is in the May-June 2010 issue of the journal EcoGeneration. In this Mark Lister points out:

The International Energy Agency … estimates that energy efficiency will account for around 54 per cent— that is to say more than half— of global emission abatement to 2030, in a scenario where global carbon dioxide levels stabilise at 450 parts per million.

Mark Lister points out, in relation to California, that their citizens use about 40 per cent less electricity than other Americans. He says:

This success comes from stringent energy codes and standards for buildings and appliances, and ratepayer-funded energy efficiency programs administered by California’s electric and gas utilities. According to the 2009 California Green Innovation Index, California has prospered since energy efficiency regulations were introduced in the 1970s.

Mark Lister says:

In Australia, energy consumption continues to increase. Rather than focusing on ways to reconfigure industry to reduce consumption, billions of dollars are spent to prop up old networks and coal-fired power stations. The cost of this is ultimately passed on to consumers through increased electricity bills.

… state and federal governments can intervene directly through strong policies and regulations to net economic benefit. We can do better with more stringent building codes, targeted information, electricity network regulation, and creating frameworks for parties that currently have no incentive to reduce consumption.

Our governments should consider these options, alongside incentives and other programmes, to encourage the large-scale uptake of energy efficiency.

He goes on to say:

The work of the Prime Minister’s Energy Efficiency Task Group offers a promising acknowledgement of this potential. The Group’s brief is to create a step-change improvement in Australia’s energy efficiency by 2020, and place Australia at
the forefront of OECD energy efficiency improvement.

... ... ...

Energy efficiency is a proven, simple and cost-effective way to reduce carbon emissions and can be implemented now using existing technologies. It cuts electricity bills, decreases among networks during peak periods, and reduces the need for costly network infrastructure.

It also:

... buys time for other solutions to be developed and is a fundamental part of any response strategy.

I commend Mark Lister's article, and I commend the bill to the House.

Mr HUNT (Flinders) (6.09 pm)—In addressing the Building Energy Efficiency Disclosure Bill 2010, let me set the challenge for Australia and the globe in context. This bill is about two things: national economic efficiency and the great and abiding challenge of reducing the globe's emissions of those gases which contribute to the great issues of greenhouse gas, climate change and the emissions reduction path which we all must face as we look forward over the coming decade, generation and century. We in Australia contribute approximately 1.4 per cent—560 million tonnes—out of a global CO2 figure of approximately 40 billion tonnes per annum. That figure is moving, of course, but it represents a global approximation. What we see there is that acting alone we will be irrelevant but acting in concert and in unison with other countries we can be successful.

The great global deal to address this issue will depend upon China and the United States—which, together, have emissions approaching 50 per cent of global emissions—striking a bilateral agreement which paves the way for a global agreement. Within that context, however, we can and must—and have been—taking immediate steps. In Australia, approximately 50 per cent of our emissions come from the creation of electricity. Whether it is through coal, gas or other forms of fossil fuels which go into making electricity, approximately 50 per cent of Australia's emissions derive from that source. The consumption of electricity has been increasing over time, and that is understandable. As we achieve the desired elements in our quality of life, we face the simple fact that our office environments, our commercial environments and our domestic environments are all energy hungry.

To put it in context, as we consider the variations to the renewable energy target bill in the Senate today, and most likely in the House over the coming days, the very reason for the bill before us tonight is that we are likely to see an increase in energy generation in Australia from approximately 240,000 gigawatt hours at present to approximately 300,000 gigawatt hours by 2020. Those figures are open to interpretation. The 240,000 gigawatt hours figure will vary depending on whether you are talking about received or transmitted energy, but the general orders of magnitude are significant. Over the course of a decade, we are likely to see in the vicinity of a 25 per cent-plus growth in energy generation in Australia. That would be the single biggest contributor to greenhouse gases in Australia over the coming years.

Where does the energy efficiency challenge fit in with that? I will start with the challenge and then go to the solution. The challenge is simple: to reduce the amount of energy needed to achieve the same or better quality of life outcomes for Australians. How do we bring this about? McKinsey recognised in the cost curve it prepared for the Australian economy as a public service to Australian policymakers and the public that it is possible for Australia to achieve emissions reductions, through energy efficiency steps, of approximately 50 million tonnes per annum over the coming decade and beyond. The Australian Sustainable Built Environ-
ment Council has provided a figure of 40 million by 2020. Other groups, such as the Energy Efficiency Council, provided a figure of a similar magnitude, and the Green Building Council, under Romilly Madew’s stewardship, has done incredible work in this space. All of those organisations have identified comparable levels of savings over the coming decade and beyond through genuine energy efficiency measures.

Let us understand where these measures fit on the cost curve for Australian emissions reductions. The latest version of the greenhouse gas abatement cost curve for Australia set up through the work of Monash University and ClimateWorks in conjunction with McKinsey and Company shows that energy efficiency in the commercial environment delivers a net positive return to Australia on the basis of the investment. It is, however, hostage to a series of barriers that inhibit action where it would appear on the face of it to be economically prudent to take such energy efficiency measures. Essentially, it is first the problem of split incentives between landlord and tenant. Secondly, it is the problem that a business will naturally prefer to invest a set amount of money, whether it is $1 million or another figure, in productive activity which will enhance its revenue through sales rather than in defensive activity which will reduce its costs in terms of electricity outlay. There is a well established history in terms of economic behaviour at the firm level where capital is organised to have a bias towards capital which will produce subsequent revenue rather than capital which will reduce subsequent expenditure.

We need to break through that barrier so as to provide incentives to ensure there is genuine energy efficiency in commercial and in domestic spaces. We know that commercial air handling, commercial heating and cooling and commercial lighting including street lighting in our public places can produce significant real and tangible greenhouse emission reductions. In order to effect this we need to do two things. First, we need to have efficiency measures, and this bill goes to that task. We have had some quibbles about the scope and scale, but the direction is clear and agreed upon by both sides of this House. The Building Energy Efficiency Disclosure Bill falls within that category of items which have bipartisan support, subject to agreement on small or minor elements in relation to its implementation. This bill sets up some of the measuring and some of the standards to ensure that we are in a position to make the savings which McKinsey, the Green Building Council, the Energy Efficiency Council, ASBEC and private firms such as Szencorp have identified.

The second big thing is to provide real and tangible financial incentives. That is why the coalition has established a direct action program. The heart of the coalition’s direct action program to achieve the objectives sought through this very bill is an emissions reduction fund. That fund, which totals approximately $10 billion over the period between when it would commence and 2020, which is $2.55 billion over the first four years, is very simple—it will purchase the lowest cost abatement available in Australia so long as it is measurable and verifiable. In that context energy efficiency is likely to be one of the greatest areas of contribution. The work we have done with the Energy Efficiency Council indicates that, with some additional measures but using a lowest cost abatement model, energy efficiency will contribute a minimum of 20 million tonnes per annum by 2020 out of our 140 million tonne challenge and objective. How that works is that if, for example, one were to be seeking to save a million tonnes of CO2 per annum, they would tender it up and say ‘We will, in return for a payment’—whether it is $10, $11, $12 or $13 per tonne—‘produce savings
which would comprise a million tonnes of CO2 reduction against what would otherwise have occurred’, and that would be placed in the bidding market and we would purchase the lowest cost abatement.

What that means in practice is that it is the way, if you have a set amount of money to expend, to produce the greatest emissions reductions for the country. In other words, we get the most bang for our buck, we reduce our emissions most effectively; we create an abatement purchasing market rather than a tax or production market. It is very simple. If BlueScope Steel, which has approximately 10 million tonnes of emissions in Australia, were charged under the government’s emissions trading scheme, which has simply been deferred, then it would pay, at $20 a tonne, approximately $200 million for its activity. It might be able to reduce its emissions by a million tonnes, but it would still pay $180 million. Under our scheme, if its benchmark is 10 million tonnes, it can receive benefits and credits if it can make energy efficiency savings of a million tonnes. That is a positive way of providing incentives, rather than a system which represents a production tax and a unilateral approach which will simply transfer Australian production and, significantly, jobs and emissions overseas.

That is the system we have set out. It is a very simple system. We support this bill. We think it is a good bill. It is in line with things which we are proposing, subject to some of those elements which my colleague the member for Dunkley has outlined, but we also clearly and distinctly believe that the single fastest avenue to emissions reduction through energy efficiency is through a genuine emissions reduction fund, an abatement purchasing fund, which will find the lowest cost abatement. Energy efficiency will, on the advice of the Energy Efficiency Council, represent approximately 20 million tonnes, at a minimum, by 2020—we believe we can achieve more—and for organisations such as local councils, who want to tender in transfer projects such as transferring old lights to LED lights for their street lamps, this is an opportunity to save not just hundreds of thousands but millions of tonnes of CO2 equivalent per annum. We would encourage councils and others to look at the single fastest way to reduce emissions in Australia, and that is to provide incentives and then to participate in providing those incentives for reducing emissions. I commend the bill and I thank the House.

Ms HALL (Shortland) (6.20 pm)—It is always a pleasure to follow a member of the opposition whose comments I largely agree with. It is very pleasing to hear that the member for Flinders has a commitment to lowering greenhouse gases. I have to put on the record very firmly that I think that is one of the greatest challenges that our society faces both nationally and internationally. I believe it is an issue that governments all around the world and of all persuasions have to come to terms with. It is of vital importance if we are going to protect our planet and protect our way of life. One only needs to visit places like the Solomon Islands to actually see the impact that climate change is having on nations like that.

This is vitally important legislation that I am pleased to hear the opposition will be supporting and that I think all members should embrace. The Building Energy Efficiency Disclosure Bill 2010 creates a national scheme which requires disclosure of information about energy efficiency of large-scale commercial office space when that space is offered or advertised for sale, lease or sublease. It will create a legal requirement for owners of these large commercial buildings to obtain energy efficiency information and to disclose it to the prospective purchasers and lessees, as I have already stated. It
will also require head tenants who are subletting office space to disclose this information. Funding of $5.3 million over four years was committed by the government in the 2009-10 budget to support the development and implementation of this scheme. This funding will cover the initial phase of the scheme, covering office buildings, and the expansion of the scheme over the coming years to include other types of commercial buildings. Administration of the scheme will be undertaken with the objective of moving to full cost recovery at the cessation of this funding.

The regulation impact statement, or RIS, indicates that the scheme will cost $18.7 million over 10 years. The 10-year cost includes both costs to building owners in obtaining the energy efficiency information that is to be disclosed and the cost to government in administering the scheme—so it covers the total cost. The benefit of the scheme will far outweigh this cost if as little as 3.9 per cent of the sale and lease transactions result in disclosure of information being used to purchase or lease office space that is more efficient by one star. The total energy cost saving will be equal to the cost of the scheme.

One of the real challenges that government faces is to encourage owners of commercial buildings and those involved in commercial activities to see the benefit of lowering their greenhouse gas emissions and investing in these new technologies. As has already been stated, there is always a greater incentive for a business to increase its profits rather than reduce its costs. Investing in greenhouse friendly technology will lead to a reduction in costs, but that is not quite as immediate as the investor or owner of the commercial building seeing that profit in their hands.

The National Strategy on Energy Efficiency was signed up to by the Council of Australian Governments in July 2009. That strategy was aimed at improving the efficiency of new buildings and major renovations by increasing the energy efficiency requirements in the 2010 update of the Building Code of Australia; providing information to the housing market by requiring Australian homes to provide energy, water and greenhouse performance information to buyers and renters, starting with energy efficiency in 2011—I know that is a little further down the track; and requiring owners of commercial office buildings and government buildings to provide energy efficiency information to interested buyers and tenants, starting in the second half of 2010. The legislation before the House brings that to fruition. It is of vital importance.

The national buildings framework will set increasingly strong minimum performance standards over time for new buildings and major renovations, with standards to be reviewed and increased regularly every three years. Eventually it will cover all classes of residential and commercial buildings. As I have already mentioned, this legislation applies to commercial buildings over 2,000 square metres. It will also apply to new and existing buildings; cover the building envelope including roof, walls, doors and windows as well as the energy efficiency of key building services; aim to bring together assessment and rating tools for existing and new buildings; include common measurement and reporting to help in setting up building standards and assessing building performance; allow for the use of rating tools developed by the market, provided they are accurate, transparent and user friendly; encourage innovation in meeting defined performance standards; continue to communicate energy efficiency improvements using star ratings; and facilitate effective monitoring and compliance.

The star rating system is vitally important and should be given credence in this House.
This legislation looks at a minimum star rating of one. The NABERS energy rating goes up to four stars and sets out a number of ways that this can be achieved. It highlights opportunities to improve energy efficiency and looks at all initiatives that building owners can take to bring this about, including central chiller plants to identify efficiency improvements to control chilled water and improved in-house expertise and reporting, as well as monitoring heating, ventilation and air-conditioning systems, timer controls, optimum start controls, carbon monoxide sensors, reduced hours of servicing, after-hours switching, zone controls and weather compensation controls—and the list goes on.

It also includes external shading, internal shading, energy performance modelling, glazing and things such as roof colour, building insulation, testing, boiler size, technology and controls. There are many innovative ways to lower the energy consumption of buildings and improve their energy efficiency. It is only by making the initial investments and by providing incentives to building owners that these changes will come about. It is one of the easiest ways to bring about those changes.

The Department of Climate Change and Energy Efficiency in Canberra has a proposal for purpose-design office accommodation with high environmental standards. It is my understanding that the fit-out plan will incorporate a number of energy efficient and environmentally sustainable features, including operable windows. I find the simple fact that you cannot open a window in a building most perplexing. Within my own electorate office, I do not have a window that I can open. Being able to open a window to allow in addition to the natural light, fresh air to come through removes the necessity to have an air conditioner running full-time, day and, in some cases, night. We have, though, had an energy audit within my office, so there is now a timer on our air conditioner. If we wish to have it operate outside hours then we need to do that manually. But, because of the design of the office, we have to have an air conditioner running and we have to have artificial lighting.

When you come across something as innovative as the proposal that has been put up by the Department of Climate Change and Energy Efficiency, you realise that those simple little changes can really make a difference. With this legislation, owners of commercial buildings will need to present energy efficiency information to people seeking to lease, sublease or buy their buildings. It is vitally important that we embrace mechanisms that are going to improve energy efficiency and reduce the impact of greenhouse gases and such on our environment.

Another recently announced government initiative is to make Newcastle Australia’s first smart grid city. I think that is great news for Newcastle and the Hunter. I see the member for Paterson is in the chamber. It will have an impact on his area. It will have an impact on the Shortland electorate, which is in the Lake Macquarie area. It really puts us in the Hunter at the cutting edge, because Australia’s first commercial-scale smart grid, which will help Australians save energy, connect renewable energy to the grid and tackle climate change, is being set up in the Hunter. It will commence in mid-2010, and the $100 million Smart Grid, Smart City demonstration project in Newcastle is expected to lead to Australia-wide advances in energy efficiency. It will place Australia at the cutting edge internationally and it is something that should be embraced. I am quite convinced that this trial will be very successful. I congratulate all who have been associated with it and I thank the Minister for Climate Change, Energy Efficiency and Water, Senator Penny Wong. We in the
Hunter are pleased that the main demonstration sites will be in Newcastle, Lake Macquarie and the Upper Hunter, with parts of the trial in the Sydney CBD.

Smart grids, as I am sure most members know, will give Australian households and businesses tools to reduce energy use and energy bills in the future—something that all Australians would like to do. It helps them reduce their cost of living and, in addition to that, it makes them feel good about making a positive commitment to our environment. Smart grids give households the ability to manage their own energy use and information about their energy use. Consumers can also use smart grids with energy efficient smart appliances—matching them up. If the smart grid application is adopted throughout Australia, it could deliver a reduction of 3.5 megatonnes of carbon emissions annually. That is very significant.

I am very pleased that EnergyAustralia were successful in gaining the Smart Grid, Smart City project because I know that they have had a long-term commitment to being at the cutting edge of innovations on reducing greenhouse gases. It was EnergyAustralia that introduced Pure Energy to New South Wales. At the time, former Treasurer Egan was in state parliament. He came to Newcastle to announce that EnergyAustralia customers who signed up to the Pure Energy product could buy a proportion of their electricity from renewable sources. That proportion has now increased: people can buy up to 100 per cent of their energy from renewable sources. Many people have signed up to that product.

It is really good to see that EnergyAustralia is involved in the Smart Grid, Smart City project. The EnergyAustralia consortium includes the CSIRO, IBM Australia, AGL, GE Energy, TransGrid, Newcastle City Council and the New South Wales government. We need to congratulate all those who have been involved in winning the Smart Grid, Smart City bid. The people of the Hunter welcome it. They are only too pleased to be able to make their little commitment to adopting a more energy efficient lifestyle. It is programs such as Smart Grid, Smart City that enable them to do so. The bill before us today is a very important step towards improving our energy efficiency nationwide. I commend it to the House.

Mr BALDWIN (Paterson) (6.39 pm)—I rise today to address the Building Energy Efficiency Disclosure Bill 2010. This bill takes further action to install mandatory commercial building energy efficiency reporting—action which was started by the former, Howard government. The coalition took the lead on this matter, and I am pleased to see that the Rudd Labor government has followed. As detailed in the coalition’s direct action plan, it is important that all Australians take action to protect the environment for our kids, their kids and so on. This action needs to be practical so that people can make a real difference in their everyday lives. It is simply not acceptable to punish people with great big new taxes or huge increases in energy bills.

Last year, EnergyAustralia increased the price of electricity to consumers by 20 per cent. IPART in New South Wales has agreed that the cost of energy can rise by 64 per cent over the next three years. It is beyond me how many people are going to afford their energy bills. If we want to change the way people treat our environment then we need to educate them. Most importantly, we need to give them the tools to make a measurable difference. That is what energy efficiency measurement and reporting is all about—giving businesses the tools to find out what they are doing right and what they could improve.
Specifically, this bill will set up a new scheme to publicise the energy efficiency of large office buildings in Australia. Large office buildings are defined as commercial spaces of more than 2,000 square metres. Under the legislation, large office buildings will be given a star rating for their level of energy efficiency, and this will be recorded in a building energy efficiency certificate. The certificate will need to be disclosed when buildings are put up for sale, lease or sublease. The certificate has three parts: firstly, the building will be given a star rating; secondly, lighting efficiency will be detailed; and, lastly, guidance will be given to new occupiers on how the energy efficiency could be improved. Star ratings will be determined by professional and accredited assessors. In terms of access, certificates will need to be placed in an online registry so that they are readily available to potential buyers and lessees. The star rating of each building will also need to be included in any future sale or lease advertisements, and there are heavy penalties for those who do not comply.

The benefits of such a scheme are wide reaching. For example, buyers and lessees of commercial properties will be able to consider the energy efficiency of buildings before they purchase and, therefore, will have a better idea of how high their greenhouse gas emissions will be. Knowing how efficient a space is will also give buyers a better idea of how high or low their power bills might be. Conversely, the scheme will also affect those selling properties. By having a mandatory star rating attached to an office, sellers of properties will be given an incentive to improve efficiency. With companies looking to be kinder to the environment, this could be a very important selling point.

As I have already touched on, one of the most important elements of this legislation is that it gives people practical tools to lower their carbon footprint. Importantly, it does not punish those who are already at world’s best practice—unlike Labor’s Carbon Pollution Reduction Scheme, which would have placed a huge tax burden on businesses in the Paterson electorate, even those who are already at best practice and working hard to lower their impact on the environment. For example, when I drive around the Paterson electorate, I see more and more homes and businesses with solar panels on their roofs. I have also personally visited businesses across the Hunter Valley which are working hard to lower carbon emissions, such as Corky’s Carbon and Combustion Lab in Ashtonfield. The employees there are developing technologies to directly lower CO2 emissions and better utilise waste in industries such as mining. They are in the perfect position to help others lower their impact on the environment.

Another positive example of a business in the Paterson electorate that is working hard to protect the local environment is Salamander Bay Shopping Centre. Its proactive approach to reducing its carbon footprint sets a positive example which I sincerely hope others will follow. I would like to mention a few details about that tonight. Salamander Bay Shopping Centre employed consultants to audit its existing systems and, as a result, the centre has now implemented a number of energy saving programs and facilities. These include waterless urinals, external light sensors, water restrictors to all taps, water-saving toilet systems, building maintenance systems for energy management and waste recycling. There are also a number of projects in the pipeline for introduction in the next 12 months. They include converting the shopping centre’s hot water systems to solar and making tenants aware of sustainability.

Tenants are important to shopping centres. One such tenant, the owners of the Donut King franchise in Salamander Bay, Adam and Jodie Olsen, have a very special interest
in reducing their carbon footprint. They want to be a business that is sustainable and they want to be a business that lowers its footprint. They also want to teach their young children, Sydney and Reagan, that looking after the environment, reducing their footprint and energy efficiency are important not just for today but for the long term. They are determined to educate their children about the environment.

This is a such a great example to others, because it shows how relatively small changes can make very big differences. Imagine if we could all convince our children to turn the lights off when they leave the bedroom, to switch their computers off when they have finished with the internet, to flick the television off at the wall when their favourite program is over or to turn off the heater lights in bathrooms when they are not needed. These small actions when multiplied by millions of people would make a momentous difference to Australia’s carbon emissions.

What never ceases to amaze me as I drive through the capital cities of Australia in particular, with all the talk about energy saving and reducing our footprint, is the number of multistorey buildings with full lights blazing through the evening—24 hours a day, seven days a week and 365 days a year. That is not using energy efficiently or effectively. There is no-one in those buildings. There is no benefit to lighting it up other than to improve the tourism vista of looking at a city all lit up. I am sure that we could retain a vista without that number of buildings, high buildings in particular, being all lit up at night. That is why practical changes such as those in this bill will make a difference.

This will also be an important bill as the Hunter Valley grows and expands. At the end of June 2007 there were 9,801 businesses in the Paterson electorate. While the great majority of these businesses are small, privately owned operations, we also have a number of sites which would be covered by the legislation, particularly in heavy industry. For these businesses, energy efficiency principles will become a normal part of setting up, moving or expanding operations. Therefore, a building’s impact on the environment will become a more mainstream part of the property market.

This is important if Australia is to develop as a leader in energy efficiency. It is also important in combating the current trend of growth in energy use. In fact, in the 15 years to 2006 there has been an 87 per cent growth in energy use in the commercial building sector. This coincides with an increase in working hours and advances in technology which have become essential for businesses right across the country. We as a society are also becoming increasingly reliant on air conditioning. That is why, in 2007, the coalition committed $20 million in support for the CBD energy proposal to build a 30-megawatt solar farm at Grahamstown. This would have included a state-of-the-art energy manufacturing factory to produce thin-film photovoltaic panels. It could have provided enough green electricity to power more than 30,000 homes.

Unfortunately, after taking over government, Rudd Labor did not follow through on the previous, coalition government’s pledge. Because of this government’s refusal to invest, 100 local jobs and hundreds of millions of dollars in energy manufacturing exports did not go ahead in our region. Under a coalition government, this solar farm would be operating now, providing real and measurable benefits to our carbon footprint and local jobs. Instead, under this government, this project is non-existent.

For any scheme to work well, experts should be consulted. It is those in the indus-
try who know industry best. That is why the coalition has fought hard for amendments to the Rudd Labor government’s original Building Energy Efficiency Disclosure Bill—as a result of concerns from industry groups. Together with further assurances from the government, we are confident the bill can now be implemented. Changes to be made include deferral of the lighting tool, which is still under development, and the exclusion of short-term leases. In addition, more up-to-date emissions factors are to be included by assessors when determining the star rating of an office space. This will help ensure accurate and thorough energy assessments.

I noticed with great interest a press release by the Property Council of Australia today titled ‘Compromise on Energy Efficiency Disclosure Bill welcomed’. It reads:

“The Property Council welcomes the changes to the Bill and believes that it will provide a clear direction for building owners,” ...

Further, it says:

“We welcome the agreement to extend the transition period and changes to the proposed punishing penalty regime.”

“We also welcome the Government’s commitment to review the legislation, before it is expanded, to ensure that it is operating efficiently and effectively.”

“The Government has committed to the Opposition and the Property Council that building owners won’t be penalised due to bureaucratic delays.”

“It has also promised to delay the use of the lighting tool and consult further before it is finalised.”

The Property Council acknowledges that mandatory disclosure is an important energy efficiency measure supported by both the Government and Coalition.

Making sure that you engage and consult with industry is critically important. Again, this bill, with the amendments being put to it today, is another reflection of how little consultation this government did—the fact that it has to amend its own bill and is going through the process now. The one thing I say to this government is: learn from your mistakes of the past, consult and consult widely, and listen to those in industry that are the experts. This government has shown that it is not prepared to listen to the mining industry and it will suffer the ramifications of that. But in relation to this I am glad it has finally been dragged to the table to listen to the property industry on what is manageable, workable and effective.

With the Hunter Valley region so reliant on energy-intensive business and its support industries, it is vital we give people practical tools they can use to make wise choices and lower their emissions. That is the intention of this bill, which will make selecting energy efficient properties that much easier. Just as consumers can now go to the shops and select a washing machine, television, clothes dryer or refrigerator with clearly visible energy star ratings, so too will renters and buyers be able to select energy-efficient office spaces. I welcome any such practical program to protect our environment for years to come.

Mr KATTER (Kennedy) (6.52 pm)—The purpose of the Building Energy Efficiency Disclosure Bill 2010 is to create a national scheme requiring disclosure of information about the energy efficiency of large-scale commercial office spaces when offered or advertised for sale, lease or sublease. The scheme provides that corporations must not offer to sell, lease or sublease premises without a building energy efficiency certificate. Corporations must not advertise premises without a valid and current energy efficiency rating. This is all very nice, but I look at the Queensland government and I ask myself: how in heaven’s name could they have gone from spending $8,000 million—which we spent in 1990 when our government fell—to
spending $42,000 million? Here is your answer—the BEEC. I thought it was not a bad idea that we give a guarantee on buildings in Queensland, and we were assured that the government guarantee would mean that if there was a shonky building the money would be put aside and the guarantee scheme would be accessed. I thought the government guarantee scheme on all new buildings in Queensland was a good idea.

Arguably, 25 per cent of the cost of a house in Queensland goes in government charges. It is quite extraordinary that once again we are putting a charge on everything: for example, $6,000 for the assessment of office space in Cunnamulla or in my own area in Julia Creek. This is quite ridiculous. In some of these places the office space itself would not be worth $6,000. But, even if it was in the city, don’t you realise that every one of these things costs somebody money? At the end of the day there is only so much money to go around. So, if the Queensland government—to use them as an example because the figures are available to me here—are spending an extra $30,000 million a year, where is it going? It ain’t going on health. Everyone in this place would agree that state governments are not meeting their health requirements. It ain’t going on roads. There is no-one in Australia who would claim that the state governments are spending it on roads. So where the hell is the money going?

The last government increased their spending by over 100 per cent and then had the hide to call themselves a conservative government. A conservative government is where someone like Bjelke-Petersen tells you have two per cent maximum growth in your budget and that is it—’Don’t whinge, don’t complain and don’t explain because that is it.’ You had a two per cent increase in your budget and you made do with that. You thought intelligently and you got things done in a different way.

Up to date I have been pretty fascinated by the federal government. They really ask for trouble. In many ways I have found them much more approachable than the last government, and I hope that the representative of the opposition here takes that remark into account. That this government has been much more approachable than the last government has been my experience. Having said that, there has been more hot air in this place over the last three years about carbon emissions, renewables and trading and all of these things than I have ever heard on any other subject in my time in this place or in the state house in Queensland. I have never seen such a concentration on one single issue.

Let us ask ourselves the question: has there been any reduction in carbon emissions in Australia in those three years? No, there has not been the slightest reduction. The government leave themselves open. If I can help the government out and give them a little bit of advice after 36 years as a member of parliament, if you keep talking about it and you do nothing about it then don’t be surprised when the Green vote goes through the roof. If you are saying it is a serious problem, then the answer is the Greens, not you. It was not remotely surprising that I heard some of the biggest ratbags in my public life when I was advocating for the removal of what we call buffel grass, which is an introduced species in North Queensland. I said: ‘That is a great idea. You will probably wipe out about three million kangaroos because there was no grass at all before this grass came along. So, if you believe in wiping out three million kangaroos, it is a good idea. Go right ahead. I don’t know how you’re going to do it. You’re going to send dozers in everywhere, are you?’ This ratbag element is getting a terrific head of steam up.
According to the last poll, the ALP will lose two seats, and arguably four, to the Greens. So stop talking about renewables and do something about it. You say you are doing something tonight. No, you are not; you are imposing $6,000.

**The DEPUTY SPEAKER (Mr S Sidebottom)**—I am not saying anything, please. I am not saying anything.

**Mr KATTER**—Mr Deputy Speaker, you have been an example of intelligence, wit and also good government and good policy advice to the government, so I most certainly would exclude you from the description that I am putting down here. I must return to the issue before the House. Once again, you are making a lot of noise—not you, Mr Deputy Speaker, but the government—and are not giving a result. Is this going to reduce carbon? No, it is not. Please look at the polls out there. Listen to what people are saying in your electorate. Surely, you must know that the message is coming through loud and clear, but you are not getting it. You are sitting here again tonight imposing $6,000 upon every poor beggar that has an office in Australia for no purpose whatsoever. Do you think they are all going to race out after they have expended this $6,000 and go around and put solar hot-water systems on their roofs? No, they are not. When I was minister for mines and energy in Queensland I did not have to be Albert Einstein to work out that I could save myself one huge coal-fired power station if I simply put solar hot-water systems on all the roofs of all the government houses in Queensland. It was a really simple thing to do, and it worked out cheaper. The householder would save in electricity more than the annual cost for the solar hot-water system. I was at a sleep-out the other night with Dwayne, who has his own company, and he said, ‘We put to the state government that a mass purchase would mean that we could bring the cost of the solar hot-water systems down.’ That proposition will reduce the amount of carbon. Forty per cent of domestic consumption is the heating of water. If you put in a solar hot-water system you will not reduce it by the whole 40 per cent but you will most certainly reduce it by more than 20 per cent. As the minister in Queensland I would have saved a $1,000 million power station. The interest and redemption on capital servicing was $100 million a year and we were probably up for another $60 million or $70 million to run it, so I was going to save the electricity consumers of Queensland $200 million a year simply by writing on a piece of paper in a cabinet submission that we put solar hot-water systems on all houses and call for expressions of interest.

We did not talk about it; we just went out and did it. We designed a house that, by standing in the sun, became a static air-conditioner. It had a big, high, steep roof, so it sucked the air up from the verandas, and mistjet put a very thin film of water down on both verandahs so the air that would be sucked in over it would be cool, with the constant circulation of air through the house. These were not Albert Einstein solutions. I personally had a look recently at the Dulux product through Jeffrey Knuth company in Townsville. We decided that our roof had a number of rust spots on it but we could prolong the life of the roof by some 50 years. We knew a number of people who had put this coating on. I found out that we did not need air conditioning during midsummer in Queensland once we had this reflective coating on the roof. I am not saying they are all as good as this particular model, because they are not. Of course, the corollary of that was that I had to use a blanket if I wanted to watch television during winter. All the more credit—we did not need a heater in North Queensland, though we probably did need a
blanket. I am just saying how enormously effective a reflective roof is. But here we are adding $6,000 to the cost of every single office in Australia instead of going to a solution which would reflect the heat out of the home and provide us with comfortable living, with no cost to the environment or the atmosphere in any way, shape or form—and, quite frankly, at no cost to the person in the house or the office either because the heat is being reflected.

Having said all of those things and returning to the issue of the coating on the roof, there is a little sting in the tail here, because as Northern Australians we are just a little sick of being treated as second-class citizens. I am told that the golden boomerang operates under the golden rule. The golden boomerang is Brisbane, Sydney, Melbourne and Adelaide. Mr Deputy Speaker Sidebottom, being from Tasmania you would know that the golden boomerang gets it all, and Tasmania, North Queensland and to some degree Western Australia get absolutely nothing. We have a winner-takes-all system in Australia; we do not have the checks and balances that were put into the system in the United States. We do not have a multiparty system, which every country on earth, with the exception of Australia, now has. You can say that America has not, but they do not vote along party lines because they have a primary system even for their congressmen, and that means that a politician is answerable to his electorate, not to his party. To go back to the golden boomerang and the golden rule, I asked the person who referred to it what the golden rule is. It was explained to me that it is: he who has the gold rules. That would be the golden rule as Tasmanians and North Queenslanders would see it.

We are a little bit sick of this in Northern Australia, and very serious things will happen if we continue to be treated the way we are treated. Coming from Tasmania you would sympathise with us on this, Mr Deputy Speaker. The primitive two-party system we have in Australia, with no system of primaries as they have in the United States, is just crippling this country in every respect. In this case, you get a tax deduction for putting heaters in your homes down in southern Australia, but you get no tax deduction for putting air conditioning in your homes in Northern Australia. The decision to put batts in was good if you have got a problem of cold. It is no good at all if you have got a problem of heat—the last thing in the world you want to do is to trap the heat in, which is the effect of an insulation batt. It is fantastic in the southern states, but it is enormously counterproductive in the northern states. So instead of giving the northern part of Australian the reflective roofing, which should have happened at every point north of Byron Bay—for the five million of us who live north of Byron Bay—we got wiped like a dirty rag, but the batts went in down south. They went in, to everyone’s shock, of course—and that is an unfortunate pun, because a very nice young man died in my electorate as a result of that scheme and the way it was misoperating.

The government is going to apply a charge of $6,000 to every office in Australia. I have 142 towns in the Kennedy electorate. I suppose 20 of them are fairly sizeable, but in the other towns an office simply would not cost $6,000. This shows the abominable nature of yet another stupid proposal. I am sure the honourable member for Wentworth, who up until recently was the Leader of the Opposi-
tion, would agree with me. I saw him on television recently most certainly asserting that there has been a lot of noise about but there has actually been no reduction in carbon emissions. We sat here for three years being preached to about carbon emissions by both sides of the House—it was not just the government’s side of the House.

I was a minister in Queensland and I simply did what I did because I could see that it was going to save electricity consumers in Queensland $200 million a year if they went to solar hot-water systems on their roofs. Has anyone done that most simple solution? No, nobody has done it and nobody intends to do it. The simplest solution is to put some reflective coating on roofs in Northern Australia. Is anyone doing it? No, and no-one intends to do it.

With all due respect to both sides of the House, if you have a carbon trading scheme, you put a value on a unit of carbon emission. The minute you do that, all of the merchant banking companies and all the stockholders in Australia say: ‘Whoopee. We’ll get another $10,000 million in securities we can trade every year.’ The slithering suits from Sydney will once again have their pockets lined. In fairness to the honourable member for Wentworth—people are nodding in his direction—I think he made some very significant contributions. If he had been listened to on his solutions for the high cost of housing in Australia, we would have a hell of a lot cheaper housing in Australia than we have today. But I am certainly criticising his proposal and the government’s proposal for a trading scheme.

What the hell do you want a trading scheme for when the answers are staring you in the face out there? Simply switch to ethanol. Instead of having to fight wars to secure our pipeline of oil and our diminishing supply of oil in Australia, we can simply produce our own fuel. I hardly think the United States is a stupid country—I might say a lot of other things about it, but I would not say it was stupid. I hardly think that Brazil, with an annual growth rate of 19 per cent, is being stupid. When people in Brazil fill their motor cars, they do it for 74c a litre—that is what it cost when I was over there. I do not want to make out that I am an international traveller; I have been out of Australia for only 10 days. In South Boa I filled up my car for $74c a litre and when I went to Minnesota in the United States it cost me 84c a litre. When I came back to Sydney it was 148c a litre. Why in hell’s name are we paying that amount of money for oil when we can produce ethanol? Clearly America is doing it for 84c and Brazil is doing it for 74c at the bowser. Of course, that would reduce our carbon emissions dramatically.

Ethanol is the very first solution of Al Gore, who is not my patron saint, I can assure you; he is one of my devils. Anyone who reads An Inconvenient Truth—and I doubt anyone in this House has—will see that his very first solution is ethanol. Has anyone on the government or opposition benches in this place talked about ethanol? No. They have not even remotely considered it. But of course those stupid countries like Brazil, with an annual GDP growth of 19 per cent, thought about it and America, who are no slouches, thought about it. (Time expired)

Mr TURNBULL (Wentworth) (7.12 pm)—It is widely accepted that there are considerable opportunities for greenhouse gas abatement through energy efficiency. The IPCC has estimated that by 2030 about 30 per cent of global greenhouse gas emissions from energy use in buildings could be avoided at zero or minimal cost. Locally the Australian Sustainable Built Environment Council has estimated 27 to 31 per cent of emissions from buildings could be abated at zero economic cost. Reductions of this order
are not trivial. In the context of Australia’s total carbon emission profile of around 600 million tonnes, they turn out to be close to 10 per cent of our total emissions. McKinsey has estimated that the Australian building sector could by 2020 achieve abatement of close to 50 million tonnes, while the Centre for International Economics has estimated an abatement of about 45 million tonnes of CO2 could be achieved at a low cost or negative net cost—in other words, at a gain.

Unlocking those opportunities is not easy. According to the Green Building Council, 97 per cent of existing buildings are too old to have been built with energy efficiency measures. That means retrofits to the existing building stock are just as important, if not more important, as building new structures to high standards of energy and water efficiency. A key element in achieving this goal is information, and that is the object of the Building Energy Efficiency Disclosure Bill 2010 that is before the House. It will require energy efficiency information to be provided to prospective purchasers and lessees of commercial office space of 2,000 square metres or more. This will be done in the form of a building energy efficiency certificate, which will include an energy efficiency star rating together with information about lighting energy efficiency as well as guidance as to how the building’s overall energy efficiency might be improved.

Another element in the quest for better energy efficiency in the built environment is appropriate incentives, which is why in 2009 I announced that the coalition would introduce accelerated depreciation rates for capital spending on green buildings. This would be a doubling of the depreciation rates normally applicable to investment in buildings or improvements which meet specified energy efficiency standards. Such accelerated depreciation does reduce tax revenues in the short term, although this is offset, at least in part, by higher collections in the future as the net income from the improved buildings increases. The Centre for International Economics has estimated that green depreciation of this kind would lead to a deferral of revenue of approximately $560 million over the first four years of the scheme.

So much of the energy requirement in our built environment is literally built in. Too much of our building stock was created on the assumption that every requirement of heating, cooling, lighting or electricity could be provided with abundant and very cheap power. That assumption is being challenged now with rising energy costs and will be increasingly challenged in the future. ClimateWorks Australia’s Low carbon growth plan for Australia recently identified emission reduction opportunities of 28 million tonnes of CO2 equivalent by 2020, a 28 per cent reduction on business-as-usual emissions. The commercial sector accounts for 77 per cent of this potential, most of which comes through improved efficiency via better technology, including more efficient lighting systems and other electrical appliances and equipment as well as reducing energy loss from refrigeration and ovens.

The study argues that one of the biggest obstacles to achieving these efficiencies is gaps in information. It says:

In many cases, homeowners and businesses—in particular those with low energy bills as a proportion of outgoings—may not closely follow how much energy they use, and the savings which could be achieved through improved energy efficiency. Moreover, the equipment needed to estimate and verify energy savings is not readily available and comes with a cost, making it difficult to build traction on energy efficiency measures. Even when energy efficiency measures are pursued, savings are often undermined by a lack of understanding of the proper use of new equipment, or inadequate investment in the skills of auditors and contractors.
The disclosure regime set up by this bill seeks to address this information gap. There are numerous opportunities for energy efficiency at low or negative net cost and especially so with new buildings, of course. Buildings that have appropriate awnings to keep sun away from windows will need less cooling as will buildings with breezeways.

One of the ironies is that some of our oldest buildings are the most energy efficient. An old Queenslander, built up on stilts with big verandahs, is a much more sustainable, energy efficient dwelling than the modern equivalent built on a concrete slab, more often than not with no eaves—in short, no protection from a baking sun and no means to take advantage of a cooling breeze, and consequently only bearable during the height of the summer’s heat by reason of air conditioning.

Another area where we have gone backwards is in the use of water. Imagine if every new building was required simply to do this: plumb the blackwater and the greywater separately, collect the greywater in a tank and recycle it through the toilet cisterns. This greywater could be supplemented with rainwater if it was felt that it was not appropriate to use rainwater for drinking or washing purposes. The cost of this at the outset is very modest—some metres of additional poly pipe—but to retrofit it when the plumbing is encased in concrete floors is prohibitive. There is an important insight to bear in mind here. Water has a very high weight and volume—1,000 litres is a cubic metre and weighs a tonne—relative to value. So moving it around is more often than not the bulk of the cost of water. Hence, being able to use and re-use water onsite not only saves water but saves energy.

Now, I trust it is plain from what I have said that I am an enthusiastic supporter of energy and, indeed, water efficiency. However, gross emission abatement figures cited, including those that I have just cited, often fail to take into account what is known as the Jevons paradox. This paradox was described in 1865 by the British economist William Stanley Jevons in his work *The Coal Question: Can Britain Survive?* He wrote:

… it is wholly a confusion of ideas to suppose that the economical use of fuel is equivalent to a diminished consumption. The very contrary is the truth … Every improvement of the engine when effected will only accelerate anew consumption of coal.

In 1865 he pointed to the experience of the Scottish iron industry, where the consumption of coal per tonne of iron had dropped by one-third but the consumption of coal, because of the enormous increase in the production of iron, had increased 10 times over.

This paradox has bedevilled the debate about energy efficiency ever since. It was considered in some depth in 2005 by the House of Lords Select Committee on Science and Technology which took evidence from Dr Brookes who, together with another economist, Daniel Khazzoom, had simultaneously published papers elaborating on the Jevons paradox in 1979. The report of the select committee said:

Dr Brookes’ argument is that for any resource, including energy, “to offer greater utility per unit is for it to enjoy a reduction in its implicit price”. Cheaper energy has two effects: the substitution of energy for other factors of production, which are now relatively more expensive, and the release of income which can then be reinvested in new production capacity, and so on. As a result, Dr Brookes argues, developed countries, have since the Industrial Revolution, seen “rising energy productivity outstripped by rising total factor productivity, hence rising energy consumption alongside rising energy productivity”.

The report went on to observe:

… there appears to be no example of a developed society that has succeeded in combining sustained
reductions in energy consumption with economic growth.

We can observe the phenomenon of the Jevons paradox in our own homes. A modern refrigerator and a modern television are far more energy efficient. But our modern refrigerator is likely to be larger than the old one and our modern television is likely to be a flat-screen television whose output is vastly greater than that of the old television. And of course there are a range of other electrical appliances that simply did not exist before.

Many studies have demonstrated that increases in the energy efficiency of heating and cooling, for example, by the installation of insulation, have resulted in householders seeking greater comfort and hence using more energy. In The Bottomless Well, Peter Huber and Mark Mills explained how this paradox comes about:

Efficiency may curtail demand in the short term, for the specific task at hand. But its long-term impact is just the opposite. When steam-powered plants, jet turbines, car engines, light bulbs, electric motors, air conditioners and computers were much less efficient than today, they also consumed much less energy. The more efficient they grew, the more of them we built, and the more we used them—and the more energy they consumed overall.

This direct rebound effect, as it is termed—that is, using the same device to achieve greater output than before—has been estimated to be, in many situations, as much as 50 per cent, and the indirect effect can be much greater. Indirect rebound effects can simply involve the savings from energy efficiency being invested in other activities which require the use of energy. An example would be that a person buys a more energy efficient vehicle so they get more miles per gallon—one assumes the price of fuel has not changed—and they take that opportunity to drive more miles and hence use the same amount of fuel, albeit more efficiently. That is a direct rebound. An indirect rebound would be if the fuel savings were then invested in a holiday, to take an aeroplane to a foreign destination and thereby consume fuel or to buy some other good or service in which there is embodied energy. The other form of indirect rebound comes from an economy-wide increase in productivity, which increases economic activity and hence the overall need of the economy for energy. In other words, it increases the demand for goods and services, all of which have an embodied energy component.

In a recent paper in the journal Energy Policy, Steve Sorrell refers to the increase in fuel savings arising from the Bessemer process for steelmaking in the 19th century, which dramatically reduced the cost of steel. My recollection is that it was from around £40 a tonne, in the money of the day, to £6 a tonne. Not only did this result in much more steelmaking requiring much more coal because it made steel cheaper and more available—notwithstanding the efficiency obtained by the new process—but the new steel was used in building railroads and other infrastructure, all of which had, caused or initiated their own energy demands. In some cases this rebound can be so substantial as to result in what is called a backfire—literally, a situation where the energy efficiency actually results in more energy being required.

It follows that energy efficiency, while very desirable, is not a solution to greenhouse gas emissions or their abatement in and of itself. Because energy efficiency means that for a given amount of energy there will be more output, the energy becomes less expensive in output value terms. In other words, the energy, whether it is a tonne of coal, a kilowatt hour of electricity or a litre of petrol, may have the same price—its price might be changed—but the output, product, service or result that the energy ac-
quires has become cheaper because you can acquire more of it with the same amount of energy. If the price of the energy remains the same then, so long as demand is elastic, there will be more energy consumed.

Another observation worth making in this context is that the object of climate policy is not to reduce the use of energy per se but rather to reduce the emissions intensity of the energy we use—or, to put it another way, to decrease the amount of energy we use generated from burning coal, for example, and increase the amount of energy we use generated from zero- or low-emission sources. When we talk about putting a price on carbon, what we are seeking to do is to make carbon intensive energy more expensive relative to less carbon intensive energy.

As most of our energy in Australia is generated from burning coal and as low-emission generation is—at least in the present state of technology—more expensive, it follows that any policy to cut greenhouse gas emissions, unless it is funded directly from the taxpayer’s purse, will increase the cost of energy. This will offset the impact of the Jevons paradox and result in any rebound in energy usage stimulated by the increase in efficiency being at least moderated to some extent by the price increase.

The Jevons paradox is a reminder that there is no substitute for ensuring that the focus of policy be keenly directed to the objective of the policy. If that objective is, as it should be, the reduction in greenhouse gas emissions then we will need, whether by an emissions trading scheme, a carbon tax or by regulation, to put a price on those emissions and change the price of carbon intensive energy relative to less carbon intensive energy and thereby, over time, transition our economy to a low-emission economy.

Some flaws in this legislation were identified by the coalition and through the Senate committee process. I am pleased that the government has responded constructively to those concerns and, as a consequence, with those amendments agreed to, the bill has the support of the opposition. I commend the bill to the House.

Mr COMBET (Charlton—Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency) (7.28 pm)—in reply—I thank the member for Wentworth for that thoughtful contribution, and I also thank all of the other members who have contributed to the debate on the Building Energy Efficiency Disclosure Bill 2010. The bill represents one of the most cost-effective opportunities to reduce the wasteful use of energy within the commercial building sector and to prepare the economy for a low-carbon future. The bill will give effect to a new national scheme which, for the first time, will require the disclosure of energy efficiency information when large offices are sold, leased and subleased.

I note the bipartisan support for this important bill, as indicated by the member for Wentworth in the previous address, and I especially thank the honourable member for Dunkley for his cooperation in relevant discussions. The government recognises the issues raised by the opposition and is committed to implementing a workable and effective scheme in consultation with industry. The scheme will transform the commercial property market by making energy efficiency considerations a normal part of commercial property transactions. Importantly, it will address market barriers to energy efficiency and capitalise on the increasing value that the market is attributing to energy efficient buildings.

The Building Energy Efficiency Disclosure Bill 2010 represents over three years of solid policy work, during which all pre-
scribed processes for the development of best-practice regulations were meticulously followed. In July 2009 the Council of Australian Governments agreed to the scheme being phased in, commencing with office buildings in 2010. In November 2009, the Ministerial Council on Energy agreed to the scheme’s parameters, which have formed the basis of this bill before the House. Through the release of consultation documents, working groups, information seminars and media articles, both industry and government stakeholders have been extensively consulted throughout the development of the scheme. Sensible adjustments to the scheme have been carried out as a result of these processes. In fact, over 700 people attended the information seminars conducted late last year in conjunction with the Property Council of Australia. More extensive seminars, within 15 major cities, are planned to occur once the scheme commences.

The scheme has the advantage of being based upon the National Australian Built Environment Rating System, known as NABERS, which is by far the most widely recognised and accepted energy efficiency rating system by industry. Over 40 per cent of office space within the major business districts—which represents over 10 million square metres—has been rated under NABERS. NABERS is backed up by a rigorous training and accreditation program and a recently established national stakeholder advisory committee will ensure that key stakeholders have a role in the ongoing refinement and development of NABERS.

As mentioned by the Member for Dunkley in his second reading debate contribution, prior to the commencement of the commercial building disclosure scheme, NABERS will report the actual greenhouse emissions of buildings. NABERS will use up-to-date emissions factors that are consistent with the National Greenhouse and Energy Reporting Scheme. Where appropriate, further refinements to NABERS will be carried out on a systematic basis, in consultation with industry. On-site testing of the tenancy lighting element of the scheme will be finalised in consultation with industry to ensure that it provides cost-effective information on base lighting within office tenancies.

The Building Energy Efficiency Disclosure Bill will build on these solid foundations to establish a relatively simple and effective scheme. It provides appropriate powers to assessors and auditors to ensure that they can perform their critical tasks. It includes appropriate penalty provisions to deter noncompliance. It includes exemption provisions to ensure the scheme is not unfairly or inappropriately applied. The bill also includes generous transitional provisions to provide industry with a smooth build-up to full compliance with the scheme. The bill will be supported by appropriate subordinate instruments that will outline the administrative requirements of the scheme, including the kinds of offices that are captured by the scheme, the technical standards for assessing buildings, assessor training and accreditation and exemption processes.

Overall, the Building Energy Efficiency Disclosure Bill will give effect to a scheme that has been well developed through the input of a large number of energy efficiency and property experts; that stacks up economically, providing a relatively low-cost measure that complements other energy efficiency measures; and that will transform the approach to energy efficiency by the commercial property sector. I commend this bill to the House.

Question agreed to.

Bill read a second time.
Consideration in Detail
Bill—by leave—taken as a whole.

Mr COMBET (Charlton—Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency) (7.35 pm)—by leave—I present a supplementary explanatory memorandum and move government amendments (1) to (10), as circulated:

(1) Clause 11, page 9 (after line 22), at the end of the clause, add:

(6) Subsections (1) to (4) do not apply if:
(a) an offer to let or sublet a building or an area of a building is made and, at the time the offer is made, a term of 12 months or less is proposed; and
(b) at no time while the offer is continuing is a term of more than 12 months proposed.

(7) Subsections (1) to (4) do not apply if:
(a) an invitation to make offers to lease or sublease a building or an area of a building is made and, at the time the invitation is made, a term of 12 months or less is proposed; and
(b) at no time while the invitation is continuing is a term of more than 12 months proposed.

(8) In working out, for the purposes of subsections (6) and (7), whether the term proposed for a lease or sublease is a period of 12 months or less, include in the period any options to extend the lease or sublease.

(2) Clause 12, page 11 (after line 16), after subclause (5), insert:

(5A) Despite subsections (2) to (5), a person may not give notice in writing under any of those subsections if:
(a) the term proposed for the lease or sublease at the time the offer or invitation is made is 12 months or less, including any options to extend the lease or sublease; and
(b) at no time while the offer or invitation is continuing is a term of more than 12 months proposed.

(3) Clause 13, page 13 (after line 7), after subclause (7), insert:

(7A) The Secretary must not recognise a person or body as an issuing authority unless the Secretary is satisfied that:
(a) the person or body has the competencies necessary to apply the assessment methods and standards determined under section 21 to decide whether energy efficiency ratings or assessments of the energy efficiency of lighting are appropriate; and
(b) the person or body has systems in place to ensure that building energy efficiency certificates are issued in good faith.

(4) Clause 14, page 14 (line 5), omit "and", substitute "or".

(5) Clause 15, page 15 (after line 30), at the end of the clause, add:

(6) Subsections (1) to (4) do not apply if:
(a) a constitutional corporation advertises or continues to advertise a building or an area of a building for lease or sublease; and
(b) the term proposed for the lease or sublease in the advertisement is 12 months or less, including any options to extend the lease or sublease; and
(c) at no time while the advertisement is continuing is a term of more than 12 months proposed.

(6) Clause 23, page 22 (line 26) to page 23 (line 22), omit the clause, substitute:

23 Satisfying energy efficiency disclosure obligations during the transition period

(1) The transition period is a period of 12 months beginning on the implementation day.

(2) A rating of the energy efficiency of a building is a recognised rating if:
(a) the rating is issued before or during the transition period; and

(b) the rating is issued by a person or body that is recognised as an issuing authority at the start of the transition period.

Energy efficiency disclosure obligations may be satisfied by a recognised rating

(3) A requirement under section 11 that a valid, current building energy efficiency certificate be registered for a building when a thing is done, is satisfied if a recognised rating for the building that is valid and current is registered for the building when the thing is done.

(4) A requirement under section 11 that a valid, current building energy efficiency certificate be registered for an area of a building when a thing is done, is satisfied if a recognised rating for the building that is valid and current is registered for the building when the thing is done.

(5) A person satisfies the requirement in subsection 12(6) to give another person a copy of a valid, current building energy efficiency certificate for a building that has been registered, if the person required to give the certificate gives the other person a copy of a valid, current recognised rating for the building that has been registered.

(6) A person satisfies the requirement in subsection 12(6) to give another person a copy of a valid, current building energy efficiency certificate for an area of a building that has been registered, if the person required to give the certificate gives the other person a copy of a valid, current recognised rating for the building that has been registered.

(7) A requirement under section 15 that a valid, current energy efficiency rating for a building be included in an advertisement is satisfied if a recognised rating for the building that is valid and current is included in the advertisement.

(8) A requirement under section 15 that a valid, current energy efficiency rating for the building in which an area occurs be included in an advertisement is satisfied if a recognised rating for the building that is valid and current is included in the advertisement.

Valid recognised ratings

(9) A recognised rating for a building is valid if the person or body who issued it is satisfied that the rating of the energy efficiency of the building specified in the recognised rating is appropriate, based on assessment methods and standards substantially similar to those determined under paragraph 21(1)(a) as in force:

(a) in the case of a recognised rating issued before the start of the transition period—at the start of the transition period; and

(b) in the case of a recognised rating issued during the transition period—at the time the rating is issued.

Current recognised ratings

(10) A recognised rating is current from the time it is issued until the earlier of the following:

(a) the expiry of the rating, as stated on the rating;

(b) the end of the transition period.

Registered recognised ratings

(11) A recognised rating is registered if:

(a) it is included in a register maintained by the person or body who issued it by electronic means; and

(b) the register is available for inspection on the internet.

23A Information gathering during the transition period

(1) This section applies if a person, before or during the transition period, asks an issuing authority assessor to assess a building for the purposes of applying
(2) An issuing authority assessor is a person accredited by an issuing authority to perform assessments of buildings for the purposes of applying for recognised ratings.

(3) The issuing authority assessor has the same powers under section 18 for the purposes of the assessment as an accredited assessor would have under that section for the purposes of an assessment mentioned in that section.

(4) Section 18 applies in relation to a notice given by an issuing authority assessor in reliance on subsection (3) of this section, and a person to whom such a notice is given, in the same way as it applies in relation to a notice given by an accredited assessor, and a person to whom such a notice is given, under section 18.

(5) An owner, lessee or sublessee of a building or an area of a building may apply to the Secretary for an exemption from section 18, as it applies as a result of this section. The application must be in accordance with subsection 18(9).

(6) The Secretary may grant an exemption from section 18, as it applies as a result of this section, in relation to a matter mentioned in subsection 18(10). An exemption under this subsection is taken to be granted under subsection 18(10).

(7) Section 19 does not apply in relation to information given to an issuing authority assessor in compliance with a notice given by the assessor in reliance on subsection (3) of this section.

(8) Clause 33, page 32 (line 5), omit “and”, substitute “or”.

(9) Clause 34, page 33 (line 2), omit “the”, substitute “an”.

(10) Clause 53, page 47 (lines 19 and 21), omit subclause (5), substitute:

Maximum pecuniary penalty

(5) Subject to subsections (5A) to (5D), the pecuniary penalty must not exceed the relevant amount specified for the provision.

(5A) Where:

(a) the contravention is of a requirement under section 11 in relation to a continuing offer or a continuing invitation; and

(b) the contravention is in respect of one or more days that fall after the first day on which the offer or invitation is made;

the pecuniary penalty must not exceed 100 penalty units for each day that falls after the first day.

(5B) Where:

(a) the contravention is of a requirement under section 15 in relation to a continuing advertisement; and

(b) the contravention is in respect of one or more days that fall after the first day on which advertising began;

the pecuniary penalty must not exceed 100 penalty units for each day that falls after the first day.

(5C) Where:

(a) the contravention is of a requirement under section 18 in relation to giving information within a period specified in a notice; and

(b) the contravention is in respect of one or more days that fall after the end of that period;

the pecuniary penalty must not exceed 20 penalty units for an individual and 50 penalty units for a body corporate for each day that falls after the end of that period.

(5D) Where:

(a) the contravention is of a requirement under section 18 in relation to giv-
ing access to a place at a day and
time specified in a notice; and
(b) the contravention is in respect of
one or more days that fall after the
day specified;
the pecuniary penalty must not ex-
ceed 20 penalty units for an individ-
ual and 50 penalty units for a body
corporate for each day that falls after
the day specified.

The supplementary explanatory memoran-
dum for the amendments to the Building En-
ergy Efficiency Disclosure Bill 2010—in
partnership with the bill)—will establish a
new national scheme for the disclosure of
commercial office building energy effi-
ciency. The bill has been reviewed by the
Senate Environment, Communications and
the Arts Legislation Committee and by the
Senate Standing Committee for the Scrutiny
of Bills. The government is grateful to both
committees and those who made submissions
during the inquiry process. The government
has considered the recommendations and
comments made by the Senate committees to
which I have referred. The government has
also heard the industry’s requests for some
additional changes to the bill to address a
number of issues. The amendments that I am
proposing on behalf of the government re-
spond directly to the issues raised through
those consultation processes.

The government seeks to amend the tran-
sitional provisions available during the first
12 months of the scheme. These amendments
will allow building owners to use recognised
energy efficiencies issued before or during
the transitional period in lieu of full building
energy efficiency certificates. This will en-
sure appropriate transitional arrangements
are in place for building owners to adjust to
the full requirements of the scheme. Fur-
thermore, the amendments ensure that au-
thorities appointed to issue building energy
certificates are competent and have appropri-
ate processes in place for issuing certificates.

These amendments also incorporate
changes to the penalties for ongoing contra-
ventions while still maintaining an appropri-
ate deterrent against noncompliance. Lower
maximum penalties will apply for each addi-
tional day beyond the first day that a contra-
vention continues. Taken together, these
amendments demonstrate the government’s
willingness to work cooperatively with in-
dustry to set up a robust national scheme that
will provide credible and meaningful energy
efficiency information to prospective pur-
chasers and lessees. This is an important
measure in helping to reduce Australia’s
greenhouse gas emissions. I commend the
amendments to the House.

Question agreed to.
Bill, as amended, agreed to.

Third Reading

Mr COMBET (Charlton—Minister for
Defence Materiel and Science and Minister
Assisting the Minister for Climate Change
and Energy Efficiency) (7.38 pm)—by
leave—I move:

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

Bill read a third time.

CONDOLENCES

Sapper Jacob Daniel Moerland
Sapper Darren James Smith

Report from Main Committee

Order of the day returned from Main
Committee for further consideration; certi-
fied copy of the motion presented.

Ordered that the order of the day be con-
sidered immediately.

The DEPUTY SPEAKER (Mrs MA
May)—The question is that the motion be
agreed to. I ask all honourable members to
signify their approval by rising in their places.

Question agree to, honourable members standing in their places.

**CRIMES AMENDMENT (ROYAL FLYING DOCTOR SERVICE) BILL 2010**

**Report from Main Committee**

Bill returned from Main Committee with amendments; certified copy of the bill presented.

Ordered that this bill be considered immediately.

*Main Committee’s amendments*—

1. Schedule 1, item 2, page 3 (lines 12 and 13), omit the heading to subsection 85W(3), substitute:
   
   *Exceptions—supply of pharmaceutical products etc. to remote locations*

2. Schedule 1, item 2, page 3 (after line 24), after subsection 85W(3), insert:

   (3A) Subsection (1) does not apply in relation to conduct engaged in by a person if the person engages in the conduct:
   
   (a) for the purposes of, and in accordance with, a program, prescribed by the regulations, for the supply of packages of pharmaceutical products and medical supplies to remote locations; and
   
   (b) in the course of duties, powers or functions performed or exercised by the person in the person’s capacity as:
   
   (i) Australia Post or an employee of Australia Post; or
   
   (ii) a body, or the holder of an office or position, if the body, office or position is prescribed by the regulations in relation to the program; or
   
   (iii) an employee of, or a person who performs services for or on behalf of, a government, body or other person, if the government, body or other person is prescribed by the regulations in relation to the program.

   Note 1: The regulations may prescribe a body or person by reference to a class of bodies or persons, and may make different provision with respect to different classes of bodies or persons (see subsection 33(3A) of the Acts Interpretation Act 1901).

   Note 2: A defendant bears an evidential burden in relation to the matter in subsection (3A) (see subsection 13.3(3) of the Criminal Code).

The **DEPUTY SPEAKER (Mrs MA May)**—The question is that the amendments be agreed to.

Question agreed to.

Bill, as amended, agreed to.

**Third Reading**

Mr **BYRNE** (Holt—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade) (7.40 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**TAX LAWS AMENDMENT (2010 MEASURES No. 3) BILL 2010**

**Second Reading**

Debate resumed from 26 May, on motion by **Mr Bowen**:

That this bill be now read a second time.

Ms **LEY** (Farrer) (7.42 pm)—I am pleased to speak on the Tax Laws Amendment (Confidentiality of Taxpayer Information) Bill 2009. This bill was introduced on 19 November 2009 and implements the reforms to the tax secrecy and disclosure provisions that were announced by the former
coalition government. I would like to say at the outset that the coalition will support the passage of this bill through the House. Currently, the rules regarding the protection and disclosure of taxpayer information are contained in 20 different acts. This bill consolidates 18 of these provisions by rewriting the current 18 acts into one single act.

On 17 August 2006, the then Treasurer announced the release of a Treasury discussion paper called *Review of taxation secrecy and disclosure provisions*, in which it was proposed to rewrite the existing tax law provisions regarding the confidentiality and disclosure of taxpayer information into a single piece of legislation. At that time, the then Treasurer said that the reforms would provide increased certainty for taxpayers, tax officials and users of tax information such as government departments and agencies. Treasury then began to undertake an extensive process of public consultation with a wide range of stakeholders, including professional associations, government agencies, business groups and taxpayers.

Madam Deputy Speaker May, I apologise to the House. I appear to have the incorrect bill. I take full responsibility for that. The bill before us is the *Tax Laws Amendment (2010 Measures No. 3) Bill 2010*. The provisions are contained in detail in the explanatory memorandum, which I am seeking. I apologise for the inconvenience to the House. I seek leave to address the House on the other bill afterwards.

Leave granted.

Mr NEUMANN (Blair) (7.44 pm)—I speak in support of the *Tax Laws Amendment (2010 Measures No. 3) Bill 2010*. This bill amends the tax laws, as so much tax legislation does, by way of schedule. There is a plethora of issues raised in it, but I will just go through them briefly, from schedule 1 to schedule 5. The first schedule deals with the government’s budgetary measures relating to freezing of indexation of co-contribution income thresholds for the 2010-11 and 2011-12 income years. It also relates to the matching rate and the maximum contribution payable at $1,000. Currently the government’s co-contribution scheme matches the eligible personal superannuation contributions for qualifying individuals at a rate of 100 per cent to a maximum of $1,000. The current rate reflects changes in the 2009-10 budget, when the government announced a temporary reduction in the matching rate and maximum government co-contribution payable for eligible personal superannuation contributions to the level of 100 per cent and $1,000. The maximum co-contribution is payable to assist individuals who have low incomes. For those individuals with incomes at or below $31,920 in the 2009-10 income year it applies, and it phases out at 3.333c for every dollar above the threshold. For contributions made in that year no co-contribution is payable for an individual’s income where it is greater than $61,920.

It is quite clear that this is the government’s way, in terms of co-contributions, to assist middle- and low-income earners with superannuation to allow them to live their retirement years with dignity, respect and financial security. This is a good scheme that we have. The superannuation industry, a trillion-dollar industry in this country, does provide opportunity for people, particularly those on low incomes, to save for their retirement. It is a compulsory form of saving. Those opposite oppose steadfastly the superannuation industry and the superannuation guarantee, but we are pleased that there seems to be at least some agreement that this is a good thing for the country.

Proposed amendments mean a number of things. They mean for the 2010-11 and 2011-12 income years the low- and high-income thresholds will remain at those figures I said.
Current indexation arrangements will recommence for 2012-13 and later income years. Proposed amendments also mean some other changes with respect to the assistance provided. These changes have a fiscal impact of a not insignificant amount. We are talking about $645 million over forward estimates, an enormous sum of money which will assist the government to get back into surplus within three years, as we have committed in the budget speech of the Treasurer.

There are two components, as I said, to the government’s action on superannuation for people on low incomes: changes to the co-contribution and the new low-income earners superannuation contributions tax rebate. We are keeping, as I said, the very compassionate and generous co-contribution worth up to $1,000 per year, and matching eligible contributions dollar for dollar.

There are a number of other things we are doing with respect to superannuation, which I think is so important. The government has announced, and the Treasurer and the Prime Minister have made it crystal clear, that we intend to boost superannuation savings of middle- and low-income Australians through what we have described as our stronger, fairer and simpler superannuation reforms.

From 1 July 2010 the government will provide a contribution of up to $500 for workers with incomes up to $37,000. This is going to assist a total of about 3.5 million Australians who have income up to that amount. They currently receive very little in terms of assistance and so this is a very generous thing to do. It is the right and decent thing to do to assist those Australians. In contrast, only about 20 per cent of eligible low-income earners benefit from the existing co-contribution scheme, and the government will still provide the co-contribution of up to $1,000 to give them a helping hand.

The government’s commitment to superannuation is crystal clear in our very strong commitment with respect to the resource super profits tax and what that will enable the Australian community to receive. One aspect of what we will use that superprofits tax money for is to help fund a higher superannuation guarantee of 12 per cent, which will assist 8.4 million Australians, phased in over seven years from 2013-14. As I said, the superannuation for low-income earners will give 3.5 million Australians up to $500 from 2012-13.

The government’s commitment to the superannuation industry is clear. The government believes that superannuation is an important part of the Australian way of life. It is a great reform initiated by the Hawke and Keating governments across the 1980s and through the 1990s. It is one of the lasting legacies of governments which made a significant impact in terms of financial reform, tax reform and industrial relations reforms as well. The Rudd government is committed to the superannuation industry and providing generous superannuation assistance which will enable Australians to live free from the anxiety of living their retirement years in poverty and deprivation. We are keen to make sure that occurs.

There are other changes. Schedule 2 deals with the operation of what is called the thin capitalisation rules with respect to authorised deposit-taking institutions to take into account the January 2005 adoption of the Australian equivalent to International Financial Reporting Standards. The thin capitalisation rules are important for the Australian economy. A thinly capitalised entity is one whose assets are funded by a high level of debt and a relatively small amount of equity. An entity’s debt-to-equity funding is sometimes expressed as a ratio. Economists and financial advisers talk about this sort of thing from time to time. Accountants also use this
sort of expression. For example, a ratio of three to one means that for every $3 of debt the entity is funded for up to $1 of equity. Commonly they call that ‘gearing’. So thin capitalisation rules are important. The Australian Taxation Office rigorously pursues these issues. We think they are important for maintaining the integrity of the tax system and maintaining the economy and they are important for the interaction between Australian and international companies as well.

Schedule 2, which, as I said, deals with this, amends division 820 of the Income Tax Assessment Act 1997 to amend the operation of the thin capitalisation rules for authorised deposit-taking institutions to make sure that they take into account the adoption of the Australian equivalent to International Financial Reporting Standards. The operation of the thin capitalisation rules is amended to make sure that certain assets which the Australian public would probably consider unnecessary to be considered as equity are taken into consideration—for example, Treasury shares. The value of a business enforced component—for example, what is often described as an excess market value over net assets—is taken into consideration. There is capitalisation of software costs, which will increase the amount of equity that an ADI must hold in Australia by only four per cent of its value.

These are important changes. The thin capitalisation rules are important for ensuring that Australian and multinational companies do not allocate to Australian companies or entities a gross or excessive amount of debt incurred overseas. So this is a particularly important change, because the thin capitalisation rules take into consideration the treatment of equity and debt. The adoption of this amendment is important for maintaining the consistency of our rulings, particularly with respect to the tax laws of this country.

The third schedule deals with the removal of any possibility that the use of information which arises as a result of the operation of the Income Tax Assessment Act which is provided to, say, the Australian Taxation Office conflicts with or potentially reveals information which will prejudice national security. For example, a disclosure of information while the tax authorities are administering the Income Tax Assessment Act may end up prejudicing or providing information which may impact upon our security and intelligence services. This schedule gets rid of the potential conflicts in these circumstances. The measure removes any prospect of doubt about whether the taxation authorities’ general practice of agreeing to the security agency’s request not to seek that information is always legally justified by providing a legal justification and framework. It does that by making sure that the directors-general of ASIO and ASIS declare that the tax laws do not apply to specified transactions. It provides a legal framework, justification and authority in circumstances in which in the past this was simply a practice. This is an important reform to protect the national security and intelligence services and their effective operation.

Briefly, the fourth and fifth schedules are also important changes. The fourth schedule deals with special disability trusts, which were introduced in 2006 to assist families and carers to make private provisions for current and future care and accommodation of a family member, particularly someone who, sadly, suffers from severe disability. That person is referred to as a ‘principal beneficiary’ of that particular trust. Income of that SDT which is not expended for the care and accommodation of the principal beneficiary is taxed at the top rate, which simply sounds unfair. That money could be unexpended. It is income in the trust. It is now going to be taxed at the beneficiary’s...
marginal tax rate, and that is a fairer system in the circumstances. I think it is a measure which shows the government compassion. I think it is simply wrong that those individuals should ever have been taxed at the top personal rate in addition to paying the Medicare levy, especially given that these trusts were established to provide for people with severe disability and those in serious need as a consequence thereof.

The fifth schedule amends the definition of a managed investment trust. A media release of the Assistant Treasurer talked about this in detail. I will not go through it, but he makes it plain that the changes to the definition are part of a move to closer align the definition of a managed investment trust for withholding tax purposes with a definition of same for capital account purposes. He makes it plain—and I have seen what has been said about this—that this is part of the government’s strategy to ensure that we have a strong system for international transactions of government businesses that involves better security and better certainty and clarification of the definitions of managed investment trusts and to make sure that we attract foreign capital and that businesses know where they stand on the definition of a managed investment trust. These are important reforms. They sound a bit esoteric, a bit obscure, but they add benefit to our business community, our investment community and our superannuation community and thereby add benefit to the Australian community. I support the legislation.

Ms LEY (Farrer) (8.00 pm)—I thank the previous speaker for going ahead of me in the schedule when I was not appropriately prepared. It gives me pleasure to speak on the Tax Laws Amendment (2010 Measures No. 3) Bill 2010. This bill amends various tax laws to implement a range of changes to Australia’s tax system. Amendments include the government’s changes to the superannuation co-contribution for low-income earners, changes to the thin capitalisation rules for authorised deposit-taking institutions, changes to financial transactions involving security and intelligence agencies, changes to the taxation of unexpended income of special disability trusts and changes to the definition of a managed investment trust.

The bill deals with five schedules. Schedule 1 refers to changes to the superannuation co-contribution scheme. It removes the indexation of the co-contribution income thresholds for the 2010-11 and 2011-12 financial years. It also removes the legislated increase in the maximum contribution. The current maximum co-contribution amount was scheduled to increase from $1,000 to $1,250 in 2012-13 and to $1,500 in 2014-15. The amendments in schedule 1 will mean that the maximum co-contribution amount will remain at $1,000. The changes in schedule 1 were announced by the government in the 2010-11 budget. Schedule 1 has a financial impact of $645 million of savings over the forward estimates.

Schedule 2 concerns the changes to the thin capitalisation rules of authorised de-
posit-taking institutions and amends those rules to reflect the new accounting treatment of certain assets under the Australian Equivalents to International Financial Reporting Standards that the industry adopted in January 2005. The assets that are affected are Treasury shares, the value of the business enforced component of the excess market value over net assets, or EMVONA, and capitalised software costs. The amendments in schedule 2 were announced by the government in the 2009-10 budget.

Schedule 3 concerns financial transactions involving the security and intelligence agencies. This schedule will allow the directors-general of the Australian Security Intelligence Organisation and the Australian Secret Intelligence Service to exempt certain financial transactions from Australian tax law. Schedule 3 will allow certain transactions to certain entities to be exempt from tax law to ensure that information related to national security remain secret. The amendments in schedule 3 reflect the current practice of Australian tax authorities. However, it is not clear whether that practice is legally justified. Schedule 3 ensures that it is.

Schedule 4 concerns the changes to the taxation of unexpended income of special disability trusts. It amends the law to reduce the tax rate of unexpended income of a special disability trust from the highest marginal rate to the beneficiary’s personal rate. Provision for these trusts, as many of us know, was introduced by the former coalition government in 2006 to allow families and carers to establish a trust with the specific purpose of paying for the care and accommodation of a beneficiary with a severe disability. These trusts allow a gift concession of up to $500,000 and an assets exemption of up to $551,750, which is indexed annually. Currently, where the annual income of a special disability trust is not completely spent on the care and accommodation costs of the beneficiary then the remaining unexpended income is taxed at the penalty rate of 46½ per cent. This is the same treatment as for unexpended income of other trusts, and schedule 4 removes this unintended consequence.

Clearly, if we are setting up trusts in order to assist parents to care for their, usually adult, disabled children after they are no longer here to provide for them and if we intend these trusts to attract the capital that those parents would like to pass on—but that might, of course, trigger capital gains tax consequences were they to go through normal estate processes—then we certainly do not want the punitive act of unearned income in a trust being taxed, as it is under trust law, at the highest marginal rate. That is why this measure is required. I understand that, with regard to the trusts that have been set up—and there are not many—the Australian Taxation Office has simply suspended the processing of the returns for these trusts and is waiting for this provision to be passed. So I thank the ATO for their treatment of this and their understanding in not adding to the stress of those who would certainly be stressed were they to receive assessment notices that taxed, at the highest marginal rate, income that is being retained in order to be reinvested in these special disability trusts.

Currently, where the annual income of a special disability trust is not completely spent on care and accommodation costs then the remaining income, the unexpended income, is taxed, as I said, at the penalty rate of 46½ per cent. This schedule ensures that any income in a special disability trust that is unexpended will be taxed at the same rate as the beneficiary’s marginal tax rate. It is not a matter of the income escaping taxation; it is a matter of it escaping, quite rightly, penalty taxation. A financial cost has been allocated to this measure of $1 million a year. As I said, this was always the intended application of this provision when it was conceived.
In order to assist those tax returns that are held up at the moment and, in fact, to cover special disability trusts for the entire life of those trusts, the amendments will apply from 1 July 2008.

Schedule 5 expands the definition of a managed investment trust in relation to the withholding tax rules to provide a closer alignment between the withholding tax rules and the capital account election rules that were passed by the parliament with the support of the coalition earlier this year. The managed investment trust withholding tax definition will be expanded to include wholesale managed investment schemes and government owned managed investment schemes. The changes will also amend the managed investment trust withholding tax definition to introduce a trading business test for trusts that would otherwise qualify as managed investment trusts and will clarify the operation of the definition where there is only one member.

I understand that the government will be moving amendments in this place to schedule 5 of this bill, which concerns the definition of a managed investment trust. Those amendments will broadly satisfy some very serious concerns that were raised when this bill first became known. The first of the amendments that the government has foreshadowed broadly allows a trust to qualify as an MIT if a substantial proportion of the investment management activities relating to the assets of the trust that have a relevant connection with Australia are carried out in Australia. That is the investment management requirement, which only applies in respect of assets of the trust that have a relevant connection with Australia. Restricting the investment management requirement to such assets ensures that trusts that have a mix of Australian and offshore assets, where the investment management activities are located where the assets are located, remain eligible for the definition of a managed investment trust. Assets that have a relevant connection with Australia are assets of the trust that are situated in Australia, taxable Australian property, or shares, units or interest traded on an Australian stock exchange.

It was a key point in the submissions that were received that the introduction of this Australian management requirement as it was originally conceived in the bill would not actually promote the establishment of funds in Australia that would be offered for offshore investment, because in order for a trust to qualify for the concessional withholding rules the investment management activities for the trust must be performed in Australia. This applies to both registered and unregistered managed investment schemes. It is appropriate that this appears to have been addressed in the amendments.

Further amendments that the government is moving to its own bill prescribe that widely-held trusts apply for registered trusts that are wholesale trusts within section 12-401 and that the trusts will pass the widely-held test if they satisfy one of two criteria. Those criteria are that the trust has at least 25 wholesale members, or one or more specified widely-held entities together hold at least 25 per cent and no single other type of entity holds in excess of 60 per cent of the interests of the trust. The opposition supports those amendments. Obviously they are quite recent in their arrival and time lines have been tight. They will be considered further by the Senate, but we broadly support the amendments, as we do a strong and vibrant managed investment trust regime in Australia that enables Australian fund managers to exercise skills that are genuinely recognised throughout the world under a regime that does not act as a disincentive for overseas investors to invest their funds here. I commend the bill to the House.
Mr HAYES (Werriwa) (8.10 pm)—I rise in full support of the Tax Laws Amendment (2010 Measures No. 3) Bill 2010. This is a bill that will help cement the role of Australia as a leading financial hub in the Asia-Pacific region. These important reforms allow Australian managed funds and other businesses to compete on the world stage to ensure they can continue to grow, increase services exports and support more jobs. This bill is part of a larger financial sector reform being undertaken by the Rudd Labor government to ensure the economy remains strong and future growth is not stifled.

The events of late 2008 and early 2009 reminded us that the world’s markets and economies can be fragile. We need the type of vision that the government has brought to this particular piece of legislation to ensure our country is in the best possible position to attract foreign investment and bolster domestic markets. We also need to make sure that hardworking employees are supported and encouraged to invest their funds through superannuation in this country.

This bill continues the government’s support of low-income earners by permanently maintaining the current co-contribution that is payable on a person’s eligible superannuation contributions. Essentially, the government will match dollar-for-dollar the contributions workers make to their own superannuation up to a limit of $1,000 where a worker is earning below the threshold of $31,920. The contribution reduces by 3.33c for each dollar by which the person exceeds that threshold of $31,920. This is a critical support for low-income earners. Superannuation, as we all know, is a lifeline for many people heading towards their retirement. It takes people many years in the workforce to accumulate a nest egg to help support themselves when their working days are over. Therefore, this co-contribution is a very strong incentive to encourage people to save for their retirement. It is something sound and this legislation is going to permanently ensure that it occurs and is available.

We all recognise that Australia has an ageing population. The recent Intergenerational report leaves no doubt that our ageing population will place substantial pressure on our economy and the budget over the coming 40 years. That is why it is important to recognise the activities of the former government of Bob Hawke and Paul Keating. They had the foresight to introduce compulsory superannuation and policies to grow the superannuation system. I know that it certainly was not greeted universally on all sides of the House.

Prior to the Hawke-Keating superannuation legislation, it was only those people who had award based super who could make provisions for themselves throughout the industrial ranks. The Hawke-Keating legacy ensured that all Australians would have superannuation so that they could make provision for their retirement—not just the privileged, those in the public sector or those who had the unions negotiating on their behalf for industrial based superannuation.

Superannuation is a topic I regularly discuss with constituents in my electorate of Werriwa. Unfortunately, the majority of constituents—they certainly do not come to me for financial advice—need to talk about the early release of their superannuation funds to tie them over during distressing periods in their lives. People who find themselves on the brink of losing their house because they cannot make mortgage repayments or people who, for a number of reasons, may find themselves in a very depressed financial situation come to us asking whether they can do something about it because they know they have a nest egg put away. They feel the need to make an early call on that nest egg to overcome some temporary financial difficul-
ties which they have to endure. We know that there are limits to which people can participate in early withdrawal because the purpose of superannuation is to provide retirement income. These meetings are poignant reminders that superannuation is more than an investment for retirement; it really can be a lifeline for those who need financial help the most.

This leads me to another aspect of the bill of which I am particularly proud—that is, providing a lifeline for people in our community with a severe disability. As I have said on many occasions in this House, the south-west of Sydney has a disproportionately high number of people who are living with a disability. I can assure you that there is nothing in our water supply. This clearly is related to the cost of living because people catering for family members who have disabilities have very high costs. Every parent desires to give their kids the best start in life and we all want the best for our children. It is the same for parents who have a child with a disability. Some of the parents are in their 80s—85 in one instance. They talk about their children who are sometimes in their 60s. I am constantly asked, ‘What is going to happen when I go?’

More and more families are making provision for their children into the future. Special disability trusts were introduced in 2006 to allow private financial provision for the current and future accommodation needs and care of a family member with a severe disability without being affected by the social security rules on means testing or gifting provisions. Through this bill, the government is removing the barriers which prevent families from making these financial contributions. Unfortunately, take-up of these special disability trusts has been disturbingly low.

As I understand, in the first three years of the program, there have been only 52 trusts operating with 326 eligible beneficiaries. In October 2008, the Senate Standing Committee on Community Affairs reported that the tax arrangements that apply to special disability trusts diminish their value for carers and people with disabilities. These amendments ensure that the taxation of the expended income of the trust is not a disincentive to the establishment of a special disability trust. Any unexpended income of a special disability trust under these provisions will now be taxed at the beneficiary’s personal income tax rates, rather than the highest marginal tax rate plus the Medicare levy. By removing these barriers, the special disability trusts will become a more attractive tool for families who are looking to provide for the long-term care of a family member with a severe disability.

I cannot understate my belief that it is the moral responsibility of all governments to ensure people with a disability are not marginalised and certainly are not forgotten. We need to do everything we can to look after people in the community who care for people with a disability. As I have stated, there are a number of beneficial outcomes from this bill in that respect. The bill provides clarity and certainty about the operation of the capitalisation rules for authorised deposit-taking institutions to take into account the changes to financial reporting standards that occurred in January 2005. It provides for a clearer definition of a managed investment trust so that it is more closely aligned to the definition of the withholding tax.

It is imperative to remember that this government has reduced the rate of final withholding tax from 30 per cent to 7.5 per cent, down from what was the highest rate in the world to effectively now the lowest. This has undoubtedly enhanced the competitiveness of the Australian managed funds industry in attracting future foreign investment.
Finally, this bill will remove the potential conflicts between Australia’s national security interests and obligations imposed by Commonwealth tax laws. It will allow the Director-General of Security and the Director-General of the Australian Secret Intelligence Service to declare that a specific entity is not subject to Commonwealth tax laws in relation to a specified transaction. This will ensure that the tax authorities will not need to obtain information that should remain secret in the interests of national service. I would be very surprised if any member of this House would argue this particular amendment is not necessary.

Overall, this is a very good bill for Australia’s economy and Australia’s people. It helps position Australia as a financial hub in the Asia-Pacific region. It ensures that hardworking members of the workforce are rewarded for taking responsible steps to ensure their superannuation can be relied on to support them throughout retirement. It removes taxation barriers, allowing families of a person with a severe disability to ensure the long-term care and accommodation needs of their loved one are taken care of. I wholeheartedly commend this bill to the House.

Mrs MOYLAN (Pearce) (8.23 pm)—I am sorry that I will only have a few minutes to begin my contribution to the Tax Laws Amendment (2010 Measures No. 3) Bill 2010 debate. I do so to address the fourth schedule of this bill which relates to the special disability trusts. I have to say that I am deeply disappointed that, notwithstanding the Senate Standing Committee on Community Affairs releasing a report entitled Building trust: supporting families through disability trusts in October 2008, which made, I think 14 recommendations, the government is really only tinkering at the edges of this and has not responded very satisfactorily to those 14 recommendations.

Of course, we are grateful for any measures that adjust some of the worst elements of the tax provisions of the special disability trust. The other thing I am concerned about is that the report came down in 2008, we are now getting toward the second half of 2010 and we are going to go on a long break, and these few minor measures, which have been addressed in this bill in relation to special disability trusts, will not come into effect until 1 January 2011. I do not know why we have this delay. Why do we have this mean-spirited approach to families who take on some of the biggest burdens in caring for this country’s profoundly disabled people? We are not talking about people with mild disability—any disability is difficult to deal with—these are families who are dealing with profoundly disabled children or dependants.

Having said that, I would like to thank the Parliamentary Secretary for Disabilities and Children’s Services for assisting me to work my way through these changes. As I said, we do welcome whatever incremental changes we get. I know that the parliamentary secretary is committed to real change in this area. I fear, as happened in our government, that these things end up in the hands of people and maybe some of the officials are here in the gallery tonight—in Treasury and finance and they become so difficult that nobody can figure them out. Even the minister’s office has difficulty figuring out what they actually mean for families who want to establish these trusts. Please let us have clarity around this. Let us give some hope to those families who care for profoundly disabled children. Those measures have been addressed to some extent in this bill. As I said, of the 14 recommendations, very little has been picked up. These few items in the tax bill are still very difficult to work out.

People with a disability, who are beneficiaries of a trust, will be able to work up to
seven hours a week in the open labour market and still qualify. The special disability trust will be able to pay for the beneficiary’s medical expenses, including membership costs for private health funds, and the maintenance expenses of the trust’s assets and properties. The special disability trust will be able to spend up to $10,000 in a financial year on discretionary items not related to the care and accommodation needs of the beneficiary trust.

Parents caring for disabled children commit their lives to ensuring their loved ones enjoy the highest quality of life possible. Such care is intensive, emotionally draining and financially onerous. Added to their daily struggle, families face an abysmal lack of equality in endeavouring to make provision for their dependants. When I have an opportunity to come back into this place and complete, hopefully, my speech on this bill, I will point out that I think some of the things that we do to people in this trust set-up are positively discriminatory to people with a disability. It is a very unsatisfactory state of affairs.

In 2006, the coalition government attempted to ease the financial concerns and legislated for special disability trusts. From their own funds family members could make provision for the current and future needs of family members with severe disability without impact to social security entitlements for either contributors or the individuals. As I said, I think ministers in both the Howard government and the current government have the interests of people with a disability at heart, but it seems to get bogged down when it leaves this place, and the detail becomes completely unworkable.

Experience has revealed significant shortcomings in these measures. Initially it was estimated that 5,000 trusts would be established by 2010. As at 31 March 2010, only 91 trusts have been established despite 423 people being assessed as eligible. Special disability trusts are regarded by parents of disabled dependants as an option of last resort and are often established against informed legal advice. That is because they are basically unworkable and extremely complex and difficult, even for professionals in the field. We have been waiting for advice back from the department, which we still have not got, to clarify some issues of tax.

Madam Deputy Speaker May, I think the time is about up and we are going into the adjournment debate, and I seek leave to continue my remarks later.

Leave granted.

Debate interrupted.

**ADJOURNMENT**

The DEPUTY SPEAKER (Mrs MA May)—Order! It being 8.30 pm, I propose the question:

That the House do now adjourn.

**Mental Health**

Dr SOUTHCO T (Boothby) (8.30 pm)—I rise this evening to speak on a topic which is often ignored, the topic of mental health. Mental illness is prevalent in our society. One in every five Australians is likely to experience some form of mental illness each year. It costs the Australian economy, in terms of lost productivity and lost lives, around $30 billion each year. Yet it remains an area which is underfunded and poorly serviced by both state and federal governments. I would like to pay tribute to the work of beyondblue and their chair, a former Victorian Premier, Jeff Kennett. I think they have done enormous good in helping people to recognise mood disorders like depression and also in trying to change the community approach towards mental illness, to help to destigmatise mental illness.
The greatest burden falls on the families of those with mental illness. Families often do the bulk of caring with insufficient support or understanding from the wider community. Research shows that most mental illnesses begin between the ages of 15 and 25. Family breakdowns, peer group pressure and social ostracism can all play contributing roles, leading to the onset of mental illness. We need to do more to support our young people and ensure they receive the treatment and support they need when they need it.

An Australian Institute of Health and Welfare report released this week shows that the number of hospital beds for mental health is declining by an average of almost four per cent a year. We need certainty that public hospitals are equipped to deal with increasing numbers of patients with mental health concerns. We need certainty that we have appropriately trained mental health specialists and nursing staff who can treat these patients, and we need certainty that these people will receive appropriate support in the community.

In my home state of South Australia, we have a state government which is more interested in establishing a movie hub than helping those with mental illness. The Rann government have committed to selling 42 per cent of the land at Glenside, where our major mental health facility is. Whilst happy to commit to photo-opportunities, they persist in neglecting mental health initiatives that would benefit vulnerable South Australians.

Country areas are particularly badly serviced by mental health services. Natural disasters—droughts, floods or bushfires—can exacerbate the pressure on many Australians living in rural areas. Suicides in regional and remote parts of Australia are 1.2 to 2.4 times higher than those in major cities. These areas in particular need better support services.

The former coalition government acknowledged the importance of mental health, committing $1.9 billion to mental health in the 2006 budget. That was a very far-reaching reform. We introduced new Medicare rebates to enable people with mental illnesses to access improved services from GPs and psychiatrists and, on referral, from clinical psychologists. The Rudd government have shown no such empathy for those with mental illness. One of their recent budget decisions was to remove access to Medicare benefits for occupational therapists and social workers. Fortunately, this ill-thought-through decision lasted only a week, with a whole sector up in arms and with many of the most vulnerable in our community affected by this, before another spectacular Rudd government backflip.

The criticism of lack of action by the government has been widespread. Only this week we have seen the resignation of the government’s own appointment, John Mendoza, who was the head of the National Advisory Council on Mental Health, due to his frustration at a lack of action and vision on the part of the government. Professor Mendoza was specifically appointed to this position by the Prime Minister, yet after two years of inaction and nothing but rhetoric he has conceded that the government has no vision for mental health and has decided he can better serve this cause in another role.

With appropriate treatment and early intervention, people can often recover from mental illness. But it is vital that the necessary treatments and supports be made available, allowing people to lead fulfilling lives. These vulnerable Australians have been let down by the Rudd Labor government. This government has failed to invest in the mental health initiatives and necessary services that could assist people with mental illness to manage their illness or recover over time.
Human Rights

Mr DANBY (Melbourne Ports) (8.35 pm)—As the Australian federal election draws closer during what many speculate might be the final sitting week of the parliament, I would like to take this opportunity to speak about democracy in our region and the world, particularly on this anniversary of the stolen election in Iran and the ongoing fight for democracy in that benighted country. Unfortunately, even in 2010 too many people in far too many countries have never experienced the democracy or liberty that we know here in free and open Australia.

In addition to my parliamentary duties, I take the abuse of human rights in our region seriously. I was fortunate to host a conference in Melbourne in early 2009 with nearly 250 participants which examined the situation of the 300,000 political prisoners held in Kim Jong Il’s gulags in North Korea.

In Darfur, in Sudan, 400,000 people have suffered the fate of being killed under a regime whose president, Omar al-Bashir, has been indicted by the International Criminal Court. Despite many resolutions by the United Nations, the violence and the killing continue there. I have been proud to be a friend of two leading Darfuris in Australia, Abdelhadi Matar and Alpha Lsimba, both of whom went with me recently to the World Movement for Democracy conference in Jakarta in order to give these two leading black African Muslims an important platform to put their message to the world’s most important Muslim country.

The World Movement for Democracy organises biannual global assemblies with hundreds of activists, practitioners, scholars, donors, parliamentarians and others engaged in democracy promotion from the more than 100 countries assembled. As a member of the steering committee, I was particularly proud that we, the 600 democracy activists from all over the world, met peacefully at a function co-hosted by my friend from Tempo magazine, Bambang Harymurti. For many of the assembled democrats, the keynote speech by President Yudhoyono of Indonesia was the highlight. I have also heard him speak here in the Australian parliament. On both occasions I have been very impressed by his knowledge, his insight and particularly his democratic instincts. At the World Movement for Democracy conference, his theme was democracy and Indonesia’s experience of it. His speech was idealistic. In his view: … the 21st century instinct is the democratic instinct. And the democratic instinct in the 21st century is inevitably stronger than the democratic instinct in the 20th century.

His idealism is based on the Indonesian experience. The President spoke of the 1970s and 1980s, when ‘Indonesians found convenient cover’ in the ‘comfort zone of an authoritarian system that sought stability, development and national unity’. Indonesia’s initial period of democratisation seemed to validate his views. He stated that, initially, Indonesia was in disarray in the 70s and 80s: its economy contracted, there was ethnic violence, East Timor seceded, terrorist bombs were exploding and constitutional crises seemed endless. Even Thomas Friedman called Indonesia, like Russia, ‘the messy state—too large to work, too important to fail.’

There were predictions that Indonesia would break into pieces. Some even talked about it becoming a failed state. However, it now looks like this period of instability was only temporary. President Yudhoyono spoke with rightful pride about how much has changed in Indonesia when he said:

… our democracy is growing strong, while at the same time, Indonesia is registering the third highest economic growth among G-20 countries, after China and India. In other words, we do not have to choose between democracy and develop-
ment—we can achieve both! And we can achieve both at the same time!

Ten years after the first ‘reformasi’ election, in 1999, democracy in Indonesia is irreversible and a daily fact of life.

This week is also the first anniversary of the bloodiest days of the Iranian regime’s crackdown on the Green Movement, a spontaneous and broad-based movement largely consisting of young Iranians. A year ago, 26-year-old Neda Agha-Soltan lay dying in a Tehran street, shot down by a thug from the Basij. The grisly video of her painful last moments was captured on a mobile phone camera and in the following days seen by millions around the world. She was one of ten people killed that day. For a brief moment the dramatic image of her martyrdom—such images have a special resonance in Shia Iran—looked like it might spark a movement capable of bringing genuine change to Iran. Unfortunately, on that day the regime was too strong. But many of us who support democracy hope that it will one day come to Iran, as it has come to Indonesia. (Time expired)

Women in Parliament

Mrs MOYLAN (Pearce) (8.40 pm)—It is over 17 years since I was first elected and sworn in as a member of the House of Representatives. I took my place with just three other women on our side of the benches. Since that time we have seen an increasing number of women take their places in this House. In 1996, a record number of women were elected on our side of the House after a successful national campaign by the Liberal women’s divisions to attract more women to stand for preselection. It was often said that preselectors were prejudiced against women in preselections, and there may well have been an element of truth in that. As American writer E.B. White always said, ‘Prejudice is a great time saver. You can form an opinion without having to get the facts.’ But, to be fair, I believe that the low number of women contesting preselection was a major hurdle. Inevitably there would be several times more men than women standing for preselection, so the odds did not favour women in that process.

An examination of elections since 1943 shows a long drought until the early 1980s. In fact before that time there were virtually no female representatives in parliament. I think there were only one or two female representatives elected before 1943, even though women got the right to vote in 1902. In the early 80s representation by women across both chambers reached 10.1 per cent. There was then a big increase in 1996 when a record number of Liberal women were elected, resulting in 20 per cent of seats being represented by women. By 2007 we had almost reached what is called critical mass, with 30.5 per cent of the benches in this place occupied by women. It has never been easy for women to take their places in the workplace, including in this parliament. I paraphrase a comment by one of the women recipients of the Rural Women’s Award: look behind me and you will see the shadow of women who valiantly struggled for equality long before I came to this place. First, women had to struggle for the right to vote and to take their places in elections. Since then, there have been many high barriers to be dismantled for women in employment.

Tonight I pay special tribute to the women who have occupied these benches. Many of them came into this parliament on our side of the House in 1996 by winning marginal seats. Furthermore, many of them held those seats through successive elections. Some—the members for McEwen, Hughes, McPherson and Riverina—are now retiring. They, along with the members for Fowler and Canberra on the government side, retire from this place after years of service to parliament and
to the constituencies they have so capably represented. On both sides of this House we have watched with great admiration young women who have given birth to and cared for children while they juggled the many demands of motherhood, portfolios and committee work along with the inevitable demands of electorate work. They have done this with great success and great flair.

The parliament has been well served by the women who have occupied these benches. They are women who have brought with them a range of experiences that have allowed them to make a particularly valuable contribution to national law-making with positive outcomes for communities. I wish to acknowledge their contribution and I wish all those women on both sides who are retiring from this parliament continuing success in all they do in the future. I also wish to leave women with a thought that came from Birgitta Dahl, a former Speaker of the Swedish parliament. She said:

The most interesting thing about the Swedish parliament is not that we have 40 per cent representation of women. Women are allowed to be what we are and to act according to our own unique personality. Neither men nor women have to conform to a traditional role. Women do not have to behave like men to have power, and men do not have to behave like women to care.

Unemployment

Ms BIRD (Cunningham) (8.45 pm)—I congratulate the member for Pearce on her observations and comments. I want to take the opportunity tonight to talk about an issue that has been a persistent concern in my electorate, and that is the issue of teenage unemployment. In particular, I want to highlight the importance of education and its focus on regions like mine, where you can see a significant flow-on to young people of the restructuring that occurs in regional economies and how that can leave many young people at a bit of a loss. That has been reflected for quite a long time in our higher than state and national average teenage unemployment rates.

These are always complex issues. A forum was convened in Wollongong about four years ago to look at the issue of teenage unemployment, and in particular the low school retention rates that were clearly linked to that. It was quite clear from the expertise from around the region drawn together on that task force that they are indeed complex and difficult issues. But it was also quite clear that the quality of experience that young people got throughout their schooling years was particularly important to their success at school and indeed to their retention at school. I particularly want to highlight to the House that in my own region there have been some very significant and important achievements by this government in directing part of our education revolution program towards the support of schools and also to community organisations that work to keep young people who are at risk of dropping out of school engaged in schooling. These are very important programs.

I want to acknowledge Southern Youth and Family Services, a tremendous and dedicated team of people who provide a range of services and who in particular target homelessness. They also work in an integrated way with those young people to reconnect them with education. This group has been recognised by the government and has been funded to provide those sorts of at risk targeted programs to encourage young people to work towards achieving goals in life such as educational qualifications. I identify here, for example, the Reconnect program, which the group does a tremendous job in delivering in our region. I also put on the record the very excellent work done—I know my colleague Jennie George has spoken about this work in her electorate of Throsby—by the Beacon Foundation, which is a tremendous
initiative that gets young people to, if you like, make a no-dole pledge, to commit to not dropping out of school and going onto the unemployment benefit and to having a plan in life and completing their education and going onto employment or further education. This program has been extremely successful in the six schools across the Illawarra that it is run in and, again, this government has given its support to that task.

Those particular opportunities to focus attention and funding on the most disadvantaged and those most at risk are really important in engaging young people to continue with their education. Also important is providing the tools and environment that says to young people that school is a valuable thing, as a society we believe it is important and we want to support you and encourage you to stay on and gain qualifications. The extensive amount of money we have put in through the Building the Education Revolution and the Digital Education Revolution is not just about buildings and technology; these programs are very clearly about the fact that we are telling young people that we as a society value schooling and that we want them to continue to engage with it. Most of us would know that, if you walk into an office building and somebody has the worst office and it is leaking and they have not got a computer, it tells you something about how much they are valued. It is no different for our young people in our schools. It is the Building the Education Revolution and the Digital Education Revolution that are engaging with them and telling them that this is an important commitment that we are making.

Finally, investment in TAFE and university programs, providing them with the funding to re-engage with low socioeconomic students and get them to enrol and participate in post-secondary educational opportunities, is a really important initiative, particularly following the Bradley review of higher education. It will make sure that we improve the outcomes for regional students in areas like the Illawarra. Sadly their participation went backwards over the years of the Howard government, dropping down to 18 per cent. We want to lift that and we are committed to achieving that. (Time expired)

Minister for Health and Ageing
Budget

Mr TUCKEY (O’Connor) (8.50 pm)—Although this is not the purpose of my seeking the call tonight, it draws a similar comment—I want to talk about the trend in this House to rely on personal denigration of one’s critics as a defence of one’s personal or administrative failings. I cannot ignore today’s request by the minister for health for leave to make a ministerial statement. Beyond most of her colleagues on the front bench, this minister tends to allocate five per cent of her answers, to questions from either side, to her government’s performance on health services and the remaining 95 per cent to a virulent attack based on her version of the past practices of members of the Howard government. Were I her mentor, I would advise her to return to her office to listen to some of these contributions and suggest she might audition for the position of the wicked witch in the Wizard of Oz.

Mr Griffin—Talk about personal denigration!

Mr TUCKEY—Yes, and anybody who listens might agree with me. The real reason for my rising tonight relates to this point, and more particularly to a defence on an issue of great public policy—the resource superprofits tax. I well remember the GST debate, which is probably the most significant comparative circumstance over a long period. The responsibility of government is, through the provision of the detail and all the reasons of a practical nature, to convince the Austra-
lian people why the circumstances of Australians would be improved by new policy. But, in this debate, certain persons, to whom I wish to refer, have been attacked personally, perhaps because they are just rich. Years and years ago, it was said in comparing the attitude of the people of two nations—and I will not even mention them in this time of correctness—that if one of them saw someone driving past in a Rolls Royce they would say, ‘I’ll get him out of that one day,’ and the other would say, ‘I’ll own one of those one day.’ As far as I am concerned we should look very closely at our billionaires—who they are, what they do and where they got their money.

Three persons in particular get named in this place. Firstly I will deal with the two I have known since they were teenagers: Andrew Forrest and Gina Rinehart. I knew the parents of both of them. They were pastoralists in the region where I had my hotel. They were not particularly rich and the longer they stayed in their properties as the years went by the less rich they became. They were comfortably well off and, of course, financially better off than many other people. Lang Hancock was a prospector because he wanted to supplement his family income. He found iron ore and then had to fight the Australian government of the time for the purpose of lifting the ban on the export of iron ore. His daughter inherited the wealth he generated from his enterprise—and did she put it in the bank and go to the Riviera? No. She turns up in the office every morning and works nine to five, continuing to risk her inheritance to give people jobs and invest in the mining sector. Andrew Forrest’s first investment, Anaconda Nickel at Murrin Murrin, turned bad on him financially. Did he walk away with what was left? No, he has come back. Clive Palmer was a working man who made a lot of money out of property and reinvested it in mining. He gets laughed at today because he signed some sort of agreement. (Time expired)

Braddon Electorate: Horsehead Water Ski Club

Mr SIDEBOTTOM (Braddon) (8.55 pm)—In my electorate we have the Horsehead Water Ski Club, which is the oldest continuously operating waterski club in Australia. It was established in 1958. Not only is it the oldest established waterskiing club in Australia—

Mr Griffin—It’s the coldest as well, isn’t it?

Mr SIDEBOTTOM—The oldest indeed. It is also a world record holder. I want to talk about the dream that led to that world record—I am sure you would like to share this. It occurred in those chilly waters of Strahan on Sunday, 28 March after many attempts. I keep you in suspense, so I will tell the story.

In 1980 a group of people—including Nick Wilson, an ex-student of mine, and David Bennett and his family—saw a video of the then current world record involving 30 skiers being drawn behind a single boat. They thought they would get together and set out to try to break that world record. From 1980 to 1983 they put a plan together. By 2000 the record had gone from 30, to 50, to 53, to 80 and to 100 people being towed behind a single boat—truly remarkable. The record moved between Western Australia and the United States.

In 2003 there was even more interest in trying to tackle the world record. The Grining family from World Heritage Cruises in Strahan offered a magnificent boat to the club to tow the skiers one nautical mile, which was the requirement for the record.

Mr Danby interjecting—

Mr SIDEBOTTOM—Then, in 2004, brother from Port Melbourne, they brought in a boom designer. They tested, recruited
and brought together 150 skiers from the ages of 12 to 65. They used six kilometres of rope and 120 different lengths of rope, but unfortunately the cruise boat was sold and that was the end of that attempt.

In 2007, the Grining family bought a new boat, worth $5.2 million, and offered that to the Horsehead waterskiing club. So, on 2 February 2008, they made their first real attempt. They had a 60-metre laminated timber beam, but unfortunately that attempt and a second attempt failed. In 2009, a retired rocket scientist from NASA was brought on board. A new boom was designed—a sophisticated mast-like aluminium structure. It used stainless steel cable struts and was supported by foam floats. All 120 skiers underwent a second round of training. Ropes were doubled in length, bringing the total rope length to 12 kilometres. They made three attempts and then a fourth, and they all failed. But, as is the Braddon way, they persisted; they did not give up.

In 2010 more designs were developed. Another designer was brought on board and a new 60-metre aluminium boom was designed. It cost thousands of dollars. I think the club raised $24,000, but they were still $20,000 short. Over Christmas 2009, 124 standing skiers were selected, more rope was used and lots of people helped for two days. In early January 2010, they worked through the night, but unfortunately their fifth, sixth and seventh attempts failed. Then, on Sunday, 28 March, 114 skiers crossed the line and broke the world record of 100. Five other groups from around the globe had tried unsuccessfully to break the record.

If I may finish with a 30-second burst, I have a little email from David and Nick, who both participated. It reads:

Thanks Sid.

We reckon the effort has taken 10,000 man hours and has involved a team of 1000.

Only in Tasmania would people like the Grimings throw you the keys to their whole workshop and $5 million boat and let you work overnight to drill 70 holes in it when they were 300km away in Hobart!!

A real Tasmanian effort.

It was a fantastic effort. They are now the world record holders for towing 114 skiers behind a magnificent vessel.

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

**House adjourned at 9.00 pm**

**NOTICES**

The following notices were given:

- **Ms Roxon** to present a Bill for an Act relating to the National Health and Hospitals Network, and for other purposes.
- **Mr Brendan O’Connor** to present a Bill for an Act to amend various Acts relating to the enforcement of the criminal law, and for other purposes.
- **Mr Brendan O’Connor** to present a Bill for an Act to amend the law relating to crimes, and policing, on aircraft and at airports, and for related purposes.
- **Mr Marles** to present a Bill for an Act to amend the law in relation to measurement, and for related purposes.
- **Mr Clare** to present a Bill for an Act relating to education for overseas students, and for related purposes.
- **Mr Stephen Smith** to present a Bill for an Act to provide for the establishment and management of the Australian Civilian Corps, and for other purposes.
- **Mr Swan** to present a Bill for an Act to amend the Federal Financial Relations Act 2009, and for other purposes.
- **Mr Gray** to present a Bill for an Act to amend the law relating to governance arrangements, and for related purposes.

- **Mr Johnson** to move:
That this House:

(1) condemns the failure of the Federal Labour Government to honour its promise to reform the structure of superannuation for Veterans and Commonwealth superannuants; and

(2) recognises the rights of retired Australian Defence Force personnel to a fair, equitable and just pension indexation method, consistent with their service to the Australian nation.
The DEPUTY SPEAKER (Hon. DS Vale) took the chair at 4.08 pm.

CONSTITUENCY STATEMENTS

Grey Electorate: Building the Education Revolution Program

Mr RAMSEY (Grey) (4.08 pm)—It gives me no pleasure to have to report more BER disasters and rip-offs. The Port Broughton Area School Chairperson, Mr Andrew Bowley, has reported the school is extremely disappointed to have been advised, late in the planning procedure for their BER project, that severe cuts will have to be made to the project, to accommodate fire safety tanks.

‘What could be wrong with fire safety tanks?’ you may well ask. There are a few things badly wrong with this plan. Firstly, this is clearly a case of the state government shifting responsibility for normal school building programs to the federal government, an action specifically prohibited under BER guidelines. The requirement to have fire safety tanks at schools is a state regulation in areas that are deemed to be a high fire risk. It is a regulation of the state government, which they would be required to meet anyhow in the due course of events. No one can make any kind of case that the water tanks will improve educational outcomes, and this is a blatant case of the state government rorting the program.

One would think that the minister would be sensitive to criticism of this type, but even though I have raised this issue before with her and in this House concerning the nearby Snowtown Area School, which has a similar problem, I have not received any response. If we leave aside the issue of the requirement of the school to have fire tanks—and I must say, as a long-term volunteer firefighter with some experience, that I am somewhat surprised that neither Snowtown nor Port Broughton schools are considered high risk, considering the fairly flat and open country in which they sit—the second grievance I have with the fire safety tanks is the price.

In line with so many of the totally out of control building sites under the school halls program, the cost to the taxpayer has virtually no connection to the normal price of the goods. The Port Broughton Area School has been told that it will have to pay $90,000 for two 37,000-litre tanks. I have approached a supplier and found that I could source the tanks for $8,900—less than 10 per cent of the price. Even allowing for limited plumbing—that is, a pipe to a fire hydrant—and installation costs, this 1,000 per cent mark-up is preposterous.

How the Deputy Prime Minister can come into parliament, day after day, claiming that the school halls project is a resounding success when incidents like this are brought to her attention is completely beyond comprehension. She should be absolutely ashamed, and I have said on a number of occasions that the faults in this program will continue to be exposed for years to come.

As appalling as all of this is, we should also consider the sheer idiocy of a policy which means that these tanks will not be even used to collect rainwater. You would think that if the government were serious about trying to reduce our reliance on the Murray then we would be planning to catch the run-off from the new buildings. But unfortunately it is just another example of the confusion surrounding this government and we watch it beginning to implode.
Capricornia Electorate: Drug and Alcohol Abuse Related Crime

Ms LIVERMORE (Capricornia) (4.12 pm)—Today I want to bring to the attention of the House the shocking state of drug and alcohol abuse, domestic violence and child abuse that is increasingly becoming part of our daily lives in Central Queensland. I use the word ‘shocking’, but readers of our local newspaper, the Rockhampton Morning Bulletin, would not be shocked, because reports of these incidents are routine and merely reflect what people see in the community or even in their families.

Today’s Morning Bulletin reports a woman being threatened with a knife while she waited at a bus stop on a major suburban street. The offender in this case is apparently a child aged between 12 and 14 years of age. Also in today’s paper are reports that police are looking for two children who stole glue from our local Supercheap Auto shop. The knife attack that I referred to occurred not far from where an 82-year-old woman was bashed, raped and murdered by a teenager while in her back garden at 8 am on Australia Day earlier this year. To add to some of these reports, we also have examples of a drug-affected 16-year-old stealing cars and injuring others while the car was in his control, and a gang of children smashing into a hotel and stealing alcohol.

These are just some examples, and they are summed up in statistics that show that in Queensland the average rate of offending for juveniles is 4.8 per cent. In contrast to that, in Rockhampton the rate for juvenile offending is 10.7 per cent, more than double the state average. This has been the case for about three years now. Woorabinda, which is near Rockhampton, is even higher than that at 13.3 per cent. Coupled with this, there has been a sharp rise in the number of reports to our child safety authorities indicating concern for the welfare of children. Those child safety concern reports have leapt from 3,700 in 2005-06 to 9,000 in 2008-09. I could go on all day quoting statistics and incidences from local news reports, but enough is enough.

One Indigenous woman of my acquaintance has five sons aged between 24 and 38. All are addicted to drugs, alcohol and gambling. She and her husband now care for most of their grandchildren. In an echo of the experience in the Northern Territory, this woman begs us: ‘You must stop giving our sons money.’ I agree with her. I have therefore today written to the Minister for Families, Housing, Community Services and Indigenous Affairs and to the Prime Minister asking that the minister act under the welfare reforms that were passed yesterday to introduce income management to Central Queensland and help save our children who are calling out for us to protect them.

Petition: Homelessness

Mr ANDREWS (Menzies) (4.15 pm)—I present a petition, which has been approved by the Standing Committee on Petitions, in which the petitioners draw to the attention of the House that Australia has more than 100,000 homeless people, with more than 15,000 sleeping on the streets every night. They ask the House that the government immediately provide emergency assistance to the more than 15,000 Aussie street-sleeping homeless by providing them with specially made for the homeless emergency backpack swags with built-in mattresses, which would provide all-weather protection and show the homeless that Australians do care.
The chairman and founder of the organisation Swags for Homeless came to see me recently in my electorate office and demonstrated this protection, which is a tent with a built-in mattress which can be rolled up and easily carried about. This is something which would be very useful because one of the difficulties for homeless people is not only not having accommodation in the first place but the temporary nature of the shelter which they are forced in many cases, tragically, to change from night to night. This at least, while not solving the homeless problem in itself, would be some assistance for those who, regrettably, are homeless.

We know that the government has announced a $10 million boost for the Personal Helpers and Mentors Program, which was an initiative of the previous government from April 2006 by the then Prime Minister, Mr Howard, and the then Parliamentary Secretary for Health and Ageing, Mr Pyne. That program has had strong cross-party endorsement. The 2006 census recorded 105,000 people on the streets; however, there is no concise indicator for homelessness in Australia. The number of homeless may in fact be many more than that figure. Service providers like St Vincent de Paul, Youth off the Streets and others have noted a ‘significant increase’ in the number of homeless since the promise was made in 2008 by the current Prime Minister to halve homelessness by 2020.

On the government’s own projections, this additional funding is only $33 per homeless person per year—not even enough to buy a homeless person a roof over their head for one night, much less for a year. We have millions upon millions of dollars being expended, indeed wasted, on government advertising. If that amount could be spent on the most unfortunate—those who are homeless through, in many cases, no fault of their own—then it would be a much better use of that money. It is for that reason that I am proud and delighted to be able to present this petition on behalf of Swags for Homeless and to ask the government and the relevant minister to take note of this and to do something of practical assistance to these people.

The petition read as follows—
To the Honourable The Speaker and Members of the House of Representatives
This petition of undersigned draws to the attention of the House:
Australia has 100,000+ homeless with 15,000+ sleeping on the street everynight. The Rudd Gov. currently has no policy to assist the 15,000+ sleeping outside tonight.
We therefore ask the House to:
I want the Government to immediately provide emergency assistance to 15,000+ Aussie Street Sleeping Homeless by providing them with specially made for the homeless Emergency Backpack Swags (with built-in mattress) - providing all weather protection and showing Homeless that Aussies do care.

from 700 citizens
Petition received.

Holt Electorate: Cranbourne Information and Support Service
Mr BYRNE (Holt—Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade) (4.18 pm)—I rise today to pay tribute to the magnificent work of Leanne Petrides, staff and volunteers at the Cranbourne Information and Support Service. I have had a longstanding admiration for Leanne and her volunteers and the selfless contribution she has made to the Cranbourne Information and Support Service and the local community, which spans the area from Hampton Park to Cranbourne. This service recently celebrated its 31st anniversary, and Leanne has been involved for 11½ of those 31 years.
Much has been made of the Rudd government’s rapid and successful response to the global financial crisis, making us one of the developed countries to avoid a recession. As a government we have managed to keep hundreds of thousands of Australians in jobs who would otherwise be unemployed. However, notwithstanding that, I certainly recognise that many families in my electorate face financial and mortgage stress due to contraction of working hours, separation, divorce, accidents or retrenchments. Therefore, this great service needs increasing resources to deal with an increasing workload. I was very proud therefore to be able to announce an additional $11,000 in funding for the Cranbourne Information and Support Service, on top of its normal annual funding, which will be used to fund an additional day of service that targets low-income families. The service sees between 50 and 100 people per day, so it is an important investment in the local community.

On a recent visit to the service, along with Leanne, I met social worker Doug Thompson, who provides front-line services to families in need, be it financial counselling or general support. The service provides an ear for many who feel others have stopped listening to them, and a shoulder to lean on for many who have had nowhere else to turn. Leanne and her staff provide a holistic rather than a bandaid model of service delivery. This holistic service helps with things like advice and negotiation with landlords, businesses, neighbours and others on debt service and procedural issues, runs share accommodation and volunteer registers, and helps many local people through its crisis support service and counselling service.

Help is also provided on health and family issues and there is assistance with transport and a range of other issues. The service also has outreach services in the fields of legal advice and public tenancy support. The Casey North Community Information and Support Service, which provides similar services, will also benefit from additional government funding in the order of $56,000 to sole parent families. The government remains committed to working families and is acutely aware of the cost of living pressures affecting families across the nation. It was four years ago that I spoke on the Cranbourne Information and Support Service in this place and my determination to support their ongoing work has only strengthened since this time. I commend the work of the service and, on a personal level, I am grateful for the many mums, dads, sons and daughters whom Leanne and her team have helped over the years. As I said, you meet very few people in public life who immediately impress you, and Leanne is certainly one of them. I would just like to say in this House that she is one of those people who you would like to see nominated for an Order of Australia and, you never know, one day, given the commitment to her community, we might see her there.

Petition: School Chaplaincy Program

Mr PYNE (Sturt) (4.21 pm)—I rise today to comment on the School Chaplaincy Program, which the previous government introduced and which has proved to be one of its most successful and popular programs. The School Chaplaincy Program has been rolled out in hundreds of schools across Australia. The school chaplains in both denominational and non-denominational schools make an enormous difference in supporting young people, particularly those who are sometimes looking for someone who is not a family member or a close personal friend to talk to about issues that they find challenging in the 21st century. Whether the issue for young people is drugs, school work that they might be finding difficult or sexuality, the School Chaplaincy Program has been a very important safety valve in many, many schools. In fact, a survey was conducted of the schools with the School Chaplaincy Program and it found that 97 per cent of school principals with a school chaplain funded by the gov-
ernment believed that the program was both valuable and important to continue. The tragedy, of course, is that the current government is cancelling the School Chaplaincy Program from the end of 2011.

The government has not committed to the program being a permanent fixture in high schools across Australia. That is a tragedy for young people and a tragedy for those school communities where a school chaplain has made an enormous difference. In my electorate, this has been particularly the case in the government high schools that previously did not have access to a school chaplain. In many of the denominational schools, of course, a school chaplain is part of the staff, but not in government schools. That is why it is so important that the School Chaplaincy Program continue.

The coalition has committed to the school chaplaincy program well into the future. We have funded the School Chaplaincy Program to the tune of $165 million through to the end of the current forward estimates in 2014, and that will continue beyond 2014. The government, on the other hand, has cancelled the School Chaplaincy Program from the end of 2011. In fact, the Prime Minister was asked about this last night at an event held by the Australian Christian Lobby. He said:

We’ll go through our own evaluation as to whether it’s worked everywhere well but I’m pretty confident this program is going to continue.

On the other hand, the Leader of the Opposition said:
The coalition has promised to continue funding for the School Chaplaincy Program through to the end of the current forward estimates period in 2014.

So the difference between the two parties could not be more stark. In giving this short speech, I present the petitions signed by people from my own electorate and across South Australia in support of the School Chaplaincy Program, which has been through the correct processes.

The petition read as follows—

To the Honourable The Speaker and Members of the House of Representatives
This petition of certain citizens of Australia draws to the attention of the House the National School Chaplaincy Program, built on the excellent history of school chaplaincy in Australia, which was introduced by the former Coalition Government in 2007/08 with a commitment of $165 million for its first three years. It was endorsed by Prime Minister Rudd who said “they (Chaplains) actually are providing the glue which keeps school communities rolling”.

The program offers pastoral care and spiritual guidance to all. Chaplains necessarily have religious beliefs which underpin their work. These beliefs are representative of the school communities the chaplains work in and they do not hinder chaplains from working with those of other beliefs or none. It operates in 1915 schools and enjoys strong support among principals, schools and in the community generally.

The Rudd Government has extended funding for the program, at a reduced level, until the end of 2011, after which time there may be no more funding despite the program’s social benefits, sound administration and strong community support. Malcolm Turnbull has announced that if elected, the Coalition would continue funding the program in its current form, at its current level of $165 million over 3 years. We therefore ask that the Rudd Government continue funding for the National School Chaplaincy Program in its current form.

from 52 citizens
Petition received.

(Time expired)
Mr RAGUSE (Forde) (4.24 pm)—I rise this afternoon to note with some sadness the passing of a well-known Eagleby character, Mr Brian Harris. Brian Harris was born on 29 September 1954 in the UK. He grew up in Elizabeth, South Australia, and among other things he went to school with Jimmy Barnes, whose success perplexed him as, ‘All Jimmy does is scream.’ Brian’s political activism dated back to running from local law enforcement agencies during the 1960s Adelaide anti-Vietnam-war protests. Brian was a carer for his brother John, who moved with him to Queensland around 12 years ago for a new life. He lived happily in Eagleby, immersed in the local people, events and goings-on. He was passionate about life, the labour movement, politics and the Eagleby Tavern.

Unfortunately, at only 55 years of age, his heart gave way on the morning of 18 May at his home. A compassionate and empathetic man, he had spent a large part of the last six months of his life doing all he could to help a troubled teenager. For many of us who occasionally visit the Eagleby Tavern, it is hard to picture the place without Brian. Within one minute there, you would run into Brian and his brother John, both with a beer in hand, and within five minutes you knew every political issue and you had to talk about it. Within an hour, of course, you had solved most of those issues with Brian.

I want to particularly thank Peter Milsop and Bob Clancy, who organised a wake for Brian. His ashes were sent back to South Australia. The wake was held one evening at the Eagleby Tavern, supported by the kindness of the local hotel manager and attended by many of Brian’s saddened friends. My sincere sympathy goes to Brian’s friends and family, particularly to his brother John.

On a lighter note, as I have mentioned in this chamber on a number of occasions, I also attended another event, which included the Canterbury College Cantabile Choir, a choir established by Canterbury College. You may remember that on previous occasions in this House I talked about their success. They were the world champions, the gold medallists, in Austria a number of years ago. They are currently at the International Eisteddfod in Llangollen, Wales, and they are touring England, Scotland and Wales. Just prior to their leaving, I was privileged to be at an appearance where they performed for the Prime Minister. The Prime Minister’s words in response to the Cantabile were:

I was thinking as I listened to the choir this evening, what is it that causes people to pursue excellence. Because in that choice, Cantabile Choir, tonight we were privileged to see excellence on display. Very extraordinary choir. Absolutely extraordinary. In the position I hold I travel around this country quite a bit; I actually travel around the world quite a bit. But one of the great, great experiences you have is when you come back to local communities like this to see excellence on display. And that’s what we saw here this evening.

A sincere thank you to the students and to Susan Gouchee for her work in making the Cantabile choir an impressive display of excellence.
Schools
Greek Community

Ms O’DWYER (Higgins) (4.27 pm)—I rise to speak on the current threat to the diversity of foreign languages in our government schools. The Rudd government is currently considering reducing the number of foreign languages taught in public schools from 12 to eight under its proposed new national curriculum. The teaching of languages at school serves to further enrich students both linguistically and culturally. Learning a foreign language gives students an opportunity to learn about other countries and cultures on a deeper level.

One of the languages that the government is considering abandoning is Modern Greek, a language of great significance to the Western and English-speaking world. Let me state for the record that this is something that I oppose. The teaching of Modern Greek in our schools currently gives students the opportunity to learn about one of the most important cultures in the world. By learning about the history and language of Greece, students are learning about the development of Western civilisation and the growth of important institutions that remain with us today. Today’s modern, enlightened democracies are the beneficiaries of Athenian political and philosophical thought, and our literary heritage has drawn upon the mythologies and great literary and historical works of Greek writers and philosophers. The English language has benefited from Greek influence, with approximately 12 per cent of English words having Greek origin. An understanding of the English language’s Greek roots can enhance our knowledge not only of Greek but of English as well. A history and language curriculum that is well founded in classical antiquity and foreign language is the best education revolution that our children can have. By learning the Greek language, students are accustomed to other cultures, innovations and traditions.

Our national curriculum should also reflect important events in our nation’s history. Our friendship and cooperation with Greece and the Greek people were most fully displayed during World War II, when both Australia and Greece were brought into the war against the imperial ambitions of the Nazi regime in Germany. Next year will mark the 70th anniversary of the Battle of Crete, a landmark event during World War II that saw the end of the German military ascendancy. Australia and Greece have a strong history of friendship and cooperation, and the Greek diaspora is very much a part of my own electorate of Higgins. It gives me great pleasure and it is a great privilege to represent their concerns today.

Solomon Electorate: Projects

Mr HALE (Solomon) (4.30 pm)—I rise today to comment on the fantastic projects that have been and are being delivered in my seat of Solomon. My first priority when elected was to end the blame game between the Northern Territory government and Canberra which for so many years had been at the expense of the good people of Solomon. I believe I have achieved this. The Allen Walker Cancer Care Centre, which I had the pleasure of opening with the Prime Minister, is now operating. For the first time Northern Territorian patients can receive their cancer treatment in Darwin. This was a $28.7 million Rudd government commitment. The Northern Territory is going to have its first ever medical school, an investment of $30 million into the Territory economy and an investment in our health and the Territory’s young people, who will now have an option of studying in the Territory thanks to the Rudd government.
The Tiger Brennan Drive extension is also progressing well. With the first stage already open, the northern bridge will be open shortly and the southern bridge at the end of next month. The project will be completed by November. It will see much-improved access from the rural area to the city as well as less congestion for people travelling to and from work from Palmerston to the CBD of Darwin. In addition there will be quicker and safer access for prime movers going to the East Arm Port facilities. This is a co-funded project, with the Rudd government committing $74 million and the Henderson Territory government $36 million. The new GP superclinic is nearing completion in Palmerston, which is great news for the residents in Palmerston and rural areas. The after-hours service started in the existing building in November 2008 and it has been very well supported. The new building will give even greater services to the community.

Due to the global financial crisis which struck in October 2008, the Rudd government was forced to act quickly in order to stave off the effects of the global recession. History will tell us that it was the decisive action of the government to stimulate the economy which has played a major role in keeping the nation out of recession and maintaining low unemployment, historically low interest rates and record levels of growth that are the envy of the rest of the developed world. In Solomon everyone will benefit in some way, shape or form. It may have been through cash payments in December 2008 which were vital in keeping small businesses going and employment strong. It is estimated that well over 200,000 jobs have been created because of stimulus programs. Beyond the cash stimulus, the government embarked on the Building the Education Revolution. It was a $16 billion commitment to building infrastructure in schools across Australia. In Solomon we have received $74 million from the program, which includes 20 libraries, seven classrooms, 16 multipurpose halls, three early learning centres, four language centres and one science centre. I have treated this opportunity to represent my constituency as a privilege and I have worked hard to break the cycle of the blame game, to deliver on our promises and, importantly, to protect jobs and provide increased opportunities. (Time expired)

Murray Electorate: Victorian Auditor-General’s Report

Dr STONE (Murray) (4.33 pm)—In Victoria there is a report just released by the Auditor-General that looks at the extraordinary malpractice that has gone on in relation to the North-South Pipeline and the so-called Northern Victoria Irrigation Renewal Project work, which they say has been very poorly executed. Certain channels have not had appropriate quality management, tendering has not been done and, in many ways, there has not been value for money.

I will give an example today of what it means to be on the ground as a farmer experiencing firsthand this inefficiency and shambolic administration. I want to talk about Steve Dalitz, who is a dairy farmer near Numurkah. With regard to the Northern Victorian Irrigation Renewal Project, he agreed with his neighbour to close part of a spur and approximately three kilometres of backbone channel. The closure meant that Steve would have to relocate his wheel to another section of the main channel and approximately 50 acres of his property would have to be re-lasered and replanted.

Of course seasons do not wait for anybody, so Steve made it a condition that this work had to be done within a certain time frame so he could regrow enough of his rye grass and so on to feed his cattle. He needed to get to work. Unfortunately, despite the agreement on when the
contract would be made available, it was not on time. It was a month late and he had to delay his work, re-lasering his property and regrowing until that time. That means that he will not now have in place the feed that he needed. His costs for feed are now approximately $300 a day and he will lose up to $40,000 by the end of this season.

It gets worse. Having had that problem, costing him a lot of money for extra feed, he then found that Goulburn-Murray Water had not communicated with NVIRP, so along they came to this section of channel which was to be closed down, to carry out maintenance works on each of the wheels in his section. This is a section that is to be closed down. In addition, they also carried out maintenance earthworks along sections of the channel that are to be closed, and this work is still going on. He told the truck drivers delivering the material to the site that it was going to be a closed channel and that their maintenance work was going to be a waste of time. They said: ‘Too bad, mate. It is what we have been told to do.’

He is really annoyed because he has a badly leaking channel elsewhere on his properties east of Numurkah. No work has been carried out on this section of channel—a section which is not to be closed. But, where the channel is to be closed, maintenance is being carried out. This is because there is simply no communication between Goulburn-Murray Water—a state owned authority—and the Northern Victorian Irrigation Renewal Project, another state owned authority. This is shambolic. It is chaos. It is not value for money and it is literally destroying people’s lives.

**Learn. Earn. Legend!**

**Ms HALL** (Shortland) (4.36 pm)—The Learn. Earn. Legend! campaign has arranged for 100 eager Indigenous students from all over the nation to spend one week in Canberra, exploring and undertaking work experience in Parliament House and in government related jobs. In my office there are two current students of the Presbyterian Ladies College, Sydney: Maddison Deguara from year 10 and Gemma Lloyd from year 12. Maddison is from the Wiradjuri tribe and says:

> The Learn Earn Legend! program is a fantastic program and enables me, along with 99 other students, to experience life as a parliamentarian.

I think this experience, along with the support of other organisations, will enable Indigenous students to encourage themselves, other individuals and their whole communities to get an education, stay at school and get the jobs they have always wished for.

Gemma Lloyd, from the Dainggatti tribe, said:

> This opportunity has opened my eyes to the vast opportunities and experiences available for Indigenous students in Australia.

The students this week are working alongside parliamentarians such as Mark Arbib and Minister Macklin. The ambassador for the Learn Earn Legend! program is Scott Prince, a first-grade NRL player for the Titans. In addition to being a famous footballer, the fact that he is an Indigenous person himself enables the students to relate to him and helps them to aspire to live life and follow their dreams.

On day 2, many of the students found themselves splattered across the second page of the *Canberra Times*. The media attention will hopefully bring awareness to programs available and motivate students to work in parliament or community services. Maddison and Gemma have undertaken tasks such as editing speeches, opening and filing mail and writing media
releases on paid parental leave. Roger Price and I hope to give these girls a most rewarding experience. Hopefully, they will one day be working alongside us or other parliamentarians.

Partnerships with the Department of Employment, Education and Workplace Relations have enabled the Learn Earn Legend! program to blossom, and I hope this work experience will continue in future years. Minister Macklin said:

It is great to have the next generation of Indigenous leaders here in Parliament House and across a range of Government departments.

I can only agree with this statement, as it is their pathways that will determine our country’s future.

I anticipate that Maddison and Gemma have gained a sustainable understanding of life in parliament, and it was more than my pleasure to house them for these two days. It is not every day that we have students working with us, but it was exciting to teach them a little bit about my job. The Learn Earn Legend! program also aims at closing the gap between Indigenous and non-Indigenous students in the workplace. I believe that, with support and funding from various organisations, we can maintain a continuously growing Indigenous workforce. This speech was written by Maddison and Gemma. They are both outstanding young women with big futures.

The DEPUTY SPEAKER (Hon. DS Vale)—Order! In accordance with standing order 193 the time for constituency statements has concluded.

CONDOLENCES

Sapper Jacob Daniel Moerland
Sapper Darren James Smith

Debate resumed from 15 June, on motion by Mr Rudd:

That the House record its deep sorrow at the deaths of Sapper Jacob Daniel Moerland and Sapper Darren James Smith on 7 June 2010, while on combat operations in Afghanistan and place on record its greatest appreciation of their service to our country and tender its profound sympathy to their families in their bereavement.

Mr BALDWIN (Paterson) (4.39 pm)—I rise to speak on the condolence motion for Sapper Jacob Daniel Moerland and Sapper Darren James Smith—not forgetting the explosives detection dog that was assigned to Sapper Smith, ‘Sapper’ Herbie. They were from the Brisbane based 2nd Combat Engineer Regiment, 2CER, serving with the 1st Mentoring Task Force, working as part of the Australian dismounted patrol conducting operations in the Miribad Valley region of the Oruzgan Province. Sapper Darren Smith and Sapper Jacob Moerland were killed in action after their patrol was hit by an improvised explosive device on Monday, 7 June 2010 while conducting search operations for weapons caches and IEDs. These deaths brought to a total of 13 the operational deaths in Afghanistan, yet sadly, last night, we learnt of another three Aussie diggers killed in a helicopter accident, bringing the total to 16. The deaths of Sapper Smith and Sapper Moerland represent the first multiple combat fatalities for Australia since Vietnam.

Sapper Smith and Sapper Moerland were repatriated to RAAF Base Amberley on Sunday, 13 June 2010. The repatriation ceremony is an opportunity for the Army and their families to welcome home their fallen heroes. I, along with colleagues, attended the ramp ceremony. We attended to show our respect and our support and to offer our condolences to the families of

MAIN COMMITTEE
Sapper Smith and Sapper Moerland. In a quote from the Bible, John 15:13 says: ‘Greater love has no-one than this, that he lay down his life for his friends.’ This they did, and for this their nation is eternally grateful and their mates also.

I, along with Stuart Robert, the member for Fadden; Senator Steve Hutchins; and Nick Champion, the member for Wakefield, met Sapper Darren Smith and Herbie in Tarin Kowt on a couple of occasions during our visit to Tarin Kowt in April this year as part of the Australian Defence Force Parliamentary Program. It was Sapper Smith who demonstrated the equipment that was being used and how they used the dogs in detecting the IEDs—the challenges, the excitement but also the anticipation about going out on patrol. In fact, he was about to embark to the forward operating base. He knew what he was doing. He was a very professional soldier. He was very proud of his work, and he knew that he and his mates were making a difference. We spoke at the time of family. We spoke of the challenges. I detected that not only was he a fiercely proud Australian but he was proud to be making a contribution to make the world a better and safer place, not just for his wife, Angela, or his 2½-year-old son, Mason, but indeed for all people—and the Afghani people, for whom he had a deep and abiding respect.

By military standards it is said that to be a sapper you must be determined, resilient, patient, intelligent, physically and mentally tough, quick to learn and adapt, a team player, self-motivated and professional. You should enjoy explosive ordnance disposal, demolitions, mine warfare, air and water operations, making and breaking, training indigenous soldiers and negotiating a multitude of challenges. You must be willing and able to lead a sapper team in areas of difficult terrain and visibility with limited knowledge of the enemy, even when you are so hungry and tired that most men would choose to give up. The most defining thing is that to be a sapper is to be a person of attitude. This job description described the Sapper Smith that I and my colleagues met.

It was on 17 June, last Thursday, that I and colleagues attended the funeral of Sapper Moerland. Sapper Moerland was born in Cairns. This young man, with white-blond hair and big blue eyes, was 21 years of age. Sapper Moerland enlisted on 9 July 2007, completing his initial recruit training at 1st Recruit Training Battalion in October 2007. After completing his driver courses and a suite of combat engineer courses in May 2008, Sapper Moerland was posted to the 2nd Combat Engineer Regiment, Brisbane. 2CER was his first posting as a combat engineer. Whilst at 2CER, he went on to complete a number of courses, including the Protected Mobility Vehicle Driver course in April 2009 and the Combat First Aider in August 2009. His deployment as part of the 1st Mentoring Task Force was his first operation. He was deployed in January this year. As part of this tour, he has been awarded the Australian Active Service Medal with International Campaign against Terrorism clasp and the Afghan Campaign Medal.

It is an understatement to say that our sympathies go out to his mother, Sandra Moerland, and his father, Robert; his sisters, Laura and Bethany; and, in particular, to his fiancee, who he was to marry in November, Kezia Mulcahy.

From his unit, recollections were put together, and these are the words of the unit, recollections of 8530756, Sapper Jacob ‘Snowy’ Moerland:

Jacob ‘Snowy’ Moerland was the sort of person you’d picture in your mind when someone used the term ‘Sapper’. When I first met him, he was a relatively junior soldier in what was a young Squadron at
2 CER; however, he soon became known as one of the Squadron characters. This was no mean feat amidst a strong field of similar personalities.

Snowy was a reliable and proactive soldier, who would put considerable effort and focus into solving whatever challenges were thrown his way. Once given a task, he showed determination and imagination in getting a solution. He soon gained a reputation for being a ‘go-to’ sort of Sapper and was a valuable member of his Section, Troop and Squadron teams.

Snowy was an enthusiastic Sapper, who loved soldiering. He was especially happy when performing his trade in the field, and looked forward to field deployments whenever they arose. No matter how wet, cold, muddy or hot it was, Snowy was in the thick of the task, cajoling or cursing as the situation befitted, but always giving his all.

His Troop Commander once remarked that “If only we had a troop full of Snowy’s we would be unstoppable.” While not the most perfect and disciplined soldier by any standard, a commander could not ask for more commitment and better attitude towards doing the job that he loved than what we got from Snowy. He is a testament to the traditional ‘can-do’ fighting spirit of the Sapper and Aussie digger.

For all this, Snowy knew how to have fun. He had an extroverted sense of humour and at times disturbing sense of fashion. One of the first recollections of people who knew him is this sense of fun. While he occasionally had to be reminded that there was work on, Snowy’s approach to his duty was infectiously enthusiastic, and he was often doing his best to raise or maintain his friend’s morale, especially during difficult tasks. This could include acts like camming up, to the point of camming his hair, and sniffing people to see how they’d react.

One of Snowy’s trademarks was the aviator sunglasses he constantly wore with the huge grin on his face. When you picture Snowy, this image leaps to the forefront. Be it in DPCU or going out clothes, the sunnies and the grin were a constant.

I believe Snowy matured quickly within the Squadron, and with time would have become a very capable junior commander. He struck a good balance between his sense of duty and sense of fun.

He will be greatly missed by his Family, the Regiment and Army.

At the funeral, there was a very moving eulogy delivered. One of the parts of the eulogy was delivered by his pastor, Lee Dallman. It was a story that Jacob had written in the eighth year of his education at Gayndah State High School. I want to read that into the Hansard because I think it actually describes this young man who gave so much for our nation. It goes like this. In year 8 as part of the Gayndah State High School English program all students have an assignment entitled ‘My life’. These are excerpts from his assignment about his life up until then.

I was born at three minutes past two o’clock in the afternoon on the 14th of January 1989. I weighed 7 pounds 2 ounces. I was born in the Cairns hospital.

When I came home from hospital I was given my first stuffed toy. It was a Koala. I named it Sunny Koala. When I was six months old I got another stuffed animal, which was a panda, so I named him Panda. I have still got them both.

My kindergarten years were spent in Mackay. The first day I cried because Mum was going to leave me all by myself. Then I fell asleep in an old tyre. I was going to sneak back to the car but they locked the gate and Mum saw me. After that I had fun there because we painted most of the time.

Preschool was fun. All the kids were nice to me. I liked to play dress-ups. My favourite costume was the Superman costume. I also liked the Batman costume. My favourite activity was ‘show and tell’.

The earliest birthday I can remember was when I was seven. I got the best rubber band gun from my Mum and Dad. I used to line my army men up and shoot them. For my birthday cake I got an ice cream
cake made by the ‘Great Australian Ice Creamery’. The cake was made like a battle field with little plastic soldiers. It had chocolate ice cream for a hill with the British flag on it.

The earliest Christmas I can remember is when I was seven. I got lots of lollies and chocolates. We spent Christmas at my grandparents in Toowoomba. I got an Action Man Para Glider from my parents.

I have lived in many places because my Dad works for a Bank. At present I have spent 18 months here in Gayndah and I am enjoying it very much.

In primary school I liked many subjects. I had many friends in the first years at school. One of my friends was Brendan Burrows.

I have played many sports in my life. They include Soccer, Tee-Ball and AFL. I played soccer for three seasons in Gladstone, with one of the best teams in the district. We were almost never beaten in a game.

I have many interests, which include watching science fiction and fantasy films like Star Wars. I am also very interested in combat games such as Diabolo 2, Kingdoms, Age of Empires, and Heroes 3.

I have built many models. All of them are airplanes, most of them from World War 2.

My best friends in Gayndah are Luke Gatt, Mathew Grant, Dean Mathisen and Troy Sawdy.

I like people who are honest, trustworthy and have a good personality for friends.

Simon Walker is one of my best friends. I have known him since our mothers met each other at a baby clinic.

I like holidays because I can see family and friends as well as get some time off school. The best holiday I have ever had was five months long. Dad decided that he wanted to take long service leave and we would explore the Northern Territory and if we had time we would visit parts of Western Australia.

At the present I am 1 m 61 cm. I have short-cropped blond hair, fair skin, blue eyes and a medium build.

I am in year eight and have a love of life that not even Elmo and Ernie off Sesame Street can match.

I hope one day to be able to fully express my love for you baby. You

TO MY ANGEL

In the darkness you are my light,
the shining brilliance that lights my path home.

Into the loving arms that you have waiting for me,
I will run and collapse into gently falling asleep.

Your voice rings out calling my name
A sound that would make angels cry because of the beauty that resonates from it.

A voice I hope to wake up to every morning.

To hear until the end of time.

The love that I feel even now from you

Warming my heart on these cold lonely nights

Ever present, ever comforting, forever surrounding me

The warmth one can only feel if loved completely and unconditionally.

I hope one day to be able to fully express my love for you baby. You
are everything to me. My one and only, marrying you would be the
greatest and most amazing thing for me. I would be yours forever
in a fraction of a heartbeat. You’re the most beautiful, sexy, passionate,
loving woman in the world and nothing would make me
happier than to call you my wife.
Love For Always My Angel.
My heart and soul is yours forever and always.
Your loving fiancée
Jacob.
That was written on the battlefield as he counted down the days until he came back. His pas-
tor Lee Dallmain said:
Jacob could get away with just about anything actually, because balanced with his cheekiness was his
amazing capacity to love and to show compassion.
I have never seen a teenage boy hug his mother so much. He was never ashamed to show his affection
to his mum in public, and was fiercely protective of his sisters. He would stir them up of course, but
they were his sisters. He was actually willing to give just about everyone a hug who he thought needed
it. Many times I was on the end of one of his big bear hugs. We see the tenderness of his poem to Kezia.
It was fitting that he served in Afghanistan the way he did. He wouldn’t have seen it as a chore. Instead
he would have revelled in helping those less fortunate. He would have excelled in mentoring others. He
had a remarkable ability to make one feel loved and appreciated, and as families and friends we grieve.
We will miss him.
He also said:
Our Jacob certainly lived up to his promise. It is only fitting for Jacob to have the last word.
And these are Jacob’s words:
If I could live anywhere in the world, it would be anywhere where there was friendship and loyalty to
each other. Ultimately I would like to live where I could be at one with Mother Nature and God.
His mother released a statement in which she said:
Jacob wanted to join the army from an early age and he loved his mates and his job and I have never
seen Jacob so happy as during his march out parade.
Jacob died doing the job he loved and he went to Afghanistan not because he had too, but he thought it
was a valuable job to help the people in Afghanistan.
When I spoke to Mrs Moerland at the repatriation ceremony she said of Jacob’s death: ‘Please
don’t let this death be in vain.’

Last Saturday I, along with colleagues, attended the funeral of Sapper Darren Smith. Sapper Darren Smith was a committed, passionate, unassuming soldier, father and husband. His
priority in life was his family and, after that, the Army. Smithy was 26 years old. He was born
on 16 November 1984 in Adelaide, South Australia. As a student he was a very successful
sportsman, especially in soccer and cricket.
Sapper Smith’s military career commenced as part of the Army Reserve when he enlisted
on 29 November 2001. He completed recruit training at Kapooka in January 2002, serving as
part of 3rd Field Squadron in South Australia. Sapper Smith went on to complete his combat
engineer suite of courses in 2004 and he became part of the Australian Regular Army when he
was posted to 1 CER in October 2004. He completed a number of driver courses, up to heavy vehicle and armoured personnel carrier level. While at 1 CER he successfully completed his explosive detection dog handler course in December 2006.

Sapper Smith was posted to 2 CER in January 2009. He demonstrated an aptitude for promotion and completed the junior leader course in November 2008. His deployment as a part of MTF1 was his first military operation. He deployed in March 2010 as a replacement dog handler to support relief out-of-country leave for other sappers in country. However, while in Afghanistan his deployment was extended due to the requirement for further dog handlers. As a part of his tour he has been awarded the Australian Active Service Medal with the International Campaign against Terrorism clasp, the NATO Service Medal and the Afghanistan Campaign Medal.

Sapper Smith was married to Angela and he leaves behind a 2½-year-old son, Mason. Both Angela and Mason live in Brisbane, although Angela was originally from Adelaide. He met Angela while serving at 1 CER in Darwin. Many of his friends have commented that he was an excellent father and husband who was always there for his immediate family. Sapper Smith’s son, Mason, has a very close resemblance to his father.

Sapper Smith was a quiet achiever, but an achiever nonetheless. He had a true love of and dedication to dog handling and during his career he looked after three explosive detection dogs, Mandy, Buster and Herbie. He loved each of them dearly and treated them with care. During 2007-8 the regiment and the corps very much admired his dedication and work with Herbie in order to assist his rehabilitation after the dog sustained an injury. Sapper Smith represented his country on Exercise Longlook in the United Kingdom and worked with British dog handlers. He also met with the Queen. He was instrumental in initiating buried hides training in the Army, including sketches and diagrams for consideration. Sapper Smith made his own leashes in order to be more efficient. He was always at work early in the day and late in the evening, caring for his explosive detection dog. He spent extra time with his dogs to ensure they were up to standard. When it looked like Herbie was going to be scrapped as a working dog, Sapper Smith spent even further time caring for him and working with the vets to ensure that that dog could meet certification requirements and eventually be allowed to deploy.

Sapper Smith was an excellent soldier, a great father and a wonderful husband. He will be greatly missed by his family, his regiment and his Army. Our deepest and sincerest condolences go out to Angela Smith, 2½-year-old Mason and Darren’s father, Graeme, and indeed to all of their friends. During the eulogy Dallas Livermore read a poem that he wrote for Darren, entitled Heroes. It is a very moving poem.

Angela Smith put out a statement which encapsulated Darren’s life:

Tomorrow we’ll farewell Darren with a celebration of his life. Family, friends and Darren’s mates will gather at the Marist Brothers Chapel, and we’ll remember all the Darrens we knew—the devoted father of Mason, my loving husband, a son who made his family proud, a dedicated and very professional soldier, a great mate, and a larrikin with a wicked sense of humour and mischief, but a man who would do anything for anybody, no matter what the cost.

Darren had an uncanny empathy with the dogs he cared for, taught and worked with. He had developed strong ideas on training, and also the welfare of the Explosive Detection Dogs. We often talked about
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his ideas and what he would like to have seen done to improve training and conditions, and I’m going to work as best I can to make sure Darren’s dreams come true.

The last 10 days have been a huge ordeal for all of us, and I’d like to offer some thanks on behalf of Mason, Darren’s dad Graeme, and the rest of our families.

A big thank you to all our friends who have rallied around and supported us, to members of the community who felt Darren’s loss and our pain; to the Army family which Darren was so proud to be a member of, in particular his unit the 2nd Combat Engineer Regiment.

Thank you to the Defence Community Organisation, and also thank you to the Australian Defence Force media who worked hard to maintain our privacy and respect.

Our future will now be very different, and it won’t be easy.

During the funeral, Angela got up and read a poem that meant a lot to her. It was *Stop All the Clocks, Cut Off the Telephone* by WH Auden:

Stop all the clocks, cut off the telephone,
Prevent the dog from barking with a juicy bone,
Silence the pianos and with muffled drum
Bring out the coffin, let the mourners come.
Let aeroplanes circle moaning overhead
Scribbling on the sky the message He Is Dead,
Put crepe bows round the white necks of the public doves,
Let the traffic policemen wear black cotton gloves.
He was my North, my South, my East and West,
My working week and my Sunday rest,
My noon, my midnight, my talk, my song;
I thought that love would last for ever: I was wrong.
The stars are not wanted now: put out every one;
Pack up the moon and dismantle the sun;
Pour away the ocean and sweep up the wood.
For nothing now can ever come to any good.

His father, Graeme, spoke at the eulogy about the early days with Darren when Darren made a decision to become a soldier. He said:

He got in the back of the car and the first thing he said was, ‘That’s what I wanted to do.’ He said he was so proud to have served his country. Darren was a cheeky little kid, always happy. He was so much more than a son, he was my best friend. Most of all, though, he loved his wife and his son, he loved Angela with all his heart and Mason was this little ray of sunshine in his life. Darren, I loved you yesterday, today and tomorrow and I will love you forever.

During part of the eulogy, Lieutenant Colonel John Carey, the commanding officer of 2nd Combat Engineer Regiment, said that, while Sapper Moerland was killed instantly, it took 20 minutes for Darren to pass. In those 20 minutes with his mates who attended to him, he spoke of his love for his wife and his child. He wanted to make sure that they knew how much he loved them. I say to his son, Mason: in the years to come, just remember that your father put you first and he worshipped the ground you walked on. To him, you were his hero and you made life worthwhile.
As Thucydides, the Ancient Greek historian and author, said:
The bravest are surely those who have the clearest vision of what is before them, glory and danger alike, and yet notwithstanding, go out to meet it.

Both of these sappers have always put their mates first. They say of combat engineers they are always out front. It was John Stuart Mill, the English philosopher, who said:

War is an ugly thing, but not the ugliest of things. The decayed and degraded state of moral and patriotic feeling which thinks that nothing is worth war is much worse. The person who has nothing for which he is willing to fight, nothing which is more important than his own personal safety, is a miserable creature and has no chance of being free unless made and kept so by the exertions of better men than himself.

Some people live an entire lifetime and wonder if they have ever made a difference in the world, but I can assure this House that people like Sapper Darren Smith and Sapper Jacob Moerland do not have that problem.

Mr TREVOR (Flynn) (5.05 pm)—May I begin by congratulating the member for Paterson for what can only be described as a beautiful and compassionate speech. Somehow, Madam Deputy Speaker Moylan, I feel certain that both Jacob and Darren would be proud of that one.

I too attended the funeral service on Thursday, 17 June 2010 for Sapper Jacob Moerland at the Gayndah Town Hall in my electorate of Flynn in Central Queensland and afterwards at the RSL hall. It was a full, formal military funeral service. His family attending included his mother, Mrs Sandra Moerland; his father, Mr Robert Moerland; his sister, Ms Laura Moerland; his sister, Ms Bethany Moerland; and his fiancee, Ms Kezia Mulcahy. The attendees included, but were by no means limited to, the Hon. Kevin Rudd MP, Prime Minister of Australia; Senator the Hon. John Faulkner, the Minister for Defence; the Hon. Alan Griffin MP, Minister for Defence Personnel; the Hon. Tony Abbott MP, Leader of the Opposition; Senator the Hon. David Johnston, shadow minister for defence; the Hon. Bob Baldwin MP, shadow minister for defence science and personnel, representing the shadow minister for defence; the Hon. Anna Bligh MLA, Premier of Queensland; Dr Ian Watts, Secretary for Defence; Air Chief Marshal Angus Houston AC, AFC, Chief of the Defence Force; Lieutenant General Ken Gillespie AO, DSC, CSM, Chief of Army; Lieutenant General Frank Hickling AO, CSC, Colonel Commandant Royal Australian Engineers; Brigadier Paul McLachlan ADC, Commander 7 Brigade; Lieutenant Colonel John Carey, Commanding Officer 2nd Combat Engineer Regiment; the pallbearer party, members of 2nd Combat Engineer Regiment; representatives from current engineers units; members of the RSL; Mayor Joy Jensen and her councillors; the state member for Callide, Jeff Seeney; and members of the Gayndah community.

Sapper Jacob Daniel Moerland was born on 14 January 1989 and died serving his country on 7 June 2010 in Afghanistan. Sapper Jacob Daniel Moerland enlisted on 9 July 2007 and completed his initial recruitment training at the 1st Recruit Training Battalion, 1RTB, in October 2007. After completing his driver courses and the suite of combat engineer courses in May 2008, Sapper Moerland was posted to 2nd Combat Engineer Regiment, 2CER, in Brisbane. 2CER was his first posting as a combat engineer and whilst at 2CER he went on to complete a number of courses, including the protected mobility vehicle driver course in April 2009 and the combat first aid course in August 2009. His deployment in January this year as part of Mentoring Task Force was his first operation. As part of his tour he has been awarded the Australian Active Service Medal with Clasp International Campaign against Terrorism, or ICAT, the NATO Medal and the Afghanistan Campaign Medal.
Sapper Moerland left behind his fiancee, Kezia, who lives in Brisbane. He was 21 years old and was born in Cairns, Queensland. I also quote the recollections on 10 June 2010 of Sapper Jacob ‘Snowy’ Moerland by Major MJ Prior, OC in 2008-09 of 7CE Squadron, 2CER:

Jacob ‘Snowy’ Moerland was the sort of person you’d picture in your mind when someone used the term ‘Sapper’. When I first met him, he was a relatively junior soldier in what was a young Squadron at 2 CER; however, he soon became known as one of the Squadron characters. This was no mean feat amidst a strong field of similar personalities.

Snowy was a reliable and proactive soldier, who would put considerable effort and focus into solving whatever challenges were thrown his way. Once given a task, he showed determination and imagination in getting a solution. He soon gained a reputation for being a ‘go-to’ sort of Sapper and was a valuable member of his Section, Troop, and Squadron teams.

Snowy was an enthusiastic Sapper, who loved soldiering. He was especially happy when performing his trade in the field, and looked forward to field deployments whenever they arose. No matter how wet, cold, muddy or hot it was, Snowy was in the thick of the task, cajoling or cursing as the situation befitted, but always giving his all.

His Troop Commander once remarked that “If only we had a troop full of Snowy’s we would be unstoppable.” While not the most perfect and disciplined soldier by any standard, a commander could not ask for more commitment and a better attitude towards doing the job that he loved than what we got from Snowy. He is a testament to the traditional ‘can-do’ fighting spirit of the Sapper and Aussie digger.

For all this, Snowy knew how to have fun. He had an extroverted sense of humour and at times disturbing sense of fashion. One of the first recollections of people who knew him is this sense of fin. While he occasionally had to be reminded that there was work on, Snowy’s approach to his duty was infectiously enthusiastic, and he was often doing his best to raise or maintain his friend’s morale, especially during difficult tasks. This could include acts like camming up, to the point of camming his hair, and sniffing people to see how they’d react.

One of Snowy’s trademarks was the aviator sunglasses he constantly wore with the huge grin on his face. When you picture Snowy, this image leaps to the forefront. Be it in DPCU or going out clothes, the sunnies and the grin were a constant.

I believe Snowy matured quickly within the Squadron, and with time would have become a very capable junior commander. He struck a good balance between his sense of duty and sense of fun. He will be greatly missed by his Family, the Regiment and Army.

I believe there is no greater honour than for a man or woman to serve his or her country and to wear the uniform of Australia. The commitment, the dedication and the ultimate sacrifice that Sapper Jacob Moerland paid with his life at just 21 will never be forgotten by his family, his community, his friends and Australia. Today I pay tribute to Jacob, and my thoughts and prayers are and will remain with his family and friends. I also paid tribute to Darren today, and my thoughts and prayers are and will remain with his family and friends also.

Mrs MARKUS (Greenway) (5.14 pm)—Today I rise to pay tribute to three fine sappers who were killed in action in Afghanistan on 7 June 2010. I rise this afternoon to extend my condolences to the families of Sapper Jacob Moerland and Sapper Darren Smith, who were tragically killed in Afghanistan earlier this month. Both men were based in Brisbane. I also rise to pay tribute to Sapper Herbie, Sapper Smith’s explosive-detection dog, who died beside his handler.

As we are all aware, yesterday we received more tragic news of three more Australian soldiers killed and a further seven wounded when a Black Hawk helicopter was involved in a
non-combat accident in Afghanistan. Media reports this morning tell us that the three soldiers lost yesterday were from the Holsworthy Army barracks in Sydney. They were elite soldiers, commandos of the Special Operations Task Group. I and my colleagues from the Parliamentary Joint Committee on Foreign Affairs, Defence and Trade had the privilege of visiting their unit only last year, and we had the opportunity to observe a training exercise and to meet and talk with some of the men. I have to say that they are some of Australia’s finest—professional, committed, passionate and well able to do their job.

This past fortnight has been one of the most difficult for the Australian Defence Force. The deaths of five soldiers and the injury of seven others in the last fortnight only highlight the highly dangerous nature of the work being undertaken by our defence personnel in operations like those in Afghanistan. It must never be forgotten that these men serve our nation. Wearing the uniform of the Australian Army, the Royal Australian Navy or the Royal Australian Air Force is indeed a very high calling. These five men and Herbie have made the ultimate sacrifice. They died serving all of us. They wore the uniform of the Australian Army with pride, and we must be proud of their efforts and remember, reflect on and commemorate their service.

Recently I visited the Australian War Memorial, where the ACT branch of the RSL held a wreath-laying ceremony before their annual congress. I was able to lay poppies in the Hall of Memory in remembrance of Sapper Moerland, Sapper Smith and Sapper Herbie. The memorial advised me that planning was already underway to have the names of Sappers Moerland and Smith listed on the roll of honour by 11 November, Remembrance Day. Their names will now be joined by the names of three more of Australia’s sons for Remembrance Day.

As the shadow minister for veterans’ affairs, I felt, along with my community, the loss of these five men killed in the service of their nation. The loss of Australian soldiers is particularly felt by those Australian families who have lost loved ones during operations. This morning, the media carried the stories of the families of Private Gregory Sher and Private Benjamin Ranaudo, reminding the families of Sappers Smith and Moerland that there is support available to them at this time.

A family that I particularly thought of when this news broke is that of Private Luke Worsley. Luke died in Afghanistan in November 2007 as a result of small arms fire in Oruzgan province. Luke’s parents live in my electorate. I recently touched base with Luke’s mum just a few days after the recent news of what had happened to the three sappers. Each time news like this is brought to public attention, it has an impact on them. So today I want to acknowledge and pay tribute to the families that today are feeling the pain as they remember. They are aware of and identify with the long journey ahead for the families that are just freshly beginning to feel sadness and grief.

As yet, we do not know the identities of the man killed yesterday or the seven who were injured and are now receiving medical care. I say to their families that our thoughts and prayers will continue to be with you. Our nation stands ready to provide whatever assistance we can to you in this time of grief and sadness.

It is also fitting to pay tribute and send our thoughts to the soldiers who served alongside Sappers Moerland and Smith in Afghanistan. Their stoic bravery in facing up to a new day without their mates by their side must be a difficult challenge, and their bravery and courage are to be remarked. Their families, I am sure, also feel a sense of loss during this sad time.
The defence community is indeed a close family. I am sure the defence family will now do its best for the families of Sappers Moerland and Smith.

I would like to say a few more words about the three sappers who died in Afghanistan. Sapper Moerland was 21 years old and was born in Cairns. He enlisted on 9 July 2007. He completed training in the 1st Recruit Training Battalion, along with driver and combat engineer courses, before being posted to 2nd Combat Engineer Regiment, Brisbane. Sapper Moerland was on his first deployment. Sapper Moerland was awarded the Australian Active Service Medal with clasp, International Campaign Against Terrorism; the NATO Service Medal; and the Afghanistan Campaign Medal. He has also received the Return From Active Service Badge. The Moerland family is very proud of Jacob’s service to his nation. His mum, Sandra, and sisters, Bethany and Laura, issued a media statement following the announcement of his death. I know it has already been mentioned by my colleagues but I would like to repeat what Sandra said:

Jacob died doing the job he loved and he went to Afghanistan not because he had to, but he thought it was a valuable job to help the people in Afghanistan.

This commitment and compassion to not just the people of our nation but also the people of other nations is something that I see time and again when I spend time with the ex-service and veterans community and with our current serving personnel. To the Moerland family and Jacob’s fiancée, Kezia, I extend my sincerest condolences.

Sapper Darren Smith was 26 years old and was born in Adelaide. He was a husband to Angela and a father to 2½-year-old Mason. Sapper Smith died on active service in Afghanistan. Sapper Smith joined the Army Reserve in 2001. After completing a combat engineer course in 2004, Sapper Smith became part of the Australian Regular Army in October that year and was posted to 1st Combat Engineer Regiment. It was here that he completed his explosive detection dog handler course. Darren’s wife, Angela, paid tribute to her husband’s unique empathy with dogs. In a statement issued last Saturday, when his funeral was held, Angela said:

Darren had an uncanny empathy with the dogs he cared for, taught and worked with. He had developed strong ideas on training, and also the welfare of the Explosive Detection Dogs. We often talked about his ideas and what he would like to have seen done to improve training and conditions, and I’m going to work as best I can to make sure Darren’s dreams come true.

Sapper Smith was on his first deployment. He has been awarded the Australian Active Service Medal with clasp, International Campaign Against Terrorism; the NATO Service Medal; and the Afghanistan Campaign Medal. He has also received the Return From Active Service Badge and the Australian Defence Medal.

I recently spoke with some engineers at an RSL congress. They made it very clear, with tears in their eyes as they spoke, and one man said: ‘Three sappers died. That dog Herbie was one of us.’ Sapper Smith’s dog, Sapper Herbie, a 3½-year-old collie-cross died alongside his handler. Last year a memorial within the grounds of the Australian War Memorial was unveiled as a tribute to all animals lost in war. Sapper Herbie joins a long line of animals which have also paid the ultimate sacrifice in a war zone.

The death of these fine young soldiers has touched all Australians. Their sacrifice will never be forgotten by this grateful nation. Their sacrifice should harden our resolve to defeat the insidious forces of international terrorism. Sappers Moerland and Smith’s names belong to
the ages, as will the names of three more fine Australians who died yesterday. We will indeed remember them. Lest we forget.

Mr HAYES (Werriwa) (5.25 pm)—It is with sorrow that I rise today to support the condolence motion moved by the Prime Minister concerning Sapper Darren Smith and Sapper Jacob Moerland. They were both members of the 2nd Combat Engineer Regiment, based in Brisbane. I and my colleagues on all sides of the parliament and, indeed, the nation are mourning the loss of these two brave soldiers.

I start by extending my deepest sympathies and condolences to both men’s families, their friends, their colleagues and their brothers in arms. Our prayers and thoughts are with them all at this dreadful time. Sadly, the opportunity to speak on this particular condolence motion comes only a day after another three Australian soldiers tragically lost their lives in Afghanistan and seven other servicemen were wounded, two of them very seriously. They were members of the Australian Special Forces contingent, which is based just outside my electorate at Holsworthy. This tragedy brings it very close to home for people in Western Sydney. Once again, I offer my thoughts and prayers to the families and friends of those who are only just now coming to terms with the loss of their loved ones so far away. I extend my best wishes to those who are injured and pray for their speedy recovery.

The attack on 2 June killed Sapper Smith and Sapper Moerland. Sapper Darren Smith was a dog handler and his dog, Herbie, was also killed. Dogs do an amazing job. Those of us who have had the opportunity to see them work in the military can attest to that. We all know the bond between us humans and our animals. However, I cannot imagine how close the bond would have been between a dog as specifically trained as Herbie and his handler, Darren Smith. It would have been very close. Again, this just adds to the tragedy.

These are very much tragic times for Australia and for the Australian Defence Force. These deaths take to 16 the number of Australian soldiers killed in Afghanistan since 2002. All these men paid the ultimate sacrifice. These deaths are a sobering reminder of just how difficult and perilous each day in Afghanistan is. Whilst their deaths come at a time when there is public questioning of our involvement in Afghanistan, it is important to remind ourselves just what our role is in that country. Our mission is necessary and vitally important. We know that we are up against a determined and dangerous enemy. You have only to watch the TV to see that firsthand. Each day our soldiers are working diligently alongside the United States and other allied NATO countries to ensure that Afghanistan does not return to being a breeding ground for terrorists, who we know are capable of striking anywhere in the world and at any time. Sadly, this includes Australians both at home and abroad. We are not free from this horror. More than 100 Australians have already lost their lives to terrorists in the last decade.

In question time today the Prime Minister reaffirmed our military position in Afghanistan. He said that that it was in our nation’s interest to stay on course despite the consequences we are currently facing. As difficult as it may seem during these horrific times, we must be firm and we must complete the mission we have set ourselves in partnership with our allies. I take this opportunity to reiterate the Prime Minister’s comments and those of the Minister for Defence about the outstanding work that our many fine men and women in the ADF are doing on our behalf. To them I say: I, along with the community that I represent in south-west Sydney, recognise and appreciate the tremendous work you do on our behalf. Your job comes with a degree of risk that, thankfully, most of us will never, ever have to face. I know it takes a spe-
cial kind of person and a special kind of courage to wear the uniform of the ADF. All Australians are truly indebted to the service and dedication of these young men and women.

We mourn the loss of these soldiers. On behalf of my colleagues, my family and my community, I would like to once more offer my sincere gratitude to them for their service and for the commitment they showed on behalf of our nation. My thoughts are with the families, friends and colleagues of those who have given their lives for our security. May they rest in peace.

Mr ROBERT (Fadden) (5.31 pm)—I rise to speak on the condolence motion for Sapper Darren Smith and Sapper Jacob Moerland, and to pass on my sympathies and support to Angela Smith and their beautiful little boy, Mason; and to Jacob’s fiancee, Kezia.

Sappers Jacob Moerland and Darren Smith from the Brisbane based 2CER, the 2nd Combat Engineering Regiment, died as a result of wounds sustained when an IED, an improvised explosive device, was remotely detonated on the morning of 7 June 2010, Afghanistan time. They were part of an Australian dismounted patrol conducting operations in the Mirabad Valley region of Oruzgan province. They were serving with the 1st Mentoring Task Force in Afghanistan, based around the 6th Battalion, the Royal Australian Regiment. Sapper Smith’s explosives-detection dog, Herbie, was also killed. They were two young soldiers, sappers and engineers.

Sapper Smith’s military career commenced as part of the Army Reserve, enlisting in November 2001, completing recruit training in January 2002 and then becoming part of 3rd Field Squadron in South Australia. He went on to become a combat engineer in 2004 and part of the Australian Regular Army, and he was posted to 1CER in Darwin in late 2004. Whilst at 1CER, he also successfully completed his explosives-detection dog handler course. He was subsequently posted to the 2nd Combat Engineering Regiment in January 2009. He had also completed his junior leader course in late 2008. His deployment with MTF1 to Afghanistan was his first operational deployment.

I still remember the first time I was deployed overseas on military operations; it was a mixture of much excitement as well as concern about some of the daunting things we would face. I have no doubt that Sapper Smith felt exactly the same thing, as well as incredible pride in the uniform he wore. When he looked at the left and right sleeves of his shirt, where velcroed on each arm was the Australian flag and the rising sun of the Australian Regular Army, it would have reminded him of why he served and who he served—his nation—and what he was part of.

Sapper Smith was deployed to Afghanistan in March 2010. As part of his deployment he received the Australian Active Service Medal with clasp International Campaign against Terrorism or ICAT, the NATO Service Medal and the Afghan Campaign Medal. He was also a recipient of the Australian Defence Medal. Sapper Smith leaves behind his beautiful wife, Angela, and a 2½-year-old son, Mason. They lived in Brisbane. He was 26 years old, born in Adelaide, South Australia. As I said, Sapper Smith’s dog, Herbie, a 3½-year-old collie cross to whom he was very close, was also killed in action.

Sapper Jacob Daniel Moerland enlisted on 9 July 2007. He completed his initial recruit training at 1st Recruit Training Battalion in late 2007. After a suite of combat engineering courses in 2008, he was posted to 2nd Combat Engineer Regiment in Brisbane. It was his first
posting as a combat engineer. Whilst there he went on to do a range of courses including protective mobility vehicle driving and combat first aid. Again, his deployment in January this year as part of Mentoring Task Force - 1 was his first deployment. As part of his tour he has been awarded the Australian Active Service Medal with Clasp, International Campaign against Terrorism (ICAT), NATO Medal and the Afghanistan Campaign Medal. He leaves behind his fiancée, Kezia, who lives in Brisbane. The young Sapper was 21 years old.

I met these two lads on a bright summer’s day in Oruzgan province. Dust was everywhere. The second Combat Engineering Regiment had a detachment there that they brought out to demonstrate for a few members of parliament—who were visiting and embedded in the combat zone for just short of a week—their equipment, the gear they were using, how they operated and how they moved around obstacles. I remember seeing the two lads, one of them with Herbie, his dog, demonstrating how they clear mines, how they moved about and how effective the dog was in working for the troops. They demonstrated their mine clearing equipment and how they detect mines.

They had a couple of their mates and I grabbed all their gear because they were saying the gear was ‘so heavy’. We talked about operational experience, what we have done and how much gear I used to carry in the paras. I grabbed their gear and chucked it on. I put on their MCBAS—their modular combat body armour system—and their webbing. I grabbed their rifle, ammunition and water and I grabbed their portable ECM. I tell you what; I was weighed down by 50 kilograms. These guys were right; they were carrying an enormous load.

Combat engineers were in enormous demand and desperately sought after by every formation on the ground because whenever the troops would go out with the MTF or whenever our boys were deployed they would desperately seek combat engineers. As they came to obstacles, corners in the road or areas where they could not see they would stop and prop, and the engineers would go out searching for mines—improvised explosive devices. These are devices that are difficult to see and that have little or no metal content. Here they were with their metal detectors looking for the thinnest of wires by which to discover the mines and to protect their fellow soldiers.

These two men were proud of their jobs. They were proud of the fact that they kept coalition soldiers alive. They did their job well. Even as we spent a brief 30 minutes, you could see the pride they had in their work and in what they did, the pride in which they kept their equipment and their vehicle always ready for deployment and they were certainly always working hard. The hardest working guys in Afghanistan, I am sure, are the engineering guys, the combat engineers, the EOD technicians and the like.

It is attributed to George Orwell that:

We sleep safe in our beds because rough men stand ready in the night to visit violence on those who would do us harm.

These two sappers were killed by a remotely detonated improvised explosive device, which meant that the Taliban insurgent who detonated it could see the target, waited until the men approached and then detonated the device. That should give the nation pause to think and should illuminate clearly the type of enemy we fight. This is not an enemy with any compassion or any compunction in destroying coalition forces, as they desperately seek their own extremist views of Islam and seek to impose that way of life upon the nation of Afghanistan.
We sleep safe in our beds here because of rough men like these two sappers, like the men of the 6th Battalion, Royal Australian Regiment, like men of the Special Operations Task Force and like men and women of all the ancillary forces that make up the combat force in the Middle East. We sleep safe in our beds because rough men and women stand ready in the night to visit violence on those who would do us harm.

Whilst it may sound a small statement, the sacrifice of these men is not in vain. They are a beacon of inspiration to others because they sought to provide a better future for the people of Afghanistan. They sought to provide freedom. They sought to provide a platform where little Afghani girls could go to school; where Afghan women were not brutally repressed and stuck in their homes; where violence was not the order of every day and where progress, freedom and aspiration could rein and grow. They sought to build a world where progress would come out of Afghanistan would not. They sought to build a world where infrastructure was the norm, where banking systems operate, where schools, retail establishments and opportunities in manufacturing could grow in Afghanistan. That is the world they went over there to try and build. That is the world they went over there to secure, to allow that world to be built.

These men stand tall as men who believed that all people, wherever they may live, should have the opportunity to live in a better world. They stand tall because they believed in a world free from violence, free from intimidation and free from oppression. It can only ever be a small comfort, but these men died doing what they loved; they served their country. They died with the Australian flag on their shoulder. As two highly professional, skilled and dedicated soldiers, they knew the great dangers—be under no doubt about that. They knew the great sacrifices required. They served in the great tradition of their country, knowing that the only way that evil prospers is if good men do nothing. They will never share a place with those cold, miserable souls who stand by in ambivalence. Their place is one of honour. They are universally saluted. And if freedom is indeed a sure possession of those alone who have the courage to defend it then may I say that Sapper Darren Smith and Sapper Jacob Moerland stand tall in this nation’s history as men with the courage to defend freedom.

The ancient warrior, statesman and king Pericles, who founded the Athenian nation 2½ thousand years ago and led that nation during the first two years of the Peloponnesian War, said:

What you leave behind is not what is engraved in stone monuments, but what is woven into the lives of others.

Lads, your families will not forget you. This nation will not forget you. Mason, you are only 2½ but one day you will read this, and you need to know that your dad was a deadset hero. And I will always remember that mild April day in Afghanistan when I spent half an hour with a couple of combat engineers who proudly showed me their gear and their drills and spoke with pride of their responsibilities keeping coalition troops alive. They truly epitomised the Aussie digger. They were young men—keen, on their first appointment—and I think they added to and made the Anzac name incredibly proud.

The DEPUTY SPEAKER (Hon. JE Moylan) (5.42 pm)—Before I call the next speaker, I may have to vacate the chair before this condolence motion is concluded, and I just want to say that it has been a very special privilege to be in this chair and to listen to the very heartfelt speeches of my colleagues on both sides of this chamber on the condolence motion for Sapper
Mr FITZGIBBON (Hunter) (5.43 pm)—I thank you, Madam Deputy Speaker, for your intervention, and I know your thoughts will be very much appreciated by the families, friends and comrades of those who we pay tribute to this evening. It is possible that I might have met Sapper Smith and Sapper Moerland. As defence minister, I of course had the privilege to meet literally hundreds of fine young Australians, so committed to their country as to be prepared to give their lives for their nation. Of course, I do not remember every face and name; that would be impossible. But it is certainly possible, having visited Enoggera Barracks on a number of occasions, that I did meet them. Of course, I do not have to remember their faces or their names to come to the conclusion that they certainly were very fine and brave Australians—their deeds speak for themselves.

I join with other speakers in extending my sympathies and thoughts to the family, friends and ADF colleagues of both Sapper Smith and Sapper Moerland. It is a very, very tragic time for the families and all who were close to these two brave Australians. I hope the fact that they died in service to their country somehow, at least over time, helps to alleviate the very great pain they are feeling today.

Yesterday we lost three more very brave Australians, this time not combat engineers but members of 2 Commando Company based at Holsworthy. Seven others were wounded in the same incident, some of them very badly.

While small when compared with the losses and injuries suffered by countries such as the US, the UK and Canada, the cost of the war in Afghanistan has been very significant for Australia. What always struck me as minister when I spoke with grieving family, friends and other serving personnel, but in particular parents, was that they found some comfort in the fact that their sons, brothers or husbands really believed in what they were doing, understood very clearly the risks involved and really believed they were making a difference.

I too believe they were making a difference. Indeed, I believe every serving member of the ADF in Afghanistan is making a real difference, in partnership with the members of the AFP and the civilian workers who are assisting. There should be no doubt in our minds that the longer we are in Afghanistan, and the more people we lose, the more difficult it will become to maintain the support for this campaign amongst the Australian electorate. So tonight I would like to remind the broader electorate of a couple of key points.

The 16 brave Australians who have given their lives in Afghanistan were not conscripts; they were volunteers. They were professional soldiers; indeed, they were very, very professional soldiers. I can confidently claim that every one of them wanted to deploy. They wanted an opportunity to serve their country. They wanted an opportunity to give effect to their training and the skills they had developed when doing that training. We should be in no doubt about that. They wanted to give effect to that training and to use those skills to make Australia and the globe a safer place in which to live and to work and to travel. They were conscious of the fact, and those who are still serving or might be about to serve are also conscious of the fact, that Australians died at the hands of fundamental terrorists. And they understand that there is a very direct link between what we are doing in Afghanistan and keeping Australians safe.
So I say: grieve for them, yes. Be grateful for them, yes. But understand that the greatest gift of appreciation we can give them is to finish the job, to see the mission through. What is that mission? That is my second message to the Australian people. We are in Afghanistan to play our part in an international effort to stabilise the war-torn country, to prevent it from again being a breeding ground and a launching pad for terrorists prepared to perpetrate their acts of terror right around the globe, including on our own doorstep and, indeed, including in our own country.

It is not a task that the US can or should shoulder alone, for many reasons. First, obviously that would not be fair. This is an international problem, the burden of which should be shared internationally. Second, even the US lacks the resources to undertake this task alone. Sure, the US has enormous resources which can be put to use in state-on-state conflicts, but not the resources necessary to deal with an insurgency and with asymmetric warfare such as we are facing in a place like Afghanistan, so large in its geography and so challenging in its landscape. Third, the ideological nature of this conflict insists that we have a united effort. It is so important that this be and continue to be an international effort—not the US versus the Taliban but the international community trying to make the world a safer place.

Our relatively small role—it is not unimportant; it is very important, but relatively small—is to assist in the training of the Afghan National Army in Oruzgan province. This is the very specific task the government has now given the ADF, for many reasons—in part to determine our end point in this campaign. While members of the Mentoring and Reconstruction Task Force are building an effective Afghan army, the Special Operations Task Group is disrupting and denying the enemy. Meanwhile, our people in uniform and our civilians alike help to build an economy, a justice system and, of course, a system of governance.

Sadly, the effectiveness of the work our people do will make only a relatively small difference in Afghanistan when compared to the critical decisions that are made and will be made in places like Washington, Brussels and, of course, Kabul. One right decision in those places and in those councils, of course, can be far more effective than any number of armies in their collective effort. I think that from time to time Australians and, indeed, members of the global community are entitled to be disappointed with some of those decisions, particularly some of the decisions that come out of Kabul itself. They are entitled to at times question the will and the determination of the Afghan government. I do not doubt or question the complexity of the issues faced by the government based in Kabul—there is no doubt that their task is a very, very difficult one—but Australians everywhere, I think, should focus their efforts more on doing what they can in a democratic process to put pressure on both us and other decision makers elsewhere to ensure that we have a strategy and a will to win. Of course, the definition of ‘win’ in this case is to be able to leave Afghanistan safe in the knowledge that there is a stable system of governance, that there is a justice system, that there are at least the beginnings of an economy—which is so critical to this outcome—and that the government there is sufficiently stable to resist any future attempts by organisations such as the Taliban to take back control of that country.

I also ask Australians to ask themselves: what would be the outcome of the international community suddenly withdrawing from Afghanistan? I suggest to you, Madam Deputy Speaker, to the parliament and to anyone else listening that it would lead to the greatest humanitarian disaster in the history of the globe as retribution is sought against those who de-
cided to, if you like, side with the international community in its efforts to stabilise the war-torn country.

We saw the refugee flow into Pakistan during the conflict between the Russians and the Afghans and, if you like, by proxy the United States of America. My belief is that that flow would look very small when compared with what you would see if the international community decided to suddenly withdraw from Afghanistan and the atrocities which would take place in that country would be potentially worse than anything we have seen in the past. So I say to the Australian people, even if you believe we should never have been in Afghanistan—and there is a good case, I am always happy to hear those arguments—we are in Afghanistan, the international community is in Afghanistan. If we do not finish what we began then there would be a terrible humanitarian disaster. In addition, there would be implications for places like Pakistan in particular which is, I remind people, a nuclear state, and it would embolden fundamentalists right around the globe. This idea of suddenly pulling out of Afghanistan would have very grave consequences.

On a similar theme, I would like to touch on something that has become part of the public debate in recent weeks—that is, the idea that the Australian legislature should play a greater role in determining when we go to war and how long we remain at war. This is an idea I absolutely reject for a number of reasons but two stand out fairly obviously. The first is that I am not sure what the technical definition of ‘war’ would be for the purposes of such legislation. War can stretch from a very fast intervention by special forces in, say, an unstable situation in the South Pacific, through to a short-term intervention—and when I say ‘short-term’ I mean something that escalates and de-escalates in a number of hours such as a maritime incident somewhere in our waters or beyond—through to the insurgency we are battling in places like Afghanistan and previously Iraq and right through to state-on-state conflict, God forbid. So there is a very key definitional issue and the reality is that in the majority of those cases there is no time for the legislature to gather and to deliberate on these very, very critical questions.

Secondly, and to me more importantly, is the folly of having such a debate in the legislature. When the National Security Committee of the Cabinet is considering putting people into harm’s way, there are a number of things it considers. First and foremost is the morality and necessity of the intervention. Another is the proportionate risk to our people—is the intervention worthwhile given the gravity or otherwise of the risks? Also very importantly is the prospect of success. There is not always a choice in existential threat situations when some of those choices are not with the National Security Committee of the Cabinet, but generally speaking they are. When assessing those things, a security committee does rely on some very sensitive information—information that is both critical to the decision-making process and that cannot be shared with the broader Australian community nor indeed the international community for obvious reasons. You cannot have a debate in the legislature without that information and you cannot have a debate in the legislature without therefore making that information known to the broader Australian community. It is unfortunate we cannot make that information available to the broader Australian community, but to do so would be to undermine and put at risk our efforts and indeed put at risk the lives of those who serve in the Australian Defence Force.

Some will say that many governments in Europe already have debates in their legislatures which determine these issues. Of course, some countries even have constitutional constraints

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upon them when making decisions about what they do or what they do not do in terms of military intervention. I acknowledge that, but I also ask people who put that argument to look at how effective that system has been in the conflict we are reflecting on this evening, Afghanistan, where European partners have been very constrained in the contributions they are able to make.

I have spoken with ministers from some of those countries. One minister even appealed to me in international forums to assist him to persuade his constituency of the merit of his country maintaining the course, maintaining its involvement in Afghanistan. That is an unfortunate situation, and I think the Westminster system has it right. It is a big ask, but it is appropriate for the Australian people and even the Australian parliament to put its faith in those who carry the very heavy burden of making these decisions. Of course, our Westminster system has a certain way of dealing with the people who make those decisions if they get them wrong.

I close by again extending my sympathies to the families of Sappers Smith and Moerland and reminding the families of all those who have gone before them, in Afghanistan and elsewhere, that we have not forgotten the deeds of their loved ones and, as a parliament and as a broader Australian community, we never will.

Mr BEVIS (Brisbane) (6.02 pm)—I rise, as with all other members, to express my condolences to the families of Sapper Moerland and Sapper Smith. The loss of a young person’s life is always something that we grieve for. When someone has lost their life in the service of their nation, there is a depth of emotion and feeling that we all in this country instinctively feel. When we in this parliament take decisions to send young Australians to places abroad and place them in harm’s way, we do not do it lightly but we do it knowing that we may well confront the tragic news that the nation confronted just recently, and again this week, with the loss of Australian lives in Afghanistan.

On a personal level, it is hard to imagine the impact it has on immediate family and friends. The troops are well aware of the situation they are entering. They are well trained, they are committed and they go there as volunteers to do a task for their nation. Whilst their family and loved ones understand that may be so, it nonetheless is a different comprehension to that of those in the service.

Last Saturday I attended the funeral service for Sapper Darren Smith at Ashgrove Marist Brothers, along with representatives from the local community, from his regiment and from both sides of parliament, including the Prime Minister and the Leader of the Opposition. As I was looking at the program for the funeral service, I noticed Sapper Smith’s date of birth. He was about three weeks younger than my second son. As I sat through the service I had great difficulty getting that thought out of my mind. As I left the service and for a good deal of the day, I could not help but place my thoughts, as a parent, on the question of how you would feel in that situation and then on the decisions that I have taken and supported in this parliament. It caused me to reflect quite seriously on those decisions I take here in this parliament.

Before I move to that I want to say something about the Smith family and about his comrades who were there at the funeral service. Sapper Smith’s wife provided perhaps the most touching moment of the entire service when she bent over to kiss the flag across Sapper Smith’s coffin. Just thinking about it makes the hair on the back of my neck stand up; I certainly lost my composure at that point during the service. She is clearly a wonderful lady who was deeply loved by Sapper Smith, and they have a wonderful son, who was very boisterous.
and—perhaps happily—at this point in time does not fully comprehend what has happened. Sapper Smith’s dad was also at the funeral and spoke with great pride about his son’s commitment to the Australian Defence Force.

It was equally moving to see the commitment of the members of the regiment who were there. One of the close friends of Sapper Smith—he had been best man at the wedding and provided one of the eulogies—in a very genuine way expressed the sentiment of many from his regiment as he pledged to look after the interests of Sapper Smith’s widow and child in the years ahead. I have no doubt that he and the others will do just that, as would Sapper Smith’s father, who spoke at the funeral service. These are difficult times for the family, and we cannot underestimate that. Frankly, we cannot pretend to comprehend it, even though we may have witnessed it at close quarters.

Those of us who are in this parliament share some of the responsibility for the determinations of policy like this. I stand here as a person who was very strongly and very publicly opposed to our invasion of Iraq. I think that was an enormous miscalculation by all involved. I also stand here as someone who is equally committed to our participation in Afghanistan, where, indeed, I believe we should have been from the start. I mentioned earlier that the events at that funeral made me reflect throughout that day on the decisions and public stances I have taken. I can stand here and say that, having gone through that reflection, I do believe it is important for Australia to be in Afghanistan. I do believe it is important that we establish a form of law and order in that part of the world, not simply because there may be some benefit to those who live in that country—although there will be—but out of, if you like, our selfish national interest, our regional interest and our global responsibilities.

Afghanistan has been home to some of the key fundraising and training activities of those who would export random violence. Indeed, Australians have been victims of it. The Australians who died in Bali were victims of those who had been supported, trained, aided and abetted by the activities allowed by the lawless situation that operated in Afghanistan. It is not coincidence that in the border territory between Pakistan and Afghanistan we see some of the most heightened fighting in the war against non-state terrorists. It is in the region’s interests to ensure stability there. It is definitely in the global interest to ensure stability on that border and to support the democratic government development within Pakistan. It is in the interests of countries such as the Philippines, Indonesia and Australia to put an end to a haven where terrorists can train with impunity, can raise money and can export their terror to anywhere on the globe they wish. Looking over the last decade, there is no doubt that Afghanistan has been a key part of that. It is important that we stabilise that area.

As the member for Hunter commented, some of the NATO nations in Europe have failed to fully take on their responsibilities in these matters. That is a cause for great regret. At the end of last year I had the opportunity to lead an Australian parliamentary delegation to the NATO assembly, where many of these matters were discussed in public and in private. It is true that some of those countries are deeply divided. Some people actually came to the Australians and asked us to talk to other members of their own parliamentary delegation about these matters, which was quite peculiar.

Without stability in Afghanistan and that part of the world, there is no doubt in my mind that we will confront another Bali, we will confront another attack on our embassies in our
region and we will see in other parts of the world similar acts of mindless terrorism perpetrated.

The sacrifice of Sapper Moerland and Sapper Smith has been in the cause of our security here in Australia, the security of Australians abroad, the rule of law in Afghanistan and respect for human rights throughout this globe. Australian troops have had a very proud tradition of upholding those principles from the early days of Australian nationhood. Sapper Moerland and Sapper Smith are without doubt now held in the highest regard in that great tradition.

I want to make one other comment about the work they did. It takes a special sort of person to be in the military. It takes an even more special person to do the work they were doing. Dealing with unexploded ordnance, as they did, really does take a different set of nerves. You have to have a different mindset to do the work they did, and yet they did it with great joy, as was shown by some of the photos displayed at the funeral of Sapper Smith. There was one photo of Sapper Smith and Sapper Moerland together with their dog. They were obviously enjoying the work they were doing in providing safety to people around them, including their own troops and the villagers. It is a special person who does that sort of thing, and they deserve particular mention for that.

On behalf of all my constituents in Brisbane, who are so familiar with the military—we have got a long tradition with the Enoggera Army barracks, the Gallipoli Barracks—I extend to the bereaved families our very deep and sincere condolences. Especially because these two sappers were based at Enoggera and were Brisbane’s own, we feel it deeply.

Ms MARINO (Forrest) (6.13 pm)—I rise to speak on the condolence motion for Sapper Smith and Sapper Moerland. I offer very sincere condolences and sympathy to their families, their friends and their ADF colleagues. They were indeed fine, brave young men. We know that our Australian ADF members are held in great regard right around the world and have been throughout our history as a nation, and rightly so. We need to acknowledge these two young men with the absolute greatest respect.

I have received a letter from the Returned and Services League of Australia sub-branch in the town of Bunbury in my electorate. They have written to me and said:

The RSL Sub-Branch Bunbury, WA, would like to pass on our condolences to the families, friends and service comrades of Sappers Darren Smith and Jacob Moerland who were killed in action in Afghanistan.

We feel for them, as in the Army, we are all one family and their deaths have a great effect on all their comrades past and present.

These young men joined the Australian Defence Force to protect and serve their country and have paid the ultimate sacrifice and deserve and receive our highest praise and respect.

Although Bunbury is a quiet little town we have received numerous calls from our members and the public in regards to this tragedy, offering condolences and at the same time supporting our serving troops. There will be no repeat of the shameful way our Vietnam Veterans were treated and their memories tarnished.

We have local members who are ex Engineers, and they keenly feel the deaths of Sapper Smith and Moerland as comrades as it revives memories of the mates they lost during their service.

Our local member and President for many years, Mr. Ross Stewart, made the following comments: “As a Sapper going to Vietnam part of our training included the technique of mine detection and booby traps...”
and how to deal with them. Dealing with the reality of losing a mate (who, one has trained with) has life long memories of sorrow and not being able to rectify these occurrences and others, one never forgets”.

I believe these will be the sentiments and feelings of the comrades of Sappers Smith and Moerland. Again can I offer our greatest condolences and thoughts. We ask that these families are able to find the strength to deal with what they have to deal with. Not just now but throughout their whole lives they will remember this. To Sapper Smith’s wife and son and to the parents and families, we say: our deepest condolences. From Trevor Kenny, the President of the RSL in Bunbury, I do the same. I know the Bunbury RSL members would like me to say that they will be remembering these two young men on Anzac Day, and they would like me to say:

They shall grow not old, as we that are left grow old:
Age shall not weary them, nor the years condemn
At the going down of the sun and in the morning
We will remember them.

Mr COMBET (Charlton—Minister for Defence Materiel and Science and Minister Assisting the Minister for Climate Change and Energy Efficiency) (6.17 pm)—This is a very difficult time for the Australian Defence Force, with five casualties in the last two weeks and seven wounded, taking the toll for the ADF in Operation Slipper in Afghanistan now to 16 personnel having been killed in the course of their duty and no less than 134 ADF members wounded. It is an extremely important operation that the ADF is involved in, in partnership with our allies in the International Security Assistance Force led by NATO. Of course, we must not lose sight of the fact in these particularly tragic circumstances of the purpose of the mission. I know a lot of members have spoken in relation to it, but we must not lose sight of the fact that the ADF and Australia are involved with our allies in Operation Slipper as a contribution to fight international terrorism. The intention, the objective, is to bring security and stability to Afghanistan to prevent it from again becoming a haven for international terrorists.

I wish, of course, to add my deep sorrow at the deaths of Sapper Jacob Moerland and Sapper Darren Smith on 7 June this year. Before I speak further about them, I would like to refer to the news yesterday, as announced by both the Chief of the Defence Force and the Minister for Defence, Senator Faulkner, of three Australian commandos from the Special Operations Task Group having been killed and seven Australians wounded in an ISAF helicopter crash in southern Afghanistan. An ISAF civilian interpreter travelling with the Australian group was also wounded in that helicopter incident. One of the ISAF aircrew was also killed and three ISAF aircrew wounded. ISAF has now confirmed that the aircrew were US service personnel. The Australian government and I as a member of parliament extend our sincere sympathies and condolences to the families and friends of the aircrew member killed in this incident and our sincere regard for those members of the services of our partner nations in Afghanistan who were wounded in this incident. As Senator Faulkner has indicated on a number of occasions today, two of the Australian wounded are very seriously injured, one is in a very serious condition and four are currently in a satisfactory condition. Some, and possibly all, of the injured personnel are expected to be transferred to the health facility in Germany and, hopefully, will return to Australia in the very near future.

That incident follows closely on the circumstances of the casualties experienced in relation to Sapper Jacob Moerland and Sapper Darren Smith on 7 June. I was the acting defence minister at the time, Senator Faulkner being overseas, and in my capacity as Minister for Defence...
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Materiel and Science

I express my deepest sympathies to the families and friends of those men during what is obviously a terribly grief-stricken period of time. In particular, I would like to offer my condolences to Sapper Smith’s wife, Angela, his very young son, Mason, and his father, Graeme. I would also like to extend my sympathies to his extended family and friends and mates in the ADF. I would like to express my condolences to Sapper Moerland’s mother, Sandra, father, Robert, and sisters, Bethany and Laura, and his fiancée, Kezia. I also offer comfort to his extended family, friends and comrades in the ADF. I have had the privilege of meeting many men and women of the ADF and I am always, as I think all members in this place are, impressed by their professionalism and courage. Of course, the circumstances in Afghanistan demand every bit of professionalism and courage.

Sapper Smith, whose life and service we are honouring in this condolence motion, was aged 26. He was known as a very brave and dedicated soldier, committed to serving the nation. Over the period of time since 7 June, I have heard how Sapper Smith was a very loving husband and father and a quite remarkable person. He was very passionate about his job, putting others first, whether it was his friends in the Army or at home with his family and friends. He joined the Army Reserve, enlisting on 29 November 2001, and completed recruit training in January 2002, serving as part of the 3rd Field Squadron, South Australia. Sapper Smith went on to complete his combat engineer suite of courses in 2004 and became part of the Australian Regular Army. He was then first posted to the 1st Combat Engineer Regiment in Darwin in October 2004. He successfully completed his explosive detection dog handler course, I understand, in December 2006.

Sapper Smith was posted to the Brisbane based 2nd Combat Engineer Regiment in January 2009. He was a popular and valued member of the regiment and the Army, from all reports of his mates. He completed the junior leader course in November 2008. His deployment as a part of the 1st Mentoring Task Force, Afghanistan was in fact his first operational deployment, deploying in March this year. I was at Enoggera on that particular occasion when the troops were farewelled.

Sapper Smith was part of an Australian dismounted patrol conducting operations in the Mirabad Valley region of Oruzgan province at the time of his tragic death. As part of his deployment, he has been awarded the Australian Active Service Medal with the International Campaign against Terrorism clasp, the NATO Service Medal and the Afghanistan Campaign Medal. He has also received the Australian Defence Medal. On 7 June, when this incident occurred, Sapper Smith was tragically killed as a result of wounds sustained when an improvised explosive device detonated whilst he was on operations in the Mirabad Valley. The same blast, as has been widely reported, also claimed the life of Sapper Smith’s explosives detection dog, Herbie, with whom he obviously had a very special relationship.

Tragically, the IED also claimed the life of Sapper Jacob Moerland. Sapper Jacob Moerland was also a very loyal soldier, committed to serving this country and helping the people of Afghanistan. His passion and dedication to his service exemplifies again the courage and professionalism of those serving in the ADF. Sapper Moerland was only 21 years old. He was born in Cairns, joined the Army in 2007 and completed his initial recruit training at the 1st Recruit Training Battalion. After completing driver and combat engineer courses in May 2008, Sapper Moerland was posted to the 2nd Combat Engineer Regiment at the Gallipoli Barracks, Enoggera, in Brisbane. He was deployed for his first tour of duty to Afghanistan in January this
year and was serving as a member of the 1st Mentoring Task Force at the time of his tragic death. Sapper Moerland has been awarded the Australian Active Service Medal with the International Campaign against Terrorism Clasp, the NATO Medal and the Afghanistan Campaign Medal. On 7 June Sapper Moerland was tragically killed by the improvised explosive device during the dismounted patrol while conducting operations in the Mirabad Valley region of Oruzgan province, where the Australian Mentoring Task Force is active. I am sure that someone so young will be very sadly missed by his family and his fiancee, Kezia.

This particular incident, as has been reported, was the nation’s first multiple combat fatality since the Vietnam War, almost four decades ago. How tragic it is that, only a very short period later, we have experienced the losses that the ADF experienced yesterday. But, as we remember Darren Smith and Jacob Moerland and fully contemplate the tragedy of the last 24 to 36 hours, I think the community is understanding the danger and the courage required to meet that danger that the ADF is facing in Afghanistan. All of us in this chamber know that we are in Afghanistan engaged with the international community in an extremely challenging campaign, and our troops in Afghanistan are doing a wonderful job in extremely difficult circumstances. Sappers Smith and Moerland died serving this country and they are owed a very special debt of gratitude that can never be repaid. Our thoughts, and my thoughts as a minister in the portfolio, are with the 2nd Combat Engineer Regiment, who are mourning the loss of these two comrades. Today, as we offer our sympathy and support to Darren Smith’s and Jacob Moerland’s families and friends, we say to them that we have not forgotten and we will not forget the very brave Australian soldiers that we have lost in this fight against the Taliban, but we retain the resolve to see the objectives of this mission achieved.

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (6.29 pm)—I thank my colleague the Minister for Defence Material and Science for his comments and I thank those who contributed before me. We gather again in unity in what has been a very heavy week in the life and history of this nation, where we have farewelled yet more proud sons of the Australian Army and of this country. Sapper Darren Smith and Sapper Jacob Moerland are the 13th and 14th fatalities respectively whom we commemorate and farewell tonight, and we offer our condolences to their families. These were two proud Australian soldiers, two proud engineers, sappers, who were members of a proud unit, the 2nd Combat Engineer Regiment, which I was privileged to work with in my time with the 1st Division at Gallipoli Barracks, Enoggera, and I know that you, Mr Deputy Speaker Bevis, know that unit very well and the life at that barracks very well.

We also farewell Sapper Smith’s explosives detection dog, Herbie. It is important to recognise what a close bond the sappers form with those dogs. In my own region, we have the experience of Sapper Peter Lawlis, who lives in Bredbo, who lost his dog, Merlin, over in Afghanistan. Just recently we were able to bring back the remains of Merlin, which formed a very important part of giving peace of mind to Sapper Lawlis. It is important to note just how close a bond they form in performing the dangerous work that they do.

We have heard the biographies of the two proud ADF members and about their families, so I do not propose to go back over those details. I am proud to note that Sapper Smith commenced his military service in the reserves, though, and went on to the regulars. We do have a wonderful record of people moving in and out of the regulars and reserves and rendering their service, and there have been members from the reserves lost in the conflict in Afghanistan.
Their records of service were exemplary and they were doing incredibly important work—and I will come back to that.

I think members on both sides of the House do experience what the costs of these operations are when they attend the ramp ceremonies and the funerals and meet the families of ADF members. Neither side of this chamber runs away from the responsibility and the cost of these conflicts. What has struck me so much in these experiences has been the universal comments that we get from the families—that these members were passionate about their careers, passionate about the Australian Army and the Australian Defence Force and passionate about the work they were doing in Afghanistan, and that they had a firm belief in what they were doing in Afghanistan. The support that the families gave to those members and continue to give in their memory shows that they understand that their passion was for their job, and they understood that commitment, and none of them have resiled from that in the conversations that I have had with them or that they have had with other members of the chamber at those services or in subsequent contact with them. I think that is an important thing to note.

All of the members of the Defence Force that I talk to on a regular basis who are deploying to, coming back from or even redeploying to our theatres of operation in Afghanistan do remain 100 per cent committed. I have not heard a single person voice any concern about that commitment. They do feel that we need to see the job through there. It is an important point to note, I think, because whenever these casualties occur we do re-examine the nature of this conflict and our continuing commitment to it, and it is right that we do so. As we pay this cost, we need to re-examine whether it is worth that cost.

As I mentioned, we have heard in great detail about the character of these two ADF members, and fine members they were. We know that they were from the proud 2nd Combat Engineer Regiment, which has an incredible history itself. Its members having served as field companies through the First and Second World Wars and then gradually evolved into squadrons, they are now a combat engineer regiment. It is the 2nd Combat Engineer Regiment that gave us the Joint Incident Response Unit as well, which helps us to respond to incidents of chemical, biological or radiological threat.

The work of our engineers is quite diverse, and people need to know, I think, just how incredibly professional you have to be to follow a career as an engineer—a combat engineer in particular. These are people who do incredibly difficult, dangerous, strenuous and risky work, and the training leading up to this is also incredibly risky, strenuous and dangerous. Their main roles of course are to provide mobility and clear the way for the Australian Defence Force; to deny mobility to the enemy; to prepare field fortifications; to assault enemy field fortifications; and to deal with the modern risks emerging from chemical, biological and radiological threats. So they do perform incredible work. It requires nerves of steel to do some of the tasks that they do. In particular, this explosives detection work with dogs clears the way for their colleagues and clears the way for the civilians in Afghanistan and other people and agencies performing such great work there.

I guess people recently have had access to some of the nature of the work that is involved in dealing with these insidious improvised explosive devices through the portrayal in the film *The Hurt Locker*. But it is as well to note that that film portrays those who deal with devices that have already been discovered, and that the work of these sappers is to actually go out there to find those devices. That is incredibly strenuous and dangerous work.
Our 2CER, and engineer personnel generally that have served in Afghanistan as part of the engineering task unit in the 1st Mentoring Task Force, perform a number of tasks. It is important that we note those tasks. As part of the overall mobility and survivability support, they do route clearance; predominantly, as we have seen, in the case of this explosive ordnance, they search for and detect but also dispose of these devices. They also do limited construction tasks including maintenance at patrol bases. They have also been involved in the establishment of the trade-training school in Oruzgan province and provide training as part of that school. Also they are involved in the mentoring of the Afghan National Army’s engineering capability. So they do perform a broad range of tasks that aid both our security mission and also the capacity building in Afghanistan that is so important as the focus of this government’s strategy in Afghanistan.

It is important to note that we do have a strategy in Afghanistan. That strategy is to train the 4th Brigade of the Afghan National Army to a high standard, and then to hand over to that brigade. That will then be the trigger for the withdrawal of our own military component. Obviously, Afghanistan is a long work in progress. It is probably not ever going to look to us like a Jeffersonian or Westminster democracy, but we do need to continue to endure, to work towards an acceptable state of affairs there where we have a reasonable state of rule of law and good governance, and that will take many, many years of engagement on different levels. But our military engagement is pegged, clearly and distinctly, to this strategy of creating the Afghan capacity.

One of the threats, of course, that we face is these improvised explosive devices. They have been an insidious threat which has been indiscriminate and has caused many, many civilian casualties—in fact, more civilian casualties than military. And it is important to note that we have our own Counter Improvised Explosive Devices Task Force, which has done such great work over the years. We will leave no stone unturned in research and development, cooperating with other countries that are dealing with these threats, our allies and close friends, to find ways to counter these devices. We have also learned to use these situations to learn more about the threat elements and the enemy through our weapons technical intelligence teams that analyse these situations in great detail.

The situation in Afghanistan, though, is a complex and difficult one, and it is one that I know gives grave concern to the public. But it is important to stick with this task. We face a threat from these Islamist extremists. I know we have the member for Wentworth here with us today, and he understands this full well and has been very strong in his confrontation of, and support for causes countering, Islamist extremism. If we were not to fight this threat in Afghanistan then we would have to fight it closer to home. We were fighting it closer to home. We were suffering casualties as a result of what was emanating from that ungoverned space in Afghanistan.

The Islamist extremists are like some very virulent, parasitic pestilence that seeks out ailing states or ungoverned spaces to exploit, from which to launch their operations against the West, against democracies, and against the voices of tolerance, reason and moderation, even within their own religion. And it is worth noting that the overwhelming number of casualties of Islamist extremists have, in fact, been Muslims—Muslims that they wage war on, on a daily basis, in places like Kashmir, and in Iraq and Afghanistan.
But we are committed to this task to deny them that safe space—to deny them that ungoverned space in Afghanistan—and we will stick to that task. I know that the Australian steel spirit of sticking to a long-range task which carries some pain and some sacrifice will see us through to that point. We will stick by the international community, which is of a like mind in adhering to this, but we will also leave no stone unturned to try and find methods to better protect our people. In the budget we have committed a further $1 billion to that effort, so further research and development will go on towards looking for protective technologies and protective equipment for our personnel.

Tonight we say goodbye to these two, to Darren and to Jacob. Darren and Jacob understood extremely well the nature of their tasks and what they were contributing to Afghanistan and to our effort there. They have written in their own way very special pages in a proud, proud history of this Australian Army and this Australian Defence Force. Having written those pages, they will long endure in our memories and in the history of this country. I salute their service. I salute their families’ support of and goodwill towards the other members of the unit and the nation’s commitment. The commitment of those families is also something that we should continuously remember. We look forward now also to dealing with the further improvements that we seek to achieve in Afghanistan and to building on the sacrifices that have been made by these wonderful members of our Defence Force.

The DEPUTY SPEAKER (Hon. AR Bevis)—I understand that it is the wish of honourable members to signify at this stage their respect and sympathy by rising in their places.

Honourable members having stood in their places—

The DEPUTY SPEAKER—I thank the Committee.

Mr MELHAM (Banks) (6.42 pm)—I move:

That further proceedings be conducted in the House.

Question agreed to.

CRIMES AMENDMENT (ROYAL FLYING DOCTOR SERVICE) BILL 2010
Second Reading

Debate resumed from 2 June, on motion by Mr Brendan O’Connor:

That this bill be now read a second time.

Mr KEENAN (Stirling) (6.42 pm)—I rise to speak on the Crimes Amendment (Royal Flying Doctor Service) Bill 2010, but I do so at the conclusion of the condolence motion for Sapper Jacob Moerland and Sapper Darren Smith, and I too would like to add my condolences to the words of the previous speakers and acknowledge that they have paid the ultimate price for serving their country. All of us in the Australian parliament salute their service and send our condolences to their families.

I will move to the bill. The Royal Flying Doctor Service of Australia is one of the largest and most comprehensive aeromedical services in the world. The service delivers extensive primary health care and 24-hour emergency service throughout all of Australia. Notably, today the Royal Flying Doctor Service has a fleet of 53 aircraft operating from 21 bases across the country, flying the equivalent of 25 round trips to the moon in any given year. It provides medical assistance to over 270,000 Australians every year. That is one person every two minutes.
The Royal Flying Doctor Service has come a long way since its first flight in 1928. That was the year in which the Royal Flying Doctor Service was born. The service began as a dream of the Reverend John Flynn, a minister with the Presbyterian Church. He witnessed the daily struggle of pioneers living in remote areas where just two doctors provided the only medical care for an area of almost two million square kilometres. Flynn’s vision was to provide a mantle of safety for these people. On 15 May 1928, his dream became a reality with the opening of the Australian Inland Mission Aerial Medical Service, which was later renamed the Royal Flying Doctor Service, in Cloncurry, in Queensland.

Over the next few years, the Royal Flying Doctor Service began to expand across the country. By the 1950s, the Royal Flying Doctor Service was acknowledged by former Prime Minister Sir Robert Menzies as ‘perhaps the single greatest contribution to the effective settlement of the far distant country that we have witnessed in our time’. The RFDS and the contribution of the Reverend John Flynn are commemorated on the Australian $20 note, something I am sure all members would be familiar with.

The Royal Flying Doctor Service has become a very proud symbol of the Australian spirit. You do not need to look far to find examples of individuals and communities taking pride in their involvement with the Royal Flying Doctor Service. Only last month, the Far North Queensland town of Mareeba was announced as the new home of the Queen Air plane, a long-retired member of the RFDS fleet. The Mareeba community have welcomed the news and have expressed how proud they are to be part of the history of an organisation that so many times has meant the difference between life and death for the people of regional and remote Queensland.

This bill deals specifically with the medical chest service. A good example of how this works in practice is detailed on the RFDS website, as follows:

A worker on a cattle station or exploration camp has an eye infection. It isn’t serious enough for an evacuation flight but it needs treatment. The station is 200 km from the nearest doctor or nursing post so a long road trip would be required to have it seen to.

If there is a medical chest at their location, the worker can call the RFDS on our medical advice line and ask for medical assistance. The call would then be transferred to an RFDS doctor, who will speak to the patient and diagnose the condition over the phone. The doctor will then prescribe a drug from the chest, for example, number “134” antibiotic eye drops, and give the patient instructions on what to do.

At the end of the phone consultation, the doctor will also provide the patient with a consult number which is needed to re-order the drug once it has been used.

This scenario is also applicable to emergency situations. In the event of something serious like an amputation, crush injury or severe burn, medical chest custodians have access to RFDS doctors who will assess the situation via phone, prescribe appropriate pain relief and/or other medication, and arrange for an aeromedical evacuation if necessary.

According to the RFDS website, ‘medical chests contain a range of pharmaceutical and non-pharmaceutical items’, and a large number of the latter are prescription-only items. The use of prescription-only items is subject to direct consultation with a Royal Flying Doctor Service doctor, and it is the doctor’s responsibility to correctly diagnose and prescribe. Only authorised, registered custodians are permitted to manage medical chests, and they are encouraged to have completed a senior first aid certificate. The Royal Flying Doctor Service emphasises
that extreme care is taken to prevent illicit access to the medical chest, and in some circumstances the medical chest can be forfeited.

The RFDS receives Commonwealth funding to replenish chest items free of charge to remote locations where there is a duty of care to the public, such as outback schools, nursing posts, Indigenous communities and roadhouses. The RFDS is responsible for 3,000 medical chests throughout Australia. The chests were, up until the beginning of this year, replenished by delivery through Australia Post because many of the locations were too remote to be serviced by couriers or other transport networks. As a result of the cessation of deliveries, some medical chests have been left without essential supplies.

This bill therefore addresses what is an urgent amendment to ensure that emergency medicines are available to treat serious illness or injury in remote parts of Australia. It will amend section 85W of the Crimes Act 1914 to insert an exception to the offence of ‘causing narcotic substances to be carried by post’ for Australia Post and the Royal Flying Doctor Service and their officers, employees, agents and contractors.

The exception ensures that those organisations may arrange for the carriage of medicines by Australia Post for the purpose of enabling the Royal Flying Doctor Service to administer medicines through its medical chest program. The bill also replaces the reference in section 85W to a ‘controlled drug’ or a ‘controlled plant’, within the meaning of part 9.1 of the Criminal Code Act, with the reference to a ‘prescribed narcotic substance’ within the meaning of the Customs Act 1901. This exception addresses the repeal of that definition in 1990 and ensures that the offence has similar coverage to the domestic drug offences in the Criminal Code and to the original section 85W offence.

The purpose of the amendments in this bill is to insert a further exception to the offence in section 85W for bodies, persons or their employees, or others providing services for and on their behalf, prescribed in regulations who arrange for the supply of medicines to remote locations for the purposes of, and in accordance with, a program prescribed in regulations. The amendment will enable prescribed persons and bodies to arrange for the provision of vital medicines to remote Australian communities, utilising the delivery of services of Australia Post in certain circumstances.

As an aside, I think it is worth mentioning that next month a group of Australians will take part in the Royal Flying Doctor Service Outback Trek to help promote the hard work of the men and women of the Royal Flying Doctor Service. The 12-day trip will leave from Melbourne and travel to Broome, across the Kimberley and on to Darwin. Those involved will see firsthand the good work that the Royal Flying Doctor Service does each day right across Australia. The opposition wish them very well on their tour and we hope that it is a success.

In conclusion, the medical chest provides what the Royal Flying Doctor Service describes as a ‘mini pharmacy’ to many remote locations throughout Australia. The medical chests undeniably provide an invaluable service and also provide enormous comfort to those living in remote locations. The coalition wholeheartedly support the good work of the Royal Flying Doctor Service and, therefore, we support the passage of this bill in order for it to continue its efforts.
I understand there were to be some other speakers in this debate, but they do not appear to be in the chamber. I will conclude by quoting the words of the Reverend John Flynn, whose proud work founded the Royal Flying Doctor Service:

Do not pray for tasks equal to your powers; pray for powers equal to your tasks.

On that note, I commend the bill to the House.

Mr MELHAM (Banks) (6.52 pm)—I am happy to speak on the Crimes Amendment (Royal Flying Doctor Service) Bill 2010. The explanatory memorandum points out what this bill is about. It amends section 85W of the Crimes Act 1914 to insert an exception to the offence of causing narcotic substances to be carried by post for Australia Post and the Royal Flying Doctor Service Australia and their officers, employees, agents and contractors. The exception will allow those organisations to arrange for the carriage of medicines by Australia Post for the purposes of enabling the RFDSA to administer its medical chest program.

Section 85W provides for an offence of intentionally causing to carry by post an article that consists of, encloses or contains a prescribed narcotic substance within the meaning of the Customs Act 1901. The definition of ‘prescribed narcotic substance’ in the Customs Act was repealed by the Customs and Excise Legislation Amendment Act 1990. Due to an oversight, the effect of that repeal on the operation of section 85W was not taken into account and the reference in section 85W was not updated. The bill amends section 85W to give effect, as closely as possible, to the original policy intention behind the offence in section 85W, when it was introduced, by referring to ‘controlled drugs’ and ‘controlled plants’ within the meaning of part 9.1 of the Criminal Code Act 1995. Because ‘carried by post’ is defined in section 85E to mean ‘carried by or through Australia Post’, the offence in section 85W applies uniquely to persons, including employees of Australia Post, who arrange for the delivery of certain pharmaceuticals through Australia Post.

The RFDSA administers the RFDSA medical chest program, which provides a range of pharmaceutical items, including pain relief drugs such as pethidine and morphine, which enable emergency treatment to be given to people in rural and remote areas. The RFDSA and its agents supply and maintain approximately 2,600 medical chests across Australia, including those located in national parks, remote homesteads, pastoral stations, Aboriginal and Torres Strait Islander communities, outback schools, mines and mining exploration sites. The RFDSA regularly reviews the contents of the chests to ensure relevance and currency of pharmaceuticals.

Until recently, medical chests were distributed utilising Australia Post. However, section 85W makes it an offence for Australia Post or the RFDSA to arrange for the distribution of pharmaceuticals containing prescribed narcotic substances. Delivery services in relation to certain pharmaceuticals ceased following the discovery in early 2010 that this practice contravenes section 85W of the Crimes Act. The government understands that there are no viable alternatives to Australia Post for supplying medicines for the RFDS medicine chest program. Australia Post is the only delivery provider servicing many remote locations; consequently, a number of medical chests in remote areas are depleted or carrying out-of-date stock. That is why the amendment is required. It will address the risk of emergency medicines not being available to treat serious illness or injury in rural and remote areas of Australia. The explanatory memorandum sufficiently outlines the purpose of this amendment bill.
The Royal Flying Doctor Service provides a wonderful service. It currently operates in my electorate out of Bankstown Airport, although after the next election I will lose Bankstown Airport as it goes into the seat of Blaxland. I have visited the airport and the facilities that the Royal Flying Doctor Service uses. What people do not see at times is the cooperation on both sides of the House in relation to technical amendments and so on. Both sides come together and amendments are facilitated. Too often we are labelled with the vision of question time, which is worse than kids mucking up in the school playground, and both sides are guilty of that. This is an important amendment, because it is not a situation—

Mr Pyne interjecting—

Mr MELHAM—I want to make Mr Pyne suffer! I had to wait till he came; now he can listen to me for at least a while. I understand this is something that the opposition support. It is not contentious. It is a technical amendment. Whoever is in government, these things are discovered and they need to be rectified. It is nothing for the general public to be worried about. I commend the bill to the House.

Mr SNOWDON (Lingiari—Minister for Indigenous Health, Rural and Regional Health and Regional Service Delivery) (6.58 pm)—I thank my colleague the member for Banks for his sterling contribution to this discussion. I also thank the member for Stirling for his indication that the opposition supports the Crimes Amendment (Royal Flying Doctor Service) Bill 2010, and I thank all those people who contributed to the debate.

Honourable members interjecting—

The DEPUTY SPEAKER (Mr AJ Schultz)—It is good to see some joviality in the Main Committee, but the minister has the call.

Mr SNOWDON—This bit of legislation is quite important. It was a discussion between my office, Minister Conroy’s office and Minister O’Connor’s office that led to this piece of legislation. I thank Minister O’Connor for putting it into the parliament.

The Medical Chest Program to which the bill referred initially enables Royal Flying Doctor Service medical practitioners to provide people in rural and remote communities with vital medication, including pain relief for those requiring emergency evacuation. The program has operated since the 1930s and provides great comfort to those living in the outback. The amendments in this bill will enable Australia Post to resume its services in delivering the vital medicines contained in these medical chests by ensuring that these services do not fall within the scope of the offence of ‘causing narcotic substances to be carried by post’. The bill also makes a necessary amendment to the offence itself. The amendment will provide that the offence applies to the ‘controlled drugs’ and ‘controlled plants’ listed in part 9.1 of the Criminal Code rather than to ‘prescribed narcotic substances, within the meaning of the Customs Act 1901’. This amendment will correct an oversight that meant that the offence provision continued to refer to a definition that was repealed in 1990. It is designed to give effect, as closely as possible, to the original policy intention behind the offence in section 85W.

I will move amendments to the bill which I will outline more comprehensively during the consideration in detail stage. These amendments will insert a further exception to the offence in section 85W for conduct engaged in by a prescribed person or body for the purposes of the prescribed program for the supply of medicines to remote communities. The amendments are necessary as other organisations were identified after the introduction of the bill—to wit, the
Northern Territory government—that may also require an exception to the offence. The measures in the current bill and as amended will remove impediments to the lawful supply of vital medications to rural and remote Australia. I thank members once again and commend the bill to the House.

Question agreed to.
Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr SNOWDON (Lingiari—Minister for Indigenous Health, Rural and Regional Health and Regional Service Delivery) (7.01 pm)—by leave—I present a supplementary memorandum to the bill and move government amendments (1) and (2):

(1) Schedule 1, item 2, page 3 (lines 12 and 13), omit the heading to subsection 85W(3), substitute:

Exceptions—supply of pharmaceutical products etc. to remote locations

(2) Schedule 1, item 2, page 3 (after line 24), after subsection 85W(3), insert:

(3A) Subsection (1) does not apply in relation to conduct engaged in by a person if the person engages in the conduct:

(a) for the purposes of, and in accordance with, a program, prescribed by the regulations, for the supply of packages of pharmaceutical products and medical supplies to remote locations; and

(b) in the course of duties, powers or functions performed or exercised by the person in the person’s capacity as:

(i) Australia Post or an employee of Australia Post; or

(ii) a body, or the holder of an office or position, if the body, office or position is prescribed by the regulations in relation to the program; or

(iii) an employee of, or a person who performs services for or on behalf of, a government, body or other person, if the government, body or other person is prescribed by the regulations in relation to the program.

Note 1: The regulations may prescribe a body or person by reference to a class of bodies or persons, and may make different provision with respect to different classes of bodies or persons (see subsection 33(3A) of the Acts Interpretation Act 1901).

Note 2: A defendant bears an evidential burden in relation to the matter in subsection (3A) (see subsection 13.3(3) of the Criminal Code).

Question agreed to.
Bill, as amended, agreed to
Ordered that the bill be reported to the House with amendments.

HIGHER EDUCATION SUPPORT AMENDMENT (INDEXATION) BILL 2010

Second Reading

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

That this bill be now read a second time.

Mr PYNE (Sturt) (7.03 pm)—I rise to speak on the Higher Education Support Amendment (Indexation) Bill 2010. The bill amends the Higher Education Support Act 2003, revising the
indexation formula for some programs as recommended by the Bradley review into higher education, which was handed to the government in late 2008. Specifically, this bill seeks to replace the Safety Net Adjustment wage price index with the Professional, Scientific and Technical Services wage price index published by the Australian Statistician for all amounts subject to indexation under parts 5 to 6 of the act from 2012. The Safety Net Adjustment wage price index and its replacement makes up 75 per cent of the total index, with the remaining 25 per cent continuing to be the Consumer Price Index.

The bill itself has no financial impact but its practical effect will be a more generous indexation rate applying to all grants under the act from 2012, resulting in an additional expenditure of more than $2.6 billion over five years. From next year, universities will receive additional funding corresponding to the increase in indexation on teaching and learning if they sign onto the Rudd government’s new performance indicators. The coalition is also committed to the principle of the continuation of indexation of university funding and, by implication, the current arrangements regarding indexation as they stand prior to this bill. After undertaking consultation with the higher education sector, we do understand that an indexation formula for student payments and research and teaching grants has been an area of concern. However, I do want to take the opportunity to note that we are not committed to any particular method of calculating indexation.

While Professor Denise Bradley and her panel made 46 recommendations to the government on higher education, recommendation 27 is directly relevant to the bill:

That the Australian Government maintain the future value of increased base funding for higher education by an indexation formula that is based on 90 per cent of the Labour Price Index (Professional) plus the Consumer Price Index with weightings of 75 per cent and 25 per cent respectively.

This was to replace the present Safety Net Adjustment, the SNA, introduced in 1997, which comprises 75 percent of the current index. However, as the Labour Price Index (Professional) that was suggested in the Bradley review has ceased, I note that the government have elected to use the Professional, Scientific And Technical Services Labour Price Index, reduced by 10 per cent, and that the remaining 25 per cent of the index will continue to be the Consumer Price Index. A number of programs under the act gain from the changes to indexation, such as the Commonwealth Grant Scheme, the Capital Development Pool Program and the Australian Postgraduate Awards program. I would also like to mention that in her second reading speech the Minister for Education pointed to these programs, which are subject to the passage of future legislation. They would have these arrangements apply—namely, the student amenities HELP loan limit, which is subject to the passage of the Higher Education Legislation Amendment (Student Services and Amenities) Bill 2009.

While on this subject I want to take the opportunity to reiterate that the Higher Education Legislation Amendment (Student Services and Amenities) Bill 2009 has not yet been subject to passage, due to the coalition’s concerns with this legislation. It seeks to introduce compulsory fees, which would be charged to students for amenities at universities. The coalition was very proud in 2006 to remove the burden of compulsory student union fees from Australian students. The bottom line is that this was a tax on students for services that many students never used. Labor’s attempts to bring it back represent the breaking of a clear and unequivocal promise by the Labor Party before the 2007 election that they would not introduce a com-
pulsory fee, and they ruled out a HECS style system to fund it. Former Labor education spokesperson Stephen Smith said:

I’m not considering a compulsory HECS style arrangement and the whole basis of the approach is one of a voluntary approach. So I am not contemplating a compulsory amenities fee.

This is just another broken promise to add to Labor’s list of 47 broken promises, which the coalition continues to point out on a daily basis.

This is not the only area of concern with regard to the government’s so-called higher education reform. While the adopted method of indexation in this bill has been welcomed by the sector, I note that higher education providers are disappointed by the Rudd government’s decision to reject the other recommendation that was made alongside recommendation No. 27—that is, to increase the base funding rate of student places by 10 per cent. Following the handing down of the budget last year, Professor Simon Marginson of the University of Melbourne, said: ‘The budget dumped Bradley’s moderate 10 per cent increase in the funding rate of local student places. Funding for these places remains below cost. Institutions will have to maintain very large international enrolments to cross-subsidise domestic teaching.’

While the coalition, of course, supports the vital source of revenue that the international student market brings for universities, the comment by Professor Marginson is concerning because we believe there is one source of revenue which has been denied to universities by Labor—that is, the abolition of full-fee-paying places for Australian students. It is well known that the coalition is committed to bringing back full-fee-paying domestic places. We do not believe that the opportunities available to overseas students should be denied to those Australians who are willing to pay for their own education. Full-fee-paying places for domestic students were a strong and solid source of revenue for our universities. Their abolition has undoubtedly hurt a great many of our institutions at the worst time possible, particularly since transitional funding was not deemed adequate by some providers. The foolishness of the Minister for Education in abolishing domestic places became even more apparent after spikes in demand, and we have heard that at least some universities have been unable to accommodate that demand with the Commonwealth supported places only.

While the coalition welcomed the Bradley review and many of the recommendations in it—including the recommendation that has translated into the reform in this bill—I want to take the opportunity to reflect on where we go from here. Unlike the government, we believe that the Bradley review is not merely a checklist. The reforms stemming from the Bradley review are not the end of ongoing debate and reform in the higher education sector but the beginning. In particular, we welcome the move towards the student demand driven system proposed by Bradley and endorsed by the government. It is a good start, but I believe there is much more scope for even greater flexibility and freedom for both students and the universities themselves. Of course, reform does not happen instantaneously. Education providers always need time to adjust to changes and they need support with transitional arrangements. Nevertheless, the coalition is pleased that Labor has undertaken reform to the indexation formula to improve the current arrangements and for this reason we support the legislation as drafted.

Mr KEVIN THOMSON (Wills) (7.10 pm)—The Higher Education Support Amendment (Indexation) Bill 2010 will amend section 198-20 of the Higher Education Support Act 2003 to provide greater clarity on indexation arrangements under part 5-6 of the act. The amend-
ment will detail the formula and components of the formula. As a result of a recommendation by the review of Australian higher education, the indexation arrangements will replace the Safety Net Adjustment wage price index with the Professional, Scientific and Technical Services labour price index published by the Australian Statistician. This index is considered to better reflect wage price increases in the higher education sector.

I would like to take the opportunity provided by this bill to talk about the need to invest and the benefits of investing in higher education. I particularly want to take that opportunity, having heard the member for Sturt, the shadow minister for education, reiterate the opposition’s position in support of full fees for domestic students. The argument for this advanced by the coalition both when it was in government and now when it is in opposition is truly remarkable. In the first place it says, ‘Let’s bring overseas students here and we will charge them full fees for bringing them here,’ and, having done that, it asserts that domestic students should have the same rights. This is like saying that everybody should have the right to eat prison food.

It is not an advantage to be charged full fees. It means that tertiary education—post-secondary education—becomes the preserve of those who are wealthy or fortunate enough to come from wealthy families and it sets up a two-tier education system. I think that is completely unsatisfactory and I absolutely support the action taken by this government to abolish full fees for domestic students. It also fails to recognise that education is an investment. It is not simply a private benefit to the person who receives the education; it is a public benefit because it helps to secure a skilled workforce which is better able to contribute to national productivity.

My own view is that there is hardly anything more important than determining both our collective prospects as a nation and our personal prospects as individuals, our children’s prospects as individuals, than getting a good education. So it is a question of investment; it is not a question of saying, ‘We want to treat education as a fee for service and have everyone paying full fees, full tote odds,’ and essentially restricting tertiary education and the benefits of that to those who are well off.

Regrettably, a report by the Organisation for Economic Cooperation and Development, the OECD, titled *Education at a glance*, back in the year 2005 singled out Australia as the one country which had been cutting back its public investment in higher education and training. The report found that from 1995 to 2002 public investment in education increased in most countries regardless of changes in private spending. The report said:

In fact, many OECD countries with the highest growth in private spending have also shown the highest increase in public funding of education.

And back in October 2005, Sophie Morris, from the *Australian Financial Review*, reported:

The main exception to this is Australia, where the shift towards private expenditure at tertiary level has been accompanied by a fall in the level of public expenditure in real terms.

I remember speaking with the chief executive officer at the Moreland Community Health Service, who was lamenting the need for more GPs and dentists. Of course, it is not just doctors and dentists; everywhere you look, we have been experiencing skills shortages.

We discussed the way in which, following the privatisation of utilities in Victoria, workforce training levels have been inadequate. A lot of training in Victoria was carried out by the old government authorities—Melbourne Water, the old Board of Works, V/Line, the railways and various public instrumentalities, gas and fuel, the SEC, the Forests Commission and the
like. They did a lot of work by way of workforce training and building skills. But, following privatisation of those utilities, neither governments nor private employers did enough to meet the need for a trained workforce, leading to competition for workers and skill shortages across a whole range of areas in the workforce.

That kind of anecdotal concern that you hear from people in places like community health services who are familiar with these things was backed up by more detailed research carried out by Monash University’s Centre for Urban and Population Research. There is an article by Bob Birrell, Daniel Edwards, Ian Dobson and Fred Smith titled ‘The myth of too many university students’ published in People and Place. It outlines that after the coalition came to power in 1996 the number of domestic students in Australian universities at the undergraduate level hardly increased at all. All of the increase in professional training at the undergraduate level in Australian universities came via overseas students.

In the years after the Howard government came to power in 1996, domestic undergraduate commencements increased from 132,000 to 135,000—that is a bare two per cent increase. Essentially, those domestic undergraduate enrolments flatlined. During that same period undergraduate commencements by overseas students in Australian universities increased by 20,000 from 16,000 full-time equivalent students in 1996 to 36,000 by 2003. That is a 125 per cent increase. To underscore the difference in the pattern of domestic commencements, the proportion of the total student population reflected by overseas students doubled during this period. Back in 1996 it was 10.8 per cent of the student population; by 2008 it was 20.7 per cent—essentially a doubling, a massive increase during that period of time.

All the growth in higher education in this country was in overseas student places. There was nothing for domestic students. Yet there is a massive demand for university trained people in the Australian workforce. The modern economy has an insatiable appetite for professionally trained people. The unemployment rate in 2009 in Australia for people with higher education qualifications was significantly lower than for those without such qualifications. In particular, the difference in unemployment rates between those with and those without higher education qualifications was greatest amongst those recently graduated from university—that is to say the 25- to 34-year-old age group. Only three per cent of people with qualifications are unemployed compared to seven per cent of those without qualifications. Furthermore, people whose highest level of educational attainment was a bachelor degree had mean weekly earnings—if you go back to 2005—of $1,049. This rose to $1,434 for people with a postgraduate degree. By contrast, people whose highest level of educational attainment was year 12 had mean weekly earnings of $631—that is around 40 per cent less than those with a degree.

Clearly, having the tertiary qualification is a real advantage. It is an advantage both in finding work and in finding better paid work. Given this, it is perfectly understandable that parents wish their children to have access to university training with the likelihood of a well-paid job to follow. Naturally, the capping of the number of university places in the face of high demand for entry has led to increasing competition for these places. During the period I am talking about it coincided with a six per cent increase in the number of secondary-school-age children going to independent fee-paying schools. Between 1997 and 2004, enrolments in Australian independent secondary schools rose by nearly 50,000 students, or 27 per cent, and enrolments in Catholic schools rose by 28,000 students, or 10 per cent. In comparison, gov-
ernment secondary schools gained slightly more than 8,000 students, an increase of less than one per cent.

As the concern about skill shortages mounted, employers expressed alarm at what this meant for their enterprises. Their concerns prompted the Howard government to increase the skilled migration program and in particular to encourage overseas students to stay on in Australia as migrants after the completion of their courses. Immigration may be a short-term way of dealing with this, but it comes at the expense of the opportunity for many young Australians to improve their economic situation through the acquisition of a university degree. There are plenty of young Australians who wish to achieve this; unfortunately the places are simply not available to them. The truth is that there has been too little domestic training at university level, not too much, and the number of government subsidised HELP places should have been rising in line with demand in the professional employment pattern. This is sensible both from the point of view of employers and from the point of view of increasing opportunity for Australia’s young people.

Despite overwhelming evidence that a knowledge based economy requires an increase in professional level training, Australia is one of the few Western countries where participation rates in higher education for domestic students have fallen in recent years. Bob Birrell, John Sheridan and Virginia Rapson have done work on the particular failure to expand domestic training levels of professional engineers, despite severe shortages having been evident in Australia for some time. They note that domestic undergraduate commencements fell between 2001 and 2004, from over 177,000 to 165,000, and that domestic undergraduate commencements in 2004 were similar to the levels in 1995. Engineering domestic undergraduate commencements peaked in 1997 at 11 ½ thousand. By 2004 they had fallen to 10,700. So the only growth in engineering training at Australian universities has been due to growth in the number of overseas student enrolments.

We should not be outsourcing our skills needs, we should not be selling out our young people; we should be investing in the training of our young people. I note that HELP is a very large financial burden on young people and acts as a deterrent to them obtaining tertiary qualifications and skills. When HECS, now known as HELP, was originally introduced by the federal Labor government in the 1980s, it was said that it would generate money for more tertiary places and that it was reasonable for people who had profited from their higher education to put something back. I think that had merit in theory. But whatever the merits of the theory, in practice it has not worked out quite that way. The Howard government substantially reduced the income threshold at which HECS cut in so that, instead of it being about affluent professionals giving something back, it has become a burden for quite modest income earners and a yoke around the necks of young students.

The contribution made by government assisted students to their university education increased between 1996 and 2005 from 20 per cent to 37 per cent. Nor was this a question of the government switching resources from tertiary education to trades training. Between 1997 and 2006, the Commonwealth contribution to vocational education and training costs declined by 20.5 per cent and, between 1997 and 2008, government spending per hour on public vocational education and training declined by 22 per cent.

The shadow minister referred to the Bradley review of Australian higher education. The Labor government’s Bradley review of Australian higher education was an important step
forward in identifying issues in this sector. It acknowledged that most job growth would be in occupations requiring university degrees and it set a target to increase the share of Australians with university degrees, and that is very welcome. In the 2009-10 federal budget the government announced major reforms to higher education. The government accepted the Bradley review’s recommendation to introduce an uncapped student demand driven system—sometimes called a voucher system—for the funding of university undergraduate places from 2012. This is a major policy change to the allocation and funding of student places, which to date have been funded through agreements with universities on a set of capped number of places.

The Bradley review said we could achieve a ‘demand driven entitlement system for domestic higher education students’ where public funding will be provided for each undergraduate student eligible for a university place at a cost of $1,130 million over four years. The budget papers have allowed $491 million from 2009-10 to 2012-13 towards this objective, and I believe that this will be money well spent. From 2010 universities will be allowed to over-enrol student places by 10 per cent in anticipation of the introduction of the new student demand driven funding in 2012.

I note that the Executive Director of the Australian Technology Network of Universities, Vicki Thomson—no relation, as far as I am aware—said in a recent article in the Australian:‘We have a recent study which irrefutably lays out the impact of this sector on the economy in terms of lower health costs, increased productivity and increased living standards … We are an intrinsic part of the economic and social fabric of the Australian landscape.

The KPMG Econtech report Economic modelling of improved funding and reform arrangements for Australian universities of April 2010 estimates that increase in GDP from higher education reform, a combination of funding increase and structural change, would commence with an increase of $13 billion in 2014, rising to $36 billion by 2020 and $163 billion by 2040. That is a very substantial GDP increase. Other significant findings from the report include that the increase in public funding and structural reform will ensure that the government’s target of 40 per cent of 25- to 34-year-olds having degrees by 2025 can be met, and there are 44,000 more graduates annually projected by 2025. If the funding of vocational education and training is also expanded by the same proportion as for universities, the education revolution at tertiary level, covering both higher education and vocational education, can deliver as much as an eight per cent increase in GDP, spread across Australia, at a public funding cost of just 0.7 per cent of GDP in 2040.

The spread of Australia’s universities means that higher education funding directly assists inner and outer metropolitan areas and regional Australia. Graduates go on to work across Australia, bringing their knowledge and skills to all communities, as teachers, engineers, nurses, agricultural scientists and other professionals and managers. The innovative research of universities also adds substantially to the widespread national gain, delivering a 25 per cent plus rate of return on public funding. Universities demonstrably deliver on each of skills, productivity, exports, innovation, workforce participation and tax revenue growth across Australia.

It would certainly be better if all young Australians who are presently missing out on a place at a university or TAFE were given a place. In 2009, 18½ thousand eligible applicants missed out on a university place. Professor Bob Birrell has said that the real number of stu-
students missing out may be much larger. He says that eligible applications amount to 227,000, compared with actual acceptances of 161,000—a difference of 66,000. The proportion of resident young people enrolled in higher education in Australia is relatively low by European standards. This reflects the period since 1996 when there has been very little increase in the number of domestic subsidised places.

In conclusion, I welcome the government’s initiatives to address the lack of investment in the tertiary sector and to address what has been, I believe, a short-sighted reliance on overseas students and what is referred to as ‘skilled migration’. We should train our own young people.

Ms MARINO (Forrest) (7.28 pm)—I rise to speak on the Higher Education Support Amendment (Indexation) Bill 2010. This bill seeks to replace the safety net adjustment wage price index with the professional, scientific and technical services wage index published by the Australian Statistician for all amounts subject to indexation under part 5-6 of the act, from 2012. The safety net adjustment wage price index and its replacement make up 75 per cent of the total index, with the remaining 25 per cent continuing to be the CPI.

Revising the indexation arrangements under part 5-6 of the Higher Education Support Act forms part of the Labor government’s acceptance of the recommendations arising from the Bradley review of higher education. The Bradley review recommended that the government maintain the future value of increased base funding for higher education by an indexation formula that is based on 90 per cent of the labour price index, professional, plus the CPI with weightings of 75 per cent and 25 per cent respectively. The new index is considered to reflect the impact of inflation on the higher education sector. The practical effect of this legislation will be a more generous indexation rate applying to all grants under the act from 2012, which will result in an additional expenditure of more than $2.6 billion over five years, according to the minister’s media release dated 12 May 2010.

The coalition, as you would know, Mr Deputy Speaker Schultz, is committed to the principle of the continuation of indexation of university funding and, by implication, the current arrangements regarding indexation as they stand prior to this bill. But I rise tonight to speak on this higher education bill, as I believe it is vital that people of all ages have access to lifetime learning opportunities, education and training programs—and particularly so in my electorate of Forrest. I am committed to supporting improved opportunities, equity of access to tertiary education and student retention in the south-west of WA.

It is ironic that this bill is about higher education when, since the May 2009 budget, students, parents and families have been and still are in continuous contact with me regarding the Labor government’s changes to youth allowance, which have affected and are affecting great young people from my electorate and their educational opportunities. While the coalition was able to achieve some concessions for gap-year students, the Labor government’s ‘inner regional’ classification for the majority of south-west students means that many young people who have no choice but to move to access tertiary education outside the south-west have additional significant financial barriers—anything from $15,000 to $20,000 to $30,000 a year—to doing so, and some will not be able to afford to do so.

These Labor government changes to youth allowance have hit south-west students particularly hard. Some families in my electorate have stated that they have no choice but to relocate their whole family closer to tertiary education facilities—a major loss to the whole south-west region. Others have said they are now forced to choose which one of their children will be
able to gain a tertiary education, because they cannot afford for more than one child in the family to be able to do so. That simply is not right. Students from the south-west who need to relocate for tertiary education deserve better. This is, unfortunately, just another example of the Labor government neglecting regional and rural communities. My most recent email is from a young student in Busselton, Sarah-Jane, who is desperately seeking some form of financial support for her higher education. Her email read:

I am a year 12 student at Busselton Senior High School. Next year my goal is to attend Notre Dame University and study a Bachelor of Arts, double major in Journalism and Mass Communications.

However the costs of the course and moving to Perth are well beyond what I can currently afford and this course is not offered at ECU in Bunbury or Curtin in Margaret River, I believe.

I was wondering if you could give me some advice on who to contact …

That was in relation to, perhaps, scholarships or sponsorships to help university students. As many in this House would know, many regional and rural representatives have repeatedly made representations to the minister directly and here in this House on behalf of students in our electorates. I acknowledge the other coalition members and the shadow minister in this House, who have worked so hard since the 2009 budget to represent these same regional and rural students. I acknowledge the efforts of the member for Kalgoorlie, the member for O’Connor, the member for Hume and the member for Murray. We have had a range of members working tirelessly, as have our constituents. These constituents have also worked tirelessly, writing emails and letters and signing petitions. Without them, we would not have seen any of the concessions at all on what was seriously flawed youth allowance legislation, and thousands of gap-year students would have missed out on youth allowance and possibly the chance to access a tertiary education.

And this attack on the educational opportunities of south-west students comes at the same time that the government has spent $16 billion on school halls and buildings in a program that has typified waste, mismanagement, schools not actually getting the facilities they need and taxpayers not getting value for their money. We have seen $1.7 billion wasted in this program, with $7.3 million just for plaques and display signs. I would like to offer some of that to Sarah-Jane, who needs assistance to achieve her education. I have reports of serious over-engineering in the program—the use of stainless steel roofing instead of Colorbond in inland areas, which I am told adds at least 40 per cent in additional cost to taxpayers, while at the same time students in my area, the south-west, and in other parts of regional Australia are struggling to meet the additional work requirements of the ‘inner regional’ definition for youth allowance.

I had an email from another parent who contacted me, and she said:

My daughter is currently undertaking a gap year. She is hoping to commence university studies in 2011 if she can get some form of financial support as in the form of Youth allowance.

She contacted Centrelink last week and she was told that she had to work an average of 30 hours per week for 18 months before she could qualify as an independent student for youth allowance. She was told that the opportunity to qualify as an outer regional student … does not commence until July 1st this year, which would mean that she cannot begin university until 2012. It is impossible to work 30 hours per week for 18 months as an unskilled seasonal worker.

This is the very issue that I have been taking up with the minister over and over again. As those of us who live and work in regional areas know, it is so difficult and sometimes abso-
lutely impossible for young people from very small communities to find that 30 hours of work a week for 18 months. It is just not possible. The mother went on to say:

Last year the students in regional areas were able to qualify under the existing arrangements, having to earn a minimum amount of money. This year it seems that the gap students literally fall in a gap. Why is the opportunity to qualify for youth allowance for rural students made harder?

Without youth allowance we cannot support her and her 2 brothers who are already at university. The arrangements for rural students accessing higher education is a disgrace.

This is what is going on in my electorate. This is not an isolated email or an isolated story. I forwarded these stories and the emails on to the minister, asking her to respond directly to these families and these students. They do not have the option of being able to access higher education or a tertiary qualification in their field in the south-west area. There is no choice: they have to move. It is going to cost them more, and they have been defined as ‘inner regional’. To qualify for the independent rate of youth allowance, they have to work 30 hours a week for 18 months. How do I explain to these parents that their children’s education is less important to the Labor government than the tragic and failed Home Insulation Program, which is costing them as Australian taxpayers $1 billion to repair because of the government’s incompetence with the program?

This type of waste and mismanagement has also cost my local occasional childcare centres. We talk about education right through to the tertiary level. We have some occasional childcare centres, as well as the childcare centres in the wheat belt areas of Western Australia, as you would know. The Labor government has cut their funding, and it has come as a huge blow to the many rural and regional centres that simply do not have the numbers to sustain their centres on a full-time basis. This is again a lack of understanding of how rural and regional areas work. Here we have groups of young mums who do not simply sit back and expect a handout from the government; they are actually taking responsibility for their community based centres. They fundraise, they manage their centres and the finances and they take a direct hands-on role in their children’s day care. What a great way to go. But they cannot afford the increased fees caused by the loss of the federal funding, yet the government has withdrawn its 52 per cent funding share in WA. It is a total of $420,000 from the 28 centres in regional and rural areas. These centres have operated for almost 20 years in my electorate. One of these centres has provided sustainable, affordable and necessary day care for years. A number of these mums also have home-based businesses. They need this child care to be able to go about their home-based business. It is just another example, like the changes to youth allowance, that clearly shows that this government simply does not understand, or is not willing to understand, regional and rural communities and their issues, but is equally prepared to waste and mismanage taxpayers’ funds on insulation, on school buildings and, according to Senate estimates, on the approximately $82,000 it costs for every asylum seeker.

Another promise that was made by Labor ahead of the election was to end the double drop-off for parents by building an additional 260 childcare centres across the country, to enable working mums and dads to make a single drop-off of their children at the school and childcare centre at the same time. But this has also been axed. Apparently the market has changed radically in two years, so the childcare centres are no longer needed. In a continuation of what was promoted as an education revolution, the computers in schools program has only delivered 26 per cent, or 1,472, of the 5,660 computers promised to the south-west of WA. They
should have already been delivered. It is well behind the national distribution average of 33 per cent and is yet another example of the government’s neglect of regional and rural Australia.

As a result of Labor’s addiction to spending over the past three years, Australia will have a $57 billion deficit after July this year. The Labor government is borrowing $700 million a week—a hundred million dollars every day—for the next two years to fund this gross economic mismanagement, yet our students in rural and regional areas are still missing out. The Labor government has a history of poor economic management, and we also know that the coalition government paid off $96 billion of Labor debt over our last period in government.

In conclusion, the coalition is committed to education and to equity of access to tertiary education for rural and regional students, students who have no choice but to relocate to study. We are committed to a fund to assist regional students to stay in school until the end of year 12, focusing on information technology and attracting and retaining quality teachers in regional schools. We also believe very strongly that school principals and school councils should be able to lead and be accountable in managing their funding responsibility. We are committed to capital investment in regional universities and to providing innovative solutions for country students.

Ms HALL (Shortland) (7.42 pm)—I will commence my contribution to this debate on the Higher Education Support Amendment (Indexation) Bill 2010 by highlighting and concentrating on some of the issues raised by the previous speaker, as opposed to talking about the legislation. I feel it is only right that I should be given the opportunity to pick up on a few of those little points made by the member for Forrest. The member for Forrest spoke at great length about youth allowance—

Mr Haase—You are such a bore.

Ms HALL—I am sorry to keep you awake. I have only just started, but your yawning is louder than my contribution to this debate, Member for Kalgoorlie. Your manners do not do you any credit. As I was saying, the changes to the youth allowance have had a very positive impact on people that I represent in this parliament. I also come from a regional area and I come from an area where most of the families are low- to middle-income families. The children of people on very low incomes were being prevented from accessing youth allowance under the previous scheme. Many more students are now able to access the youth allowance.

In one case, I was contacted by a student whose parents earn around $105,000 per year. This particular student had moved to Sydney to undertake her university education. Under the previous scheme, she had been unable to access the youth allowance. With the changes that have been passed through this parliament, because she was one of a few children in that family attending university, she is now able to access youth allowance. That is a real benefit to this family. Even though they are a two-income family, their total income is not a considerable amount when you consider that both parents are on middle incomes. Their income is in that middle-income range.

The previous speaker raised the issue of school buildings. I would have to say that principals and school communities within Shortland electorate have embraced the fact that the government has given them money for much-needed capital expenditure on their schools. There was one school in particular that I visited early in 2008. In that school, the president of the
P&C and the principal took me to the rooms and said, ‘Look at this paint peeling off the walls and this mildewed carpet—an absolute disgrace,’ and they told me that children were supposed to learn in those buildings. In fact, the principal undertook some painting and spruced those buildings up a little on his own. The week before last I visited that school. New school classrooms are being built. There is such excitement and vibrancy within the school. The school community and the P&C were there. They were excited, they were delighted and they were thrilled that the government had actually invested money in their school by providing the buildings that they had needed for a very, very long time.

I must add that on that school building site there was also an apprentice who was employed under the Rudd government’s Apprentice Kickstart program. So not only do you have buildings being built in that school, creating employment and giving new classrooms to the students of that area, but you also have apprentices training. To some extent, the legislation we have before us today is about training and the development of skills for the future.

The previous speaker also mentioned asylum seekers. I just refer her to the cost of the Pacific solution. I think that when she looks at that she might be very quiet about the cost.

On computers in schools: as I have already mentioned, students in Shortland electorate tend to come from low- to middle-income families. Without those computers in schools and access to computers, they were disadvantaged—but the member for Forrest does not like to acknowledge that. She talks about poor economic management. Just for the record, Australia’s performance in the global financial crisis was second to none. Australia came through that better than any other country.

Talking about equity and access to education, nothing could be more important than trade-training centres. The opposition say that if they are elected they are going to get rid of trade-training centres. In Shortland electorate, those trade-training centres have been placed in a variety of schools so that students, no matter where they live, can access that training.

The actions that have been taken by the Rudd government in relation to education, youth allowance and all matters that relate to students have really been driven by the needs of those students, the needs of the school communities and the needs of the community as a whole when it comes to Building the Education Revolution. And it is delivering for the students within the schools, within the vocational education sector and also within the higher education sector.

I refer to the legislation that we have before us—and I note that the parliamentary secretary has arrived—because, unlike the previous speaker, I actually want to touch on some of the issues in it. It is important to note that the Higher Education Support Amendment (Indexation) Bill 2010 comes from the recommendations of a review of the Australian higher education system, the Bradley review, and the indexation arrangements that will replace the Safety Net Adjustment wage price index with the Professional, Scientific and Technical Services wage price index published by the Australian Statistician. This index better reflects wage price increases in the higher education sector. For many years, the higher education sector were saying that they were being severely disadvantaged by the funding mechanism used by the previous government. There was a review of the pricing mechanism under the Howard government—I think that was in 2005—and the Howard government chose to do nothing and the index remained unchanged.
It is really important that we ask ourselves: why is it important that we properly fund our universities? First and foremost, it means that students can attend a university and get the education and develop the skills that they need to obtain jobs in the 21st century. It also means that students qualifying at Australian universities are competitive with students qualifying at universities throughout the world, and it puts Australia at the cutting edge of education. It is vitally important that we be a nation that is highly skilled, has a high level of knowledge and is at the cutting edge of the latest technology and research. This brings me to the second reason why we need to fund our universities properly—that is, so that we can undertake the research that is needed within universities. Universities are places of research. They are at the cutting edge of technologies and procedures that are needed going into the 21st century, and if our universities are not funded properly then Australia will fall behind other countries in relation to research.

This legislation is the government’s response, and it does support the majority of the Bradley review’s recommendations. I might add that it has been widely welcomed by universities and the sector is pleased to see a commitment by government to improve the rate. The university sector had for so long been used to a government that ignored their needs, one that did not listen to them, that constantly pegged the level of financial assistance they got and did not use the proper indexation mechanism but an outdated one that they had introduced in 1997. It is no surprise that the sector would welcome the mechanism being put in place in the legislation that we have before us tonight. I commend the bill to the House and welcome the changes that it will put in place.

Mr CLARE (Blaxland—Parliamentary Secretary for Employment) (7.54 pm)—I thank the members who have participated in this debate. The Higher Education Support Amendment (Indexation) Bill 2010 gives effect to the government’s commitment to improve indexation arrangements for the higher education sector. These amendments will enable institutions to keep pace with increases in costs and, by including these amendments in legislation, institutions will have a degree of certainty around future funding increases, with the resulting improved planning benefits.

The existing indexation arrangements have remained unchanged for more than a decade and do not properly reflect the increased costs that are particular to the sector. The current minimum wage based arrangements for the salary component of the overall indexation formula will be replaced with a professional scientific and technical services index that better reflects the professional salary movements.

The minister’s department has estimated that the new index will deliver $2.6 billion in additional funding to the sector in the period 2011 through to 2015. Clearly this is a significant step in the government’s commitment to driving reform back via sustainable funding for the long term. I urge members to support the legislation and I commend it to the House.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that this bill be reported to the House without amendment.
INSURANCE CONTRACTS AMENDMENT BILL 2010
Second Reading

Debate resumed from 25 May, on motion by Mr Bowen:

That this bill be now read a second time.

Mr RIPOLL (Oxley) (7.56 pm)—It is a pleasure for me to speak on the Insurance Contracts Amendment Bill 2010 for a range of reasons. One is obviously because I think insurance contracts are a very important part of our legal and financial framework in this country and also because I chair the Parliamentary Joint Committee on Corporations and Financial Services and it is something that comes under our purview from time to time. The provision of financial services are always of interest to the committee—and no less this bill.

At the outset I would like to congratulate the minister responsible for these amendments, the Hon Chris Bowen, who is the Minister for Human Services and also the Minister for Financial Services, Superannuation and Corporate Law, for his ongoing good work in this area.

This bill will give effect to a number of recommendations of the review panel that was appointed to review the Insurance Contracts Act 1984. While those changes are largely technical in nature—as are many of these types of amendment bills—they are also very important because they bring about necessary change and updating of important legislation to make sure that government responds to market condition change. They also make sure that the legislation and regulations that we have keep pace with consumer markets and developments in judicial areas since the enactment of the original bills, which often and regularly become out of date depending on change conditions.

This bill will streamline a number of requirements and address some anomalies in the regulatory framework, which will be of benefit to not only consumers but to insurers as well. I know that Deputy Speaker Scott would agree with me in how important it is to get the balance right between the consumer protection regime that we have in this country and the services provided by insurers in this area.

These measures have been subject to a range of consultations. In some areas the review panel’s recommendations have also been modified to take account of those issues raised in those consultations, which is part and parcel of the work that this government has always been committed to. In the approach we have taken to financial services reform right across the board, we consult and make sure that the amendments and changes that we make to regulation are in line with what is required by the sector, in line with what consumers need and in line with what is best practice. The government really does make amendments in view of the most appropriate regulations that you can bring forward, rather than just more regulation.

Regulation, compliance and the red-tape burdens that exist are issues for small business and for business more generally. When the Rudd Labor government came to office in 2007, it made a commitment to reduce that compliance cost burden on small business, on insurers and on a whole raft of people in business, because we understand just how important that is. It is important to those businesses because it means they can provide their services under better, more cost-effective arrangements. What it means for consumers is that they can get better value. So I am very pleased to support these changes.

The Insurance Contracts Act 1984 is the primary source of regulation for the relationship that exists between insurers and those that are insured. It regulates matters such as the duty of
disclosure of those who are insured, the duty of utmost good faith and remedies for nondisclosure and for misrepresentation. The overall intention of the act is to strike a fair balance between the interests of insurers, those insured and other members of the public. That is the right approach and the right outcome, and I congratulate the review panel for getting to that position and making sure that the balance is right, which is appreciated by everyone in that sector.

This bill gives effect to a number of recommendations that flowed out of the review of the Insurance Contracts Act, which commenced under the previous government. When good work and reviews have been done, regardless of when they began, the important role that this government has to play is to ensure that process continues and we take action and do something about those outcomes. I am also very pleased to say that the review panel did not find any major shortcomings in the way that the act operates, but it did recommend a number of changes to take account of market developments, of changes in the way things are done and of judicial interpretation since the original enactment of the act. It is good that is the case and we can follow through on those, but it is also heartening to know that no major problems were found with the way that the act operates.

The changes that we are putting forward in this amendment bill are largely technical in nature. They do not make any wholesale changes to the act itself. Nevertheless, they do offer improvements that will enable the act to work more efficiently and productively and to provide better outcomes for insurers and the insured. It will correct a number of anomalies that exist, and correcting those anomalies will benefit insurers and the general public as well. It is a great outcome for both sides.

Insurers were particularly keen on reform and some changes in this area. They were particularly keen to see that the bill progressed, because it will remove a number of legal impediments that would otherwise exist in dealing with customers in online systems. We need to appreciate in this place that technology does not stand still. We are often a little bit slow to act at a parliamentary level in terms of technological change, but we need to act swiftly when that change has either a judicial bearing or a bearing on efficiency in a particular sector. This amendment bill makes sure that regulation keeps up with technological change. Many people are now doing business directly online, and we need to make sure that legislation keeps up with that.

It is important to say—and I have mentioned it a couple of times already, but I want to say it again—that extensive consultation did occur. It is important that happens. You need to get these things right and make sure that the right people are at the table. It is part and parcel of the methodologies that we have applied when working in this particular area. It occurred over a number of years with a whole range of people from industry. It also occurred with a range of consumer groups. In some of those cases, that consultation process did actually have a bearing on the final outcome and resulted in some change, so the efforts of those consultations were not in vain and had a positive input. Not all the consultation results in everybody getting their own way, but it certainly does provide that essential guidance for government to make sure that policy is right and that any change is actually for the better.

There are a number of key amendments in the bill that clarify the types of contracts that are exempt from the act’s operation. The bill also frees up the use of electronic communication to make sure that the legislation is in line with technology and with the way that people commu-
nicate and sign up to contracts. The bill also makes duty of disclosure easier for consumers to understand. That has been an important part of a whole range of work that my committee has done in terms of transparency and disclosure. Transparency and disclosure are not the same thing and people often confuse them. Disclosure does not always give you the full picture. You can disclose everything that needs to be disclosed in a document that is 100 pages long but still make it completely non-transparent. No-one can understand it, no-one reads it and no-one actually gets any benefit from the disclosure. Transparency is completely different. It is about ensuring that people know, understand and see what they need to know in contracts.

A lot of work is being done by this government and also by the Financial Services Working Group to ensure that transparency takes place in contracts, in financial services contracts, in advice and in insurance so that people understand what is being presented to them and so that it is fairly represented. There is a lot of work being done, and hopefully very soon we will have some outcomes in terms of short-form disclosure and transparency. Instead of people getting an 80-page statement of advice or an 80-page disclosure statement and a policy document and a range of other documents, which may total in the hundreds of pages, they might just get four simple pages which outline what they need to know about the contract they are signing or the advice they are being given. It might be attached to or on top of all the other documents, but at least they will have that regulated, compliant, short-form, plain English type advice, which is a real step forward.

Short-form advice means that people will actually have a better understanding of what is in front of them. It also means that the people who produce and provide those documents to consumers have understood them and have read the most important parts. I commend the groups involved and the review committee for doing that, because easy disclosure for consumers, especially at the renewal of household and domestic insurance contracts, is very important. I am sure anyone who reads their insurance contracts would understand just how complex some of them are—even to find out a very simple thing, such as whether something is insured or not insured, is difficult. It is important that people understand the basic things.

We are also making sure, through the amendments in the bill, that remedies in respect of life insurance contracts are more flexible and suited to modern life-insurance products, because they do change over time and we need to reflect those changes. We are also clarifying the rights and obligations of persons named in contracts as to who has benefit of cover, particularly for parties who are not mentioned in those contracts but can be a party to those contracts. It is important to clarify that information. The point of dispute is often about who is covered if they are not named in the contract. It may be households, families and a range of other people.

An area that is of particular interest to me and many other members in this place is that of unfair contract terms. It is quite easy for unscrupulous operators to throw in a contract term—for example, ‘Term heading 128, subsection (b) of part F’—which has some outrageous arrangement that nobody would ever find, understand or otherwise know even existed and which, of course, removes the obligation of the insurer to provide any insurance at some particular point in time. We are dealing with this. It is not an easy matter, because insurance contracts and other contracts are complex instruments and need to be dealt with properly in legal terms. It is not one of the issues that are covered in this bill. It is the subject of a current carve-out under the Insurance Contracts Act for insurance contracts and under the unfair con-
tracts terms provisions of other laws, including those that are included in the forthcoming re-
forms regarding unfair contract terms in consumer contracts generally.

This makes a number of people unhappy, and I can understand that. Let me give them some
joy tonight by saying that the intention of the carve-out is to ensure that the Insurance Con-
tracts Act framework is the primary source of regulation of insurance contract issues and mat-
ters. It is not complicated by being tied up with other legislation, because that can cause some
very difficult legal problems. We have ensured that there is absolute clarity about where that
legislation exists.

In the context of this debate and on the generic unfair contracts terms bill last year con-
sumer groups did express some disappointment. I can understand that. They were disap-
pointed that insurance contracts remain under that carve-out, but we are not leaving it at that.
We have recommended that there be further consideration of this specifically in terms of in-
surance contracts. Whether the carve-out for insurance contracts should be removed or re-
tained is a matter of some controversy. It involves some quite complex legal issues, which we
are dealing with, regarding the interaction between different rules and laws.

The government is dealing with this issue separately through a separate consultation paper,
which will provide various options. That is the proper way we should move on these very
complex issues. That will be released soon. That offers a more appropriate mechanism to deal
with the issue of extending unfair contract terms provisions to insurance contracts rather than
just having them wound up in associated matters with other legal bills.

Insurance is very important. While I do not have hard data on this, I know it is the view of
many people that, generally speaking, the Australian public are underinsured. Right across the
board—be it life, risk, household, car or income protection insurance—there is a general view
that we are underinsured. This is a serious matter because, when tragedy does befall, some-
body needs to pick up the bill and somebody needs to step in and assist. It most often is the
government through a range of departments or mechanisms that are available. At other times
nobody really steps in, perhaps apart from charities.

We saw a perfect example not so long ago with the tragedy of the Victorian bushfires. Very
tragically not only was there a massive loss of life, property and goods—people’s homes were
lost—but so many people were not insured at all. They lost absolutely everything. Insurance
companies try to deal with and manage that fallout. It is really complex. Some people were
underinsured. Of course, the tragedy of losing a loved one is further compounded if that loved
one happens to be the major breadwinner for the family.

Insurance is a strange product in a lot of ways because you do not really need it until you
really do, and that is when its importance really comes home for people. I have always be-
lieved in insurance. I have always believed that it is better to have a bit of protection and take
some risk rather than take all of the risk and hope and pray that nothing ever happens to you.
Not everybody though can afford insurance. Insurance can be expensive. There are a range of
state taxes, levies and stamp duties that apply that make insurance quite expensive. From the
Commonwealth perspective we need to look at all the different issues around insurance and at
what we can do to make it as affordable and accessible to people as possible to encourage
people to take on board insurance, certainly at the minimum levels.
A perfect example is the compulsory third-party insurance that everyone must have with their vehicle registration. It is compulsory, firstly, because it is absolutely necessary and, secondly, because if it were not compulsory there would be a massive number of people who would not be insured at all. The burden of that on the rest of the community and on the taxpayer would be enormous.

I think these matters are exceptionally important. There is a range of work being done in these areas. I know that the parliamentary secretary for disabilities is doing extensive work and research into the potential of a national disability insurance scheme. There is work being done in other areas to look at how we can best regulate the insurance sector and also make sure it is more affordable and accessible to all Australians. It really is an important part of Australian society.

The Rudd government takes this area very seriously and certainly the Joint Committee on Corporations and Financial Services also takes this area very seriously. It is worth noting at this point that when we did the inquiry, which is affectionately known as the Storm inquiry, and looked at a range of other things about fees and commissions, financial services and products, we specifically excluded superannuation, which is being done by Jeremy Cooper in a more extensive manner, and we also excluded insurance in terms of fees and commissions. That is not to say we are not dealing with those things. We excluded them for that particular inquiry and recommendations. The minister has made a number of comments about turning back to those issues at some later time. I am certainly of that same view because I do take them very seriously. They are very important issues and need a very specific focus in terms of any further regulatory change in the future. This bill is a very important bill. It covers off on a range of mostly technical amendments and was the subject of some very sound consultation over a number of years. It finishes off some work that was started by the previous government. I commend the bill to the House.

Ms HALL (Shortland) (8.16 pm)—I would firstly like to congratulate the member for Oxley on his fine contribution to this debate on the Insurance Contracts Amendment Bill 2010 and the fine work that he has done on his Joint Committee on Corporations and Financial Services. The report that he brought down in that area on fees and commissions was an outstanding report and members on both side of this parliament would have had very positive feedback about that report. Without a doubt it is one of the key reports that have been brought down by any committee within this parliament. I commend the member for Oxley on the fine work he has done in that area. His knowledge was very apparent in his contribution to this debate tonight. He made some very good points about people being underinsured, and the impact that that has. He referred to the bushfires in Victoria, which were a prime example of the effect that being underinsured has on people. Within my own area in the Hunter, the earthquake in 1988 was another example of people being underinsured; it really impacted on the people of that region. The issues that he raised about making sure insurance is affordable and accessible are very relevant. I do not think there would be a member of this parliament who does not believe we should do everything in our power to encourage our constituents to take out insurance, and in taking out insurance make sure the insurance they get covers them.

The bill before us gives effect to a number of recommendations of a review panel appointed to review the Insurance Contracts Act 1984. The changes are largely technical in nature and respond to market developments and judicial decisions since its enactment. The bill...
will streamline requirements and address anomalies in the regulatory framework for the benefit of insurers and consumers. The measures have been subject to stakeholder consultation and in some areas the review panel recommendations have been modified to take account of issues that have been raised in these consultations. At this point I should state that the initial consultation on and development of the legislation were undertaken by the previous government. This is one of the areas where I think they looked at an issue in good spirit and good faith. As a result, we have the Insurance Contracts Amendment Bill before us tonight, which arose out of recommendations from the review I have mentioned of the Insurance Contracts Act. That was an act of 1984—26 years ago—so the review was long overdue. It shows that we must keep our legislation updated. We need to revisit legislation and amend it to make it relevant to today. This act needs to be made consistent with the laws and applications of the 21st century. That is exactly what this legislation before us tonight does.

The review was conducted by a panel that comprised Alan Cameron AM, a very respected man, and Ms Nancy Milne. The final report was publicly released in 2005, so in the years from 2005 to 2010 we have had consultation taking place. The review panel’s main conclusion was that the act was generally working satisfactorily to the benefit of the insurers and the insured. However, the panel found that some changes would be beneficial given the passage of time. I have highlighted that that passage of time is 26 years since the act was enacted. The insurance market since then has changed somewhat, and judicial interpretations of the act have shown there was a need to review it.

One of the most important aspects of the legislation is that amendments can be made online. That will definitely benefit people who have insurance. I note there has been wide consultation on this legislation and that there has been generally widespread acceptance of it. I think all the schedules and the recommendations for the legislation will tend to benefit most people covered by it. I note there has been a bit of concern expressed by some groups about the interests of the insured. They raised the issue of proper public consultation in the process. I would have to say that when you have had five years of consultation there probably has been proper consultation. I know this is one piece of legislation that has been widely circulated and debated. I think it is fairly noncontroversial in nature. I will conclude on that point and endorse the legislation before the House.

Mr CLARE (Blaxland—Parliamentary Secretary for Employment) (8.24 pm)—I thank the honourable members who have participated in this debate. The insurance market is a critical part of the financial services sector. Life insurance products offer financial security. General insurance enables people to engage in personal, business and community activities that they would otherwise be unable to without facing unacceptable risk. The government strives to improve availability and affordability of insurance cover for Australians. The global financial crisis has tested Australia’s insurers and the framework for prudential supervision. Our insurers have weathered a downturn in global equity markets; nevertheless, in line with international moves Australia is conducting further reviews of minimum capital requirements, corporate governance standards, prudential reporting frameworks, executive remuneration and the supervision of diversified groups, and will continue to strive to maintain world’s best practice in regulation of insurers. The Insurance Contracts Act, however, focuses not on the financial health of insurers but, rather, on the network of rights and obligations among insurers, policy holders and third parties. The bill is intended to update and improve the operation of the act

MAIN COMMITTEE
while maintaining a fair balance between the parties. It is the result of a consultative process that was commenced some time ago. Many submissions during the policy development and legislative drafting process helped in refining the proposals to the point of converting them into this bill.

On behalf of the government, I would like to thank the stakeholders for their contributions at various stages. As noted in the second reading speech, an options paper was recently released dealing with the issue of unfair terms in insurance contracts. Several comprehensive submissions have now been received and arguments for and against various options have been made. The government is considering the matters raised and I expect that the way forward on that project will be announced in the coming weeks.

In conclusion, the changes in this bill form part of the government’s ongoing work to further improve the operation of Australia’s insurance market for the benefit of insurers, policy holders and, ultimately, the community as a whole. I commend the bill to the House.

Question agreed to.

Bill read a second time.

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

Main Committee adjourned at 8.27 pm
Mr Robert asked the Minister representing the Minister for Defence, in writing, on 24 May 2010:

By type of Service, how many Reservists are currently serving full time, and in what location(s)?

Mr Combet—The Minister for Defence has provided the following answer to the honourable member’s question:

As of 31 May 2010, 963 Australian Defence Force Reservists are currently serving full time. Please refer to the tables below for a breakdown of personnel for each Service and Location.

**Royal Australian Navy:**

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<th>Personnel</th>
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**Australian Army:**

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<td>Victoria Barracks, Brisbane, QLD</td>
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<tr>
<td>RAAF Base Williams, VIC</td>
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<tr>
<td>RAAF Base Williamstown, NSW</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>384</strong></td>
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</table>

Note: The figures for Army above include personnel deployed on overseas operations, but the locations of their parent units whilst engaged on continuous full-time service. Depending on rotations and individual specialist requirements, there may be over 230 Army Reservists deployed at one time:

- Middle East Area of Operations: 100+
- OP ASTUTE (East Timor): 32
- OP ANODE (Solomon Islands): 103
Royal Australian Air Force:

<table>
<thead>
<tr>
<th>Location</th>
<th>Personnel</th>
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<tr>
<td>Adelaide Metro Area</td>
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<tr>
<td>Sydney Metro Area</td>
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<td>Canberra Metro Area</td>
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<td>HQ JOC Bungendore, NSW</td>
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<tr>
<td>Canungra, QLD</td>
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<tr>
<td>Defence Establishment Orchard Hills, NSW</td>
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<td>HMAS Albatross, NSW</td>
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<tr>
<td>HMAS Cerberus, VIC</td>
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<td>RAAF Amberley, QLD</td>
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<td>RAAF Tindal, NT</td>
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<td>Sudan</td>
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<td>USNS Mercy</td>
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<td>TOTAL</td>
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