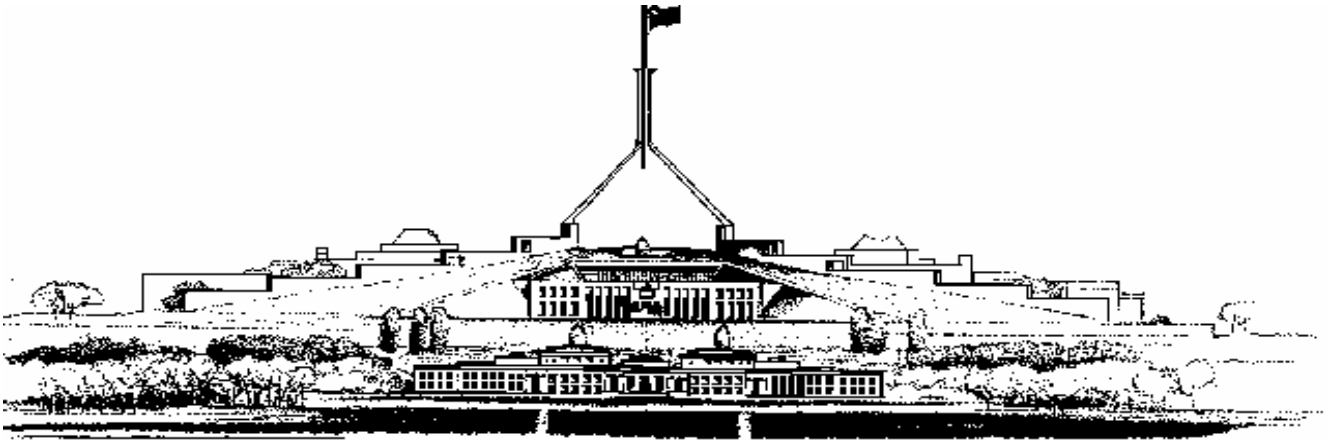




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 6, 2009

Thursday, 14 May 2009

FORTY-SECOND PARLIAMENT
FIRST SESSION—FIFTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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SITTING DAYS—2009

Month	Date
February	3, 4, 5, 9, 10, 11, 12, 23, 24, 25, 26
March	10, 11, 12, 16, 17, 18, 19
May	12, 13, 14, 25, 26, 27, 28
June	1, 2, 3, 4, 15, 16, 17, 18, 22, 23, 24, 25
August	11, 12, 13, 17, 18, 19, 20
September	7, 8, 9, 10, 14, 15, 16, 17
October	19, 20, 21, 22, 26, 27, 28, 29
November	16, 17, 18, 19, 23, 24, 25, 26

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**FORTY-SECOND PARLIAMENT
FIRST SESSION—FIFTH PERIOD**

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Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

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Deputy Speaker—Ms Anna Elizabeth Burke MP

Second Deputy Speaker—Hon. Bruce Craig Scott MP

Members of the Speaker's Panel—Hon. Dick Godfrey Harry Adams MP, Hon. Kevin James Andrews MP, Hon. Archibald Ronald Bevis MP, Ms Sharon Leah Bird MP, Mr Steven Georganas MP, Hon. Judith Eleanor Moylan MP, Ms Janelle Anne Saffin MP, Mr Albert John Schultz MP, Mr Patrick Damien Secker MP, Mr Peter Sid Sidebottom MP, Hon. Peter Neil Slipper MP, Mr Kelvin John Thomson MP, Hon. Danna Sue Vale MP and Dr Malcolm James Washer MP

Leader of the House—Hon. Anthony Norman Albanese MP

Deputy Leader of the House—Hon. Stephen Francis Smith MP

Manager of Opposition Business—Hon. Christopher Maurice Pyne MP

Deputy Manager of Opposition Business—Mr Luke Hartsuyker MP

Party Leaders and Whips

Australian Labor Party

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Deputy Leader—Hon. Julia Eileen Gillard MP

Chief Government Whip—Hon. Leo Roger Spurway Price MP

Government Whips—Ms Jill Griffiths Hall MP and Mr Christopher Patrick Hayes MP

Liberal Party of Australia

Leader—Hon. Malcolm Bligh Turnbull MP

Deputy Leader—Hon. Julie Isabel Bishop MP

Chief Opposition Whip—Hon. Alex Somlyay MP

Opposition Whip—Mr Michael Andrew Johnson MP

Deputy Opposition Whip—Ms Nola Bethwyn Marino MP

The Nationals

Leader—Hon. Warren Errol Truss MP

Chief Whip—Mrs Kay Elizabeth Hull MP

Whip—Mr Paul Christopher Neville MP

Printed by authority of the House of Representatives

Members of the House of Representatives

Members	Division	Party
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Adams, Hon. Dick Godfrey Harry	Lyons, Tas	ALP
Albanese, Hon. Anthony Norman	Grayndler, NSW	ALP
Andrews, Hon. Kevin James	Menzies, Vic	LP
Bailey, Hon. Frances Esther	McEwen, Vic	LP
Baldwin, Hon. Robert Charles	Paterson, NSW	LP
Bevis, Hon. Archibald Ronald	Brisbane, Qld	ALP
Bidgood, James Mark	Dawson, Qld	ALP
Billson, Hon. Bruce Fredrick	Dunkley, Vic	LP
Bird, Sharon Leah	Cunningham, NSW	ALP
Bishop, Hon. Bronwyn Kathleen	Mackellar, NSW	LP
Bishop, Hon. Julie Isabel	Curtin, WA	LP
Bowen, Hon. Christopher Eyles	Prospect, NSW	ALP
Bradbury, David John	Lindsay, NSW	ALP
Briggs, Jamie Edward	Mayo SA	LP
Broadbent, Russell Evan	McMillan, Vic	LP
Burke, Anna Elizabeth	Chisholm, Vic	ALP
Burke, Hon. Anthony Stephen	Watson, NSW	ALP
Butler, Mark Christopher	Port Adelaide, SA	ALP
Byrne, Hon. Anthony Michael	Holt, Vic	ALP
Campbell, Jodie Louise	Bass, Tas	ALP
Champion, Nicholas David	Wakefield, SA	ALP
Cheeseman, Darren Leicester	Corangamite, Vic	ALP
Chester, Darren	Gippsland, Vic.	Nats
Ciobo, Steven Michele	Moncrieff, Qld	LP
Clare, Jason Dean	Blaxland, NSW	ALP
Cobb, Hon. John Kenneth	Calare, NSW	Nats
Collins, Julie Maree	Franklin, Tas	ALP
Combat, Hon. Gregory Ivan, AM	Charlton, NSW	ALP
Costello, Hon. Peter Howard	Higgins, Vic	LP
Coulton, Mark Maclean	Parkes, NSW	Nats
Crean, Hon. Simon Findlay	Hotham, Vic	ALP
Danby, Michael David	Melbourne Ports, Vic	ALP
D'Ath, Yvette Maree	Petrie, Qld	ALP
Debus, Hon. Robert John	Macquarie, NSW	ALP
Dreyfus, Mark Alfred, QC	Isaacs, Vic	ALP
Dutton, Hon. Peter Craig	Dickson, Qld	LP
Elliot, Hon. Maria Justine	Richmond, NSW	ALP
Ellis, Annette Louise	Canberra, ACT	ALP
Ellis, Hon. Katherine Margaret	Adelaide, SA	ALP
Emerson, Hon. Craig Anthony	Rankin, Qld	ALP
Farmer, Hon. Patrick Francis	Macarthur, NSW	LP
Ferguson, Hon. Laurie Donald Thomas	Reid, NSW	ALP
Ferguson, Hon. Martin John, AM	Batman, Vic	ALP
Fitzgibbon, Hon. Joel Andrew	Hunter, NSW	ALP
Forrest, John Alexander	Mallee, Vic	Nats
Garrett, Hon. Peter Robert, AM	Kingsford Smith, NSW	ALP
Gash, Joanna	Gilmore, NSW	LP

Members of the House of Representatives

Members	Division	Party
Georganas, Steven	Hindmarsh, SA	ALP
George, Jennie	Throsby, NSW	ALP
Georgiou, Petro	Kooyong, Vic	LP
Gibbons, Stephen William	Bendigo, Vic	ALP
Gillard, Hon. Julia Eileen	Lalor, Vic	ALP
Gray, Hon. Gary, AO	Brand, WA	ALP
Grierson, Sharon Joy	Newcastle, NSW	ALP
Griffin, Hon. Alan Peter	Bruce, Vic	ALP
Haase, Barry Wayne	Kalgoorlie, WA	LP
Hale, Damian Francis	Solomon, NT	ALP
Hall, Jill Griffiths	Shortland, NSW	ALP
Hartsuyker, Luke	Cowper, NSW	Nats
Hawke, Alexander George	Mitchell, NSW	LP
Hawker, Hon. David Peter Maxwell	Wannon, Vic	LP
Hayes, Christophher Patrick	Werriwa, NSW	ALP
Hockey, Hon. Joseph Benedict	North Sydney, NSW	LP
Hull, Kay Elizabeth	Riverina, NSW	Nats
Hunt, Hon. Gregory Andrew	Flinders, Vic	LP
Irons, Stephen James	Swan, WA	LP
Irwin, Julia Claire	Fowler, NSW	ALP
Jackson, Sharryn Maree	Hasluck, WA	ALP
Jenkins, Harry Alfred	Scullin, Vic	ALP
Jensen, Dennis Geoffrey	Tangney, WA	LP
Johnson, Michael Andrew	Ryan, Qld	LP
Katter, Hon. Robert Carl	Kennedy, Qld	Ind
Keenan, Michael Fayat	Stirling, WA	LP
Kelly, Hon. Michael Joseph, AM	Eden-Monaro, NSW	ALP
Kerr, Hon. Duncan James Colquhoun, SC	Denison, Tas	ALP
King, Catherine Fiona	Ballarat, Vic	ALP
Laming, Andrew Charles	Bowman, Qld	LP
Ley, Hon. Sussan Penelope	Farrer, NSW	LP
Lindsay, Hon. Peter John	Herbert, Qld	LP
Livermore, Kirsten Fiona	Capricornia, Qld	ALP
McClelland, Hon. Robert Bruce	Barton, NSW	ALP
Macfarlane, Hon. Ian Elgin	Groom, Qld	LP
McKew, Hon. Maxine Margaret	Bennelong, NSW	ALP
Macklin, Hon. Jennifer Louise	Jagajaga, Vic	ALP
McMullan, Hon. Robert Francis	Fraser, ACT	ALP
Marino, Nola Bethwyn	Forrest, WA	LP
Markus, Louise Elizabeth	Greenway, NSW	LP
Marles, Richard Donald	Corio, Vic	ALP
May, Margaret Ann	McPherson, Qld	LP
Melham, Daryl	Banks, NSW	ALP
Mirabella, Sophie	Indi, Vic	LP
Morrison, Scott John	Cook, NSW	LP
Moylan, Hon. Judith Eleanor	Pearce, WA	LP
Murphy, Hon. John Paul	Lowe, NSW	ALP
Neal, Belinda Jane	Robertson, NSW	ALP
Nelson, Hon. Brendan John	Bradfield, NSW	LP

Members of the House of Representatives

Members	Division	Party
Neumann, Shayne Kenneth	Blair, Qld	ALP
Neville, Paul Christopher	Hinkler, Qld	Nats
Oakeshott, Robert James Murray	Lyne, NSW	Ind
O'Connor, Hon. Brendan Patrick John	Gorton, Vic	ALP
Owens, Julie Ann	Parramatta, NSW	ALP
Parke, Melissa	Fremantle, WA	ALP
Pearce, Hon. Christopher John	Aston, Vic	LP
Perrett, Graham Douglas	Moreton, Qld	ALP
Plibersek, Hon. Tanya Joan	Sydney, NSW	ALP
Price, Hon. Leo Roger Spurway	Chifley, NSW	ALP
Pyne, Hon. Christopher Maurice	Sturt, SA	LP
Raguse, Brett Blair	Forde, Qld	ALP
Ramsey, Rowan Eric	Grey, SA	LP
Randall, Don James	Canning, WA	LP
Rea, Kerry Marie	Bonner, Qld	ALP
Ripoll, Bernard Fernand	Oxley, Qld	ALP
Rishworth, Amanda Louise	Kingston, SA	ALP
Robb, Hon. Andrew John, AO	Goldstein, Vic	LP
Robert, Stuart Rowland	Fadden, Qld	LP
Roxon, Hon. Nicola Louise	Gellibrand, Vic	ALP
Rudd, Hon. Kevin Michael	Griffith, Qld	ALP
Ruddock, Hon. Philip Maxwell	Berowra, NSW	LP
Saffin, Janelle Anne	Page, NSW	ALP
Schultz, Albert John	Hume, NSW	LP
Scott, Hon. Bruce Craig	Maranoa, Qld	NP
Secker, Patrick Damien	Barker, SA	LP
Shorten, Hon. William Richard	Maribyrnong, Vic	ALP
Sidebottom, Peter Sid	Braddon, Tas	ALP
Simpkins, Luke Xavier Linton	Cowan, WA	LP
Slipper, Hon. Peter Neil	Fisher, Qld	LP
Smith, Hon. Anthony David Hawthorn	Casey, Vic	LP
Smith, Hon. Stephen Francis	Perth, WA	ALP
Snowdon, Hon. Warren Edward	Lingiari, NT	ALP
Somlyay, Hon. Alexander Michael	Fairfax, Qld	LP
Southcott, Andrew John	Boothby, SA	LP
Stone, Hon. Sharman Nancy	Murray, Vic	LP
Sullivan, Jonathan Harold	Longman, Qld	ALP
Swan, Hon. Wayne Maxwell	Lilley, Qld	ALP
Symon, Michael Stuart	Deakin, Vic	ALP
Tanner, Hon. Lindsay James	Melbourne, Vic	ALP
Thomson, Craig Robert	Dobell, NSW	ALP
Thomson, Kelvin John	Wills, Vic	ALP
Trevor, Chris Allan	Flynn, Qld	ALP
Truss, Hon. Warren Errol	Wide Bay, Qld	Nats
Tuckey, Hon. Charles Wilson	O'Connor, WA	LP
Turnbull, Hon. Malcolm Bligh	Wentworth, NSW	LP
Turnour, James Pearce	Leichhardt, Qld	ALP
Vale, Hon. Danna Sue	Hughes, NSW	LP
Vamvakinou, Maria	Calwell, Vic	ALP

Members of the House of Representatives

Members	Division	Party
Washer, Malcolm James	Moore, WA	LP
Windsor, Anthony Harold Curties	New England, NSW	Ind
Wood, Jason Peter	La Trobe, Vic	LP
Zappia, Tony	Makin, SA	ALP

PARTY ABBREVIATIONS

ALP—Australian Labor Party; LP—Liberal Party of Australia;
Nats—The Nationals; Ind—Independent

Heads of Parliamentary Departments

Clerk of the Senate—H Evans
Clerk of the House of Representatives—IC Harris AO
Secretary, Department of Parliamentary Services—A Thompson

RUDD MINISTRY

Prime Minister	Hon. Kevin Rudd, MP
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion	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
Special Minister of State, Cabinet Secretary and Vice President of the Executive Council	Senator Hon. John Faulkner
Minister for Finance and Deregulation	Hon. Lindsay Tanner MP
Minister for Trade	Hon. Simon Crean MP
Minister for Foreign Affairs	Hon. Stephen Smith MP
Minister for Defence	Hon. Joel Fitzgibbon 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 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 and Water	Senator Hon. Penny Wong
Minister for the Environment, Heritage and the Arts	Hon. Peter Garrett AM, MP
Attorney-General	Hon. Robert McClelland MP
Minister for Human Services and Manager of Government Business in the Senate	Senator Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry	Hon. Tony Burke MP
Minister for Resources and Energy and Minister for Tourism	Hon. Martin Ferguson AM, MP

[The above ministers constitute the cabinet]

RUDD MINISTRY—*continued*

Minister for Home Affairs	Hon. Bob Debus MP
Assistant Treasurer and Minister for Competition Policy and Consumer Affairs	Hon. Chris Bowen MP
Minister for Veterans' Affairs	Hon. Alan Griffin MP
Minister for Housing and Minister for the Status of Women	Hon. Tanya Plibersek MP
Minister for Employment Participation	Hon. Brendan O'Connor MP
Minister for Defence Science and Personnel	Hon. Warren Snowdon MP
Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation	Hon. Dr Craig Emerson MP
Minister for Superannuation and Corporate Law	Senator Hon. Nick Sherry
Minister for Ageing	Hon. Justine Elliot MP
Minister for Youth and Minister for Sport	Hon. Kate Ellis MP
Parliamentary Secretary for Early Childhood Education and Childcare	Hon. Maxine McKew MP
Parliamentary Secretary for Climate Change	Hon. Greg Combet AM, MP
Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water	Hon. Dr Mike Kelly AM, MP
Parliamentary Secretary for Regional Development and Northern Australia	Hon. Gary Gray AO, MP
Parliamentary Secretary for Disabilities and Children's Services and Parliamentary Secretary for Victorian Bushfire Reconstruction	Hon. Bill Shorten MP
Parliamentary Secretary for International Development Assistance	Hon. Bob McMullan MP
Parliamentary Secretary for Pacific Island Affairs	Hon. Duncan Kerr 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 the Voluntary Sector	Senator Hon. Ursula Stephens
Parliamentary Secretary to the Minister for Health and Ageing	Senator Hon. Jan McLucas
Parliamentary Secretary for Multicultural Affairs and Settlement Services	Hon. Laurie Ferguson MP
Parliamentary Secretary for Government Service Delivery	Senator Hon. Mark Arbib

SHADOW MINISTRY

Leader of the Opposition	The Hon Malcolm Turnbull MP
Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition	The Hon Julie Bishop MP
Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals	The Hon Warren Truss MP
Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate	Senator the Hon Nick Minchin
Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate	Senator the Hon Eric Abetz
Shadow Treasurer	The Hon Joe Hockey MP
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House	The Hon Christopher Pyne MP
Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design	The Hon Andrew Robb AO, MP
Shadow Minister for Finance, Competition Policy and Deregulation	Senator the Hon Helen Coonan
Shadow Minister for Human Services and Deputy Leader of The Nationals	Senator the Hon Nigel Scullion
Shadow Minister for Energy and Resources	The Hon Ian Macfarlane MP
Shadow Minister for Families, Housing, Community Services and Indigenous Affairs	The Hon Tony Abbott MP
Shadow Special Minister of State and Shadow Cabinet Secretary	Senator the Hon Michael Ronaldson
Shadow Minister for Climate Change, Environment and Water	The Hon Greg Hunt MP
Shadow Minister for Health and Ageing	The Hon Peter Dutton MP
Shadow Minister for Defence	Senator the Hon David Johnston
Shadow Attorney-General	Senator the Hon George Brandis SC
Shadow Minister for Agriculture, Fisheries and Forestry	The Hon John Cobb MP
Shadow Minister for Employment and Workplace Relations	Mr Michael Keenan MP
Shadow Minister for Immigration and Citizenship	The Hon Dr Sharman Stone
Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts	Mr Steven Ciobo

[The above constitute the shadow cabinet]

SHADOW MINISTRY—*continued*

Shadow Minister for Financial Services, Superannuation and Corporate Law	The Hon Chris Pearce MP
Shadow Assistant Treasurer	The Hon Tony Smith MP
Shadow Minister for Sustainable Development and Cities	The Hon Bruce Billson MP
Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House	Mr Luke Hartsuyker MP
Shadow Minister for Housing and Local Government	Mr Scott Morrison
Shadow Minister for Ageing	Mrs Margaret May MP
Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence	The Hon Bob Baldwin MP
Shadow Minister for Veterans' Affairs	Mrs Louise Markus MP
Shadow Minister for Early Childhood Education, Child-care, Status of Women and Youth	Mrs Sophie Mirabella MP
Shadow Minister for Justice and Customs	The Hon Sussan Ley MP
Shadow Minister for Employment Participation, Training and Sport	Dr Andrew Southcott MP
Shadow Parliamentary Secretary for Northern Australia	Senator the Hon Ian Macdonald
Shadow Parliamentary Secretary for Roads and Transport	Mr Don Randall MP
Shadow Parliamentary Secretary for Regional Development	Mr John Forrest MP
Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs	Senator Marise Payne
Shadow Parliamentary Secretary for Energy and Resources	Mr Barry Haase MP
Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector	Senator Mitch Fifield
Shadow Parliamentary Secretary for Water Resources and Conservation	Mr Mark Coulton MP
Shadow Parliamentary Secretary for Health Administration	Senator Mathias Cormann
Shadow Parliamentary Secretary for Defence	The Hon Peter Lindsay MP
Shadow Parliamentary Secretary for Education	Senator the Hon Brett Mason
Shadow Parliamentary Secretary for Justice and Public Security	Mr Jason Wood MP
Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry	Senator the Hon Richard Colbeck
Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate	Senator Concetta Fierravanti-Wells

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Thursday, 14 May 2009

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

MEMBER FOR BENDIGO

Mr PYNE (Sturt) (9.00 am)—I seek leave to move the following motion:

That this House:

(1) condemns the Member for Bendigo for:

Mr Burke—Mr Speaker, on a point of order: to suit the convenience of the House, I can advise we will not be giving leave.

Mr PYNE—I get to read the motion first. I seek leave to move:

That this House:

(1) condemns the Member for Bendigo for:

(a) failing to understand the difference between Nazi Germany in the 1930s and 1940s, and Australia in 2009;

(b) displaying a total lack of regard for the sensibilities of Jewish Australians and other minorities in Australia who were persecuted in both Germany and other conquered territories by Hitler's war machine and found their home in our country after World War II;

(c) finding a moral equivalence between the death camps of Reinhard Heydrich and the legitimate Parliamentary debate surrounding this Government's budgetary policy;

(d) being unable to comprehend the affront to Jewish Australians and others, who were the target of Hitler's grotesque policies, in his own electorate of Bendigo; and

(e) embarrassing the House through the senseless, base and tasteless attack on the Coalition; and

(2) invites the Member for Bendigo to attend the House immediately and apologise to those he has offended, the Opposition in particular and all Members of the House.

Leave not granted.

Suspension of Standing and Sessional Orders

Mr PYNE (Sturt) (9.02 am)—I move:

That so much of the standing and sessional orders be suspended as would prevent the member for Sturt from moving the following motion immediately:

That this House:

(1) condemns the Member for Bendigo for:

(a) failing to understand the difference between Nazi Germany in the 1930s and 1940s, and Australia in 2009;

(b) displaying a total lack of regard for the sensibilities of Jewish Australians and other minorities in Australia who were persecuted in both Germany and other conquered territories by Hitler's war machine and found their home in our country after World War II;

(c) finding a moral equivalence between the death camps of Reinhard Heydrich and the legitimate Parliamentary debate surrounding this Government's budgetary policy—

and you should be making him apologise for this—

(d) being unable to comprehend the affront to Jewish Australians and others, who were the target of Hitler's grotesque policies, in his own electorate of Bendigo—

Mr Burke—Mr Speaker, on a point of order: given that the member for Sturt has departed from what he has got in writing and therefore has begun his speech, I move—

Mr PYNE—You stand by this, do you?

The SPEAKER—The Manager of Opposition Business will resume his seat. The minister.

Mr Burke—Mr Speaker, given that he has begun his speech and departed from the motion, I move:

That the member be no longer heard.

The SPEAKER—The minister will resume his seat. The Manager of Opposition Business will complete reading his motion.

Mr PYNE—Thank you, Mr Speaker. The motion I am moving continues:

- (d) being unable to comprehend the affront to Jewish Australians and others, who were the target of Hitler's grotesque policies, in his own electorate of Bendigo;
 - (e) embarrassing the House through the senseless, base and tasteless attack on the Coalition; and
- (2) invites the Member for Bendigo to attend the House immediately and apologise to those he has offended, the Opposition in particular—

The SPEAKER—Order! The Manager of Opposition Business will resume his seat. I want to give him guidance. I gave some allowance on the point of order by the minister on the basis that, regrettably, you probably replied to an interjection whilst reading the motion.

Mr Price—That is not true!

The SPEAKER—The Chief Government Whip, in what is a very serious situation, is not assisting. There is an inevitability about what is going to happen, but I would advise the Manager of Opposition Business just to read his motion. Then, at the end of that, he can start the debate.

Mr Burke—Mr Speaker, I believe he had completed what is in writing.

Mr PYNE—No, I had not.

The SPEAKER—I will listen.

Mr PYNE—Thank you, Mr Speaker. And, finally, the opposition invites the member for Bendigo to do the right thing and come into the House and apologise for describing the coalition as having 'all the compassion of the Third Reich'.

Mr Speaker, it is unbelievable that the government would not—

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (9.05 am)—I move:

That the member be no longer heard.

A division having been called and the bells being rung—

Mr Pyne—I wonder how Michael Danby feels about this. What a disgrace. The member for Bendigo should come into the House and he should apologise for this. What an appalling performance. Mark Dreyfus must think this is a real scream, does he?

Opposition members interjecting—

Mr Pyne—We're voting about Gibbons apologising for calling us Nazis.

Ms King—That's not what he said.

Mr Pyne interjecting—

The SPEAKER—Order! Can I suggest to the member for Sturt that we just settle down.

Question put.

The House divided. [9.10 am]

(The Speaker—Mr Harry Jenkins)

Ayes.....	69
Noes.....	<u>56</u>
Majority.....	<u>13</u>

AYES

Adams, D.G.H.	Bevis, A.R.
Bidgood, J.	Bird, S.
Bowen, C.	Bradbury, D.J.
Burke, A.E.	Burke, A.S.
Butler, M.C.	Byrne, A.M.
Campbell, J.	Champion, N.
Cheeseman, D.L.	Clare, J.D.
Collins, J.M.	Combet, G.
D'Ath, Y.M.	Danby, M.
Debus, B.	Dreyfus, M.A.
Elliot, J.	Ellis, A.L.
Ellis, K.	Emerson, C.A.
Ferguson, L.D.T.	Ferguson, M.J.
Georganas, S.	George, J.
Gibbons, S.W.	Gillard, J.E.
Gray, G.	Grierson, S.J.

Griffin, A.P.	Hall, J.G. *
Hayes, C.P. *	Irwin, J.
Jackson, S.M.	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.
Price, L.R.S.	Raguse, B.B.
Rea, K.M.	Ripoll, B.F.
Rishworth, A.L.	Saffin, J.A.
Sidebottom, S.	Smith, S.F.
Sullivan, J.	Symon, M.
Tanner, L.	Thomson, C.
Thomson, K.J.	Trevor, C.
Turnour, J.P.	Vamvakinou, M.
Zappia, A.	

NOES

Abbott, A.J.	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.	Costello, P.H.
Coulton, M.	Dutton, P.C.
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.
Jensen, D.	Johnson, M.A. *
Keenan, M.	Ley, S.P.
Lindsay, P.J.	Macfarlane, I.E.
Marino, N.B.	Markus, L.E.
May, M.A.	Mirabella, S.
Morrison, S.J.	Moylan, J.E.
Nelson, B.J.	Neville, P.C.
Pearce, C.J.	Pyne, C.
Ramsey, R.	Randall, D.J.
Robb, A.	Robert, S.R.
Ruddock, P.M.	Secker, P.D.
Simpkins, L.	Slipper, P.N.
Smith, A.D.H.	Somlyay, A.M.
Southcott, A.J.	Stone, S.N.
Tuckey, C.W.	Vale, D.S.
Washer, M.J.	Wood, J.

* denotes teller

Question agreed to.

The SPEAKER—Is the motion seconded?

Mr PEARCE (Aston) (9.16 am)—I second the motion. The whole of the Labor movement has—

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (9.16 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.17 am]

(The Speaker—Mr Harry Jenkins)

Ayes.....	69
Noes.....	<u>56</u>
Majority.....	<u>13</u>

AYES

Adams, D.G.H.	Bevis, A.R.
Bidgood, J.	Bird, S.
Bowen, C.	Bradbury, D.J.
Burke, A.E.	Burke, A.S.
Butler, M.C.	Byrne, A.M.
Campbell, J.	Champion, N.
Cheeseman, D.L.	Clare, J.D.
Collins, J.M.	Combet, G.
D'Ath, Y.M.	Danby, M.
Debus, B.	Dreyfus, M.A.
Elliot, J.	Ellis, A.L.
Ellis, K.	Emerson, C.A.
Ferguson, L.D.T.	Ferguson, M.J.
Georganas, S.	George, J.
Gibbons, S.W.	Gillard, J.E.
Gray, G.	Grierson, S.J.
Griffin, A.P.	Hall, J.G. *
Hayes, C.P. *	Irwin, J.
Jackson, S.M.	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.
Price, L.R.S.	Raguse, B.B.
Rea, K.M.	Ripoll, B.F.
Rishworth, A.L.	Saffin, J.A.
Sidebottom, S.	Smith, S.F.

Sullivan, J.	Symon, M.	(The Speaker—Mr Harry Jenkins)	
Tanner, L.	Thomson, C.	Ayes.....	58
Thomson, K.J.	Trevor, C.	Noes.....	70
Turnour, J.P.	Vamvakinou, M.	Majority.....	<u>12</u>
Zappia, A.			

NOES

Abbott, A.J.	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.	Costello, P.H.
Coulton, M.	Dutton, P.C.
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.
Jensen, D.	Johnson, M.A. *
Keenan, M.	Ley, S.P.
Lindsay, P.J.	Macfarlane, I.E.
Marino, N.B.	Markus, L.E.
May, M.A.	Mirabella, S.
Morrison, S.J.	Moylan, J.E.
Nelson, B.J.	Neville, P.C.
Pearce, C.J.	Pyne, C.
Ramsey, R.	Randall, D.J.
Robb, A.	Robert, S.R.
Ruddock, P.M.	Secker, P.D.
Simpkins, L.	Slipper, P.N.
Smith, A.D.H.	Somlyay, A.M.
Southcott, A.J.	Stone, S.N.
Tuckey, C.W.	Vale, D.S.
Washer, M.J.	Wood, J.

* denotes teller

Question agreed to.

Original question put:

That the motion (**Mr Pyne's**) be agreed to.

The SPEAKER—The question now is that the motion for the suspension of standing and sessional orders be agreed to.

The House divided. [9.20 am]

AYES

Abbott, A.J.	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.	Costello, P.H.
Coulton, M.	Dutton, P.C.
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.
Jensen, D.	Johnson, M.A. *
Keenan, M.	Ley, S.P.
Lindsay, P.J.	Macfarlane, I.E.
Marino, N.B.	Markus, L.E.
May, M.A.	Mirabella, S.
Morrison, S.J.	Moylan, J.E.
Nelson, B.J.	Neville, P.C.
Pearce, C.J.	Pyne, C.
Ramsey, R.	Randall, D.J.
Robb, A.	Robert, S.R.
Ruddock, P.M.	Schultz, A.
Secker, P.D.	Simpkins, L.
Slipper, P.N.	Smith, A.D.H.
Somlyay, A.M.	Southcott, A.J.
Stone, S.N.	Tuckey, C.W.
Turnbull, M.	Vale, D.S.
Washer, M.J.	Wood, J.

NOES

Adams, D.G.H.	Bevis, A.R.
Bidgood, J.	Bird, S.
Bowen, C.	Bradbury, D.J.
Burke, A.E.	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.	Debus, B.
Dreyfus, M.A.	Elliot, J.
Ellis, A.L.	Ellis, K.
Emerson, C.A.	Ferguson, L.D.T.
Ferguson, M.J.	Georganas, S.

George, J.	Gibbons, S.W.
Gillard, J.E.	Gray, G.
Grierson, S.J.	Griffin, A.P.
Hall, J.G. *	Hayes, C.P. *
Irwin, J.	Jackson, S.M.
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.	Price, L.R.S.
Raguse, B.B.	Rea, K.M.
Ripoll, B.F.	Rishworth, A.L.
Saffin, J.A.	Sidebottom, S.
Smith, S.F.	Sullivan, J.
Symon, M.	Tanner, L.
Thomson, C.	Thomson, K.J.
Trevor, C.	Turnour, J.P.
Vamvakinou, M.	Zappia, A.

* denotes teller

Question negatived.

RURAL ADJUSTMENT AMENDMENT BILL 2009

First Reading

Bill and explanatory memorandum presented by **Mr Burke**.

Bill read a first time.

Second Reading

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (9.24 am)—I move:

That this bill be now read a second time.

The Rural Adjustment Amendment Bill 2009 amends clause 7 of the Rural Adjustment Act 1992 to allow for the reappointment of National Rural Advisory Council (NRAC) members for two subsequent terms after their initial term.

The Rural Adjustment Act 1992 specifies that NRAC's main role is to provide advice on rural adjustment and regional issues including on whether areas should be assessed as being in exceptional circumstances (EC).

Four of the eight current serving NRAC members cease their second terms on 30 June 2009 and, without this legislative amendment being passed, would not be eligible to serve for a third term.

Passage of the bill will ensure that members who have developed considerable expertise in undertaking EC assessments can continue to make significant contributions to NRAC by serving a third term.

This bill in no way changes the current, longstanding EC arrangements and the assessment of the eligibility of farms in drought declared areas for EC assistance will remain unchanged.

Purpose of the bill

The bill will amend the Rural Adjustment Act 1992 to allow for the reappointment of a National Rural Advisory Council (NRAC) member for two subsequent terms after their initial term.

Conclusion

This bill will assist in ensuring those members of NRAC who have developed considerable expertise are able to continue to contribute for a third term of up to three years.

I commend the bill to the House.

Debate (on motion by **Mr Coulton**) adjourned.

CAR DEALERSHIP FINANCING GUARANTEE APPROPRIATION BILL 2009

First Reading

Bill and explanatory memorandum presented by **Mr Bowen**.

Bill read a first time.

Second Reading

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (9.26 am)—I move:

That this bill be now read a second time.

On 5 December 2008, the Prime Minister and I announced the establishment of a special purpose vehicle (SPV) with the support of leading Australian banks, to provide liquidity to eligible car dealers who had been left without wholesale floor plan financing as a result of the departure of GE Money Motor Solutions and GMAC from the Australian market following the onset of the global financial crisis.

The SPV—otherwise known as ‘OzCar’—was legally established as a trust on 2 January 2009.

Under the agreements negotiated with the four major Australian banks, that is, the ANZ, Commonwealth Bank of Australia, the National Australia Bank and Westpac, the four major banks will provide liquidity to OzCar through the purchase of AAA rated OzCar securities.

Most of these OzCar securities will require a Commonwealth guarantee so that they qualify as AAA rated securities thereby allowing the four major banks to purchase them.

Having raised funds through the sale of securities, OzCar will make available funding for 12 months to those dealers who need it and to those who qualify.

It is very pleasing that since the 5 December announcement that most of the former GE and GMAC dealerships have managed to secure alternative wholesale floor plan financing, primarily through remaining lenders.

This and the commendable commitment by both GE and GMAC to wind down their loan books in an orderly manner have meant that it has not yet been necessary for the OzCar SPV to issue securities and lend funds.

There is no doubt that the establishment of the OzCar facility so quickly after GE and

GMAC announced their planned exit from the Australian market provided a critical boost to confidence when it was needed most.

This and the work of Treasury and Credit Suisse with GE and GMAC resulted in a much better outcome than otherwise would have been the case if we had just sat back and done nothing.

As a result of the success of this initiative, the financing task now confronting us is much less than initial expectations.

Last December, it was expected that OzCar would need to finance around \$2 billion worth of loans.

This has come down to around \$850 million. The final figure will probably be less.

Commonwealth Guarantee of OzCar Securities

It will soon be necessary to activate the OzCar facility given the exit plans of GMAC and GE.

As the Treasurer announced yesterday, the government has decided to make the OzCar facility available to Ford Credit for the next 12 months so that Ford Credit’s network of almost 200 Ford dealers can continue to access wholesale floor plan finance.

This decision has been necessary in light of the immense pressures the global financial crisis has placed on Ford Credit’s ability to continue to raise the liquidity it needs to support the Ford dealer network and, through that network, the manufacturing operations of Ford Australia.

In order to allow for the activation of the OzCar facility, this bill seeks to enact a standing appropriation to support the Commonwealth guarantee that will apply to around \$550 million of the securities issued by the OzCar facility.

The major banks will need the certainty of a Commonwealth guarantee with legislative

backing before they will purchase the necessary volume of OzCar securities.

This bill is therefore very important in providing the legislative base for the OzCar SPV facility.

Transparency and Accountability Mechanisms

The OzCar SPV is a complex trust facility. To ensure transparency and accountability, the Treasury has established the relevant trust deeds and published them and supporting material on the Treasury website—www.treasury.gov.au.

Treasury has also entered into a contractual arrangement with Credit Suisse and the OzCar program manager, and a range of service providers, on the operation and administration of the OzCar SPV facility.

Treasury will be providing the government with regular reports on the operation and performance of the OzCar facility and will prepare quarterly reports on the operation of the SPV that will be made available to the parliament.

These reports will identify the overall amount of securities issued; the proportion of securities covered by the Commonwealth guarantee and the overall financial performance of the OzCar SPV.

Moving Forward

The OzCar SPV is designed to wind down by 30 June 2010. The standing appropriation that this bill puts in place will then come to an end.

There is no doubt that the next 12 months will be very challenging for the Australian car industry.

It is critically important that initiatives such as the OzCar facility are put in place not only to provide material support—but also to help provide confidence at a time when such confidence is so badly needed.

I urge the House to support what to date has been a highly successful initiative—and which should become even more important in the weeks and months ahead.

I commend the bill to the House.

Debate (on motion by **Mr Coulton**) adjourned.

TAX LAWS AMENDMENT (2009 MEASURES No. 3) BILL 2009

First Reading

Bill and explanatory memorandum presented by **Mr Bowen**.

Bill read a first time.

Second Reading

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (9.32 am)—I move:

That this bill be now read a second time.

This bill amends various taxation laws to implement a range of improvements to Australia's tax laws.

Schedule 1 amends the Taxation Administration Act 1953 to set the GDP adjustment for the 2009-10 income year at two per cent for taxpayers who pay quarterly pay-as-you-go (PAYG) instalments on the basis of the GDP-adjusted notional tax method.

Without this amendment, the GDP adjustment using the formula in the PAYG instalment provisions of the Tax Administration Act 1953 would be around nine per cent for the 2009-10 income year. Consequently, many taxpayers may have been required to pay tax instalments that would exceed their actual tax liability, with the overpaid tax being credited to them after the end of the income year when their final tax liability is assessed.

While taxpayers can vary their PAYG instalments, they may be reluctant to do so as penalties may apply for significant underestimation.

The amendment will provide cash flow benefits to small businesses, self-funded retirees and other eligible taxpayers by ensuring that their PAYG instalment amounts more closely approximate their actual income tax liability for the 2009-10 income year.

This is an important part of the government's efforts to assist business through the global recession.

Schedule 2 amends the Taxation Administration Act 1953 to allow taxpayers who are voluntarily registered for goods and services tax (GST) and who choose to remit GST annually to also choose to make their PAYG instalments annually, if they satisfy the other eligibility tests for annual PAYG instalments.

The introduction of annual GST payments in 2004 without changing the annual PAYG instalment conditions at that time has created a misalignment between the PAYG and GST instalment systems. In some cases this prevents annual GST payers from making annual PAYG instalments solely because of their voluntary GST registration. This imposes unnecessary compliance costs on these taxpayers.

The amendments introduced by this bill will reduce compliance costs for eligible taxpayers.

Schedule 3 of the bill amends the Petroleum Resources Rent Tax Assessment Act 1987 to implement four minor measures.

The first measure involves introducing a functional currency rule into the petroleum resources rent tax (or PRRT), similar to the functional currency rule in income tax although adapted to the different features of the PRRT. This will allow PRRT taxpayers the option of electing to work out their PRRT position in a functional currency (or foreign currency) which in turn is converted to Australian dollars.

The functional currency measure is expected to reduce compliance costs for those PRRT taxpayers who keep their financial accounts in a foreign currency.

The second PRRT measure deals with exploration expenditure related to a production licence derived from an exploration permit or a retention lease. This measure ensures that all exploration expenditure in an exploration permit area, or retention lease area, is deductible for PRRT purposes against the appropriate area's production licence.

The third PRRT measure introduces internal petroleum provisions into the PRRT to deal with the case where one participant in a petroleum project processes another participant's petroleum prior to the PRRT taxing point. A project is currently under construction where this scenario may apply. The measure will provide consistency with the external petroleum provisions, which deal with the circumstance where a petroleum project sources petroleum for processing from outside its production area.

The fourth PRRT measure extends the offshore exploration designated frontier area incentive by one year. The incentive allows a 150 per cent uplift on PRRT deductions for exploration expenditure incurred in designated offshore frontier areas. This will enable this incentive to apply to the 2009 annual offshore acreage release. Any assistance provided beyond 2009 will be considered in light of the final report of the Australia's Future Tax System review and the energy white paper, which are both scheduled to be completed by the end of 2009.

Finally, schedule 4 amends the list of deductible gift recipients (DGRs) in the Income Tax Assessment Act 1997. Taxpayers can claim income tax deductions for certain gifts to organisations with DGR status. DGR status will assist the listed organisations to attract public support for their activities. This

schedule adds three new organisations to the act, namely the Diplomacy Training Program Limited, the Royal Institution of Australia Incorporated and the Leeuwin Ocean Adventure Foundation Limited.

The Royal Institute based in Adelaide promotes science and scientific applications in the community and is the first international affiliate of the Royal Institute of Great Britain.

The Diplomacy Training initiative affiliated with the University of New South Wales provides training for representatives of non-government organisations in the Asia-Pacific region focusing on human rights and good governance. I acknowledge the work and support of the member for Page for this organisation and her very active efforts to ensure that DGR status was forthcoming.

The Leeuwin Ocean Adventure Foundation based in Fremantle provides educational and self-development training for young people to stimulate personal development, self-reliance, teamwork, confidence, responsibility and community spirit. I acknowledge the very active efforts of the member for Fremantle in support of this organisation.

I wish these organisations well.

Full details of the measures in this bill are contained in the explanatory memorandum.

Debate (on motion by **Mr Coulton**) adjourned.

**FAMILY ASSISTANCE LEGISLATION
AMENDMENT (CHILD CARE)
BILL 2009**

First Reading

Bill and explanatory memorandum presented by **Ms McKew**.

Bill read a first time.

Second Reading

Ms McKew (Bennelong—Parliamentary Secretary for Early Childhood Education and Childcare) (9.40 am)—I move:

That this bill be now read a second time.

The Family Assistance Legislation Amendment (Child Care) Bill 2009 I present today marks another step along this government's path to accessible, affordable, high-quality child care for Australian children, their parents and carers.

This government has already made an enormous investment in early education and child care—\$3.7 billion in new funding between now and 2013—and rightly so.

That is because this government understands how crucial the early years are in a child's life and indeed right through education.

That is why parents now get a childcare tax rebate of 50 per cent of their out-of-pocket childcare costs rather than the previous 30 per cent.

That is why parents can now get the rebate paid to them quarterly, to ensure the assistance is there for them, closer to the time they incur their childcare expenses.

This government is on a mission to expand the accessibility of child care.

As a government we understand that families' situations change, particularly in these uncertain days.

This is why we are making some technical changes in this bill which will improve the administration and accessibility of childcare entitlements.

One of these changes is to allow the final quarterly payment of the childcare tax rebate to be withheld until a parent's taxable income is determined for that financial year.

This will help reduce the amount of under- and overpayments, and the need for subsequent payments or debt recovery.

Where there is overpayment these amendments will allow the debt to be recovered in a way that will minimise the impact on a particular family.

Sometimes families have to deal with the most difficult of circumstances, when a parent or carer who is entitled to that childcare tax rebate dies.

In these circumstances, changes in this bill will allow for the substitution of the entitlement to the person who then takes over the guardianship of the child.

In other cases parents and carers may receive a 'zero rate' for the childcare benefit.

Again, this government understands that people's situations and income change.

Amendments in this bill will allow those assessed at a 'zero rate' of CCB to request a review of their entitlements within two years of the relevant year that they received the zero rating.

All of these changes focus on improving the administration of child care and squaring the ledger with parents in a timely way.

All of them build on changes such as the quarterly childcare tax rebate payment system that the government has already implemented.

I mentioned earlier the government's considerable investment in child care, and we are committed to safeguarding this investment through the proper administration of childcare payments and services.

Given the events of last year with the collapse of ABC Learning, we are especially mindful that Australian families need to have the greatest possible certainty around continuity of care.

Last year the Rudd government extended civil penalties to a broad range of childcare service obligations.

In this bill we take compliance a step further by allowing the imposition of civil penalties through regulations.

We will tighten the requirements on operators around when and how they notify their intention to cease operations. A civil penalty will apply where a service fails to meet this requirement.

The bill will also clarify the link between a service and an operator by ensuring that its operators are held liable for the obligations imposed on the service they maintain.

We do of course acknowledge that the majority of childcare providers do the right thing when it comes to compliance.

But we want to ensure that those who are negligent are required to do what is expected of them.

Another consequential change is the renaming of the childcare tax rebate. It will now be called the childcare rebate, as it is paid through the Family Assistance Office, not through the Australian Taxation Office.

To sum it up in three words, this bill is about administration, accessibility and accountability—what I could call the AAA rating.

With the government's landmark commitment this week to a paid parental leave scheme I am proud to say that from now we will be helping deliver for all children and their parents a service from cradle to creche and beyond.

I commend the bill to the House.

Debate (on motion by **Mr Coulton**) adjourned.

BUSINESS**Rearrangement**

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (9.44 am)—I move:

That consideration of government business order of the day No. 4, Australian Climate Change Regulatory Authority Bill 2009, be postponed until a later hour this day.

Question agreed to.

**CARBON POLLUTION REDUCTION
SCHEME BILL 2009****First Reading**

Bill and explanatory memorandum and—by leave—a regulation impact statement presented by **Mr Combet**.

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (9.45 am)—I move:

That this bill be now read a second time.

The Carbon Pollution Reduction Scheme (CPRS) is one of the most significant environmental and economic reforms in the history of our nation.

The Rudd government accepts the science on the issue of climate change—increasing concentrations of carbon pollution in our atmosphere are causing global warming.

Global action is needed to reduce carbon pollution to avoid the dangerous impacts of climate change.

Australia must play its part in this international action. Tackling the challenge of climate change is one of the government's highest priorities.

To achieve this the Rudd government is committed to three pillars of action on climate change: reducing Australia's emissions, adapting to the effects of climate change we

cannot avoid, and playing a strong role in the global effort.

As part of the first pillar of action the government is committed to achieving a targeted reduction in our emissions through the implementation of a cap-and-trade emissions trading scheme.

The CPRS will reduce Australia's emissions by placing a market price on carbon pollution and link our efforts with those of other countries.

Through the CPRS Australia will address the need to reduce carbon pollution and the environmental impact of climate change, and at the same time support the transition in our economy to a low pollution future.

The need for action

Mainstream scientific opinion is clear. Climate change is real and there is a high probability of serious consequences if greenhouse gas emissions are not restrained.

The science tells us that unmitigated climate change is very likely to result in environmental and social disruption, including significant species extinctions around the globe, threats to food production and severe health impacts, with dramatic increases in morbidity and mortality occurring from heatwaves, floods and droughts.

Australia is highly exposed to the impacts of climate change. The effects on Australia's environment—and economy—will be serious. The health of our population, the security of our water and energy supplies, and impacts on coastal communities and infrastructure all face unprecedented tests.

If we do not act, average temperatures across Australia are expected to rise by just over five degrees C (compared to 1990) by 2100. To put this in perspective, a one degree C rise in temperature risks a 15 per cent reduction in stream flow in the Murray-Darling Basin, Australia's biggest river system.

The government accepts the advice of the Garnaut report that it is in Australia's national interest to achieve a global agreement that will stabilise greenhouse gases in the atmosphere at a concentration of 450 parts per million carbon dioxide equivalent or lower. This is the level above which we face significant risk of dangerous climate change—that is, significant damage to our environment, our economy and our way of life.

That is why the government has said it will commit to a national target to reduce net greenhouse emissions 25 per cent by 2020 over 2000 levels if there is an ambitious global agreement to achieve the 450 parts per million goal.

Australia can play its part in reducing greenhouse gas emissions while continuing to grow the economy.

Last year, the Treasury conducted one of the largest and most sophisticated economic modelling projects ever undertaken in Australia.

Like the Stern report, this modelling concluded that responsible action now is less expensive than later action. The modelling found that, under a variety of scenarios, significant cuts could be made to emissions at a cost to potential annual average economic growth of around one tenth of a percentage point. And this does not take account of the benefits of avoided climate change—that is, minimising costs such as lower agricultural productivity, damaged infrastructure, impacts on health and so on.

This modelling shows that all major employment sectors in the Australian economy continue to grow out to 2020 as we reduce our emissions through cap and trade, including the most emissions-intensive trade-exposed industries.

The government is of course very conscious of the global recession and has been

careful to ensure that the Carbon Pollution Reduction Scheme is economically responsible.

There will be a phased introduction to the scheme. Mandatory obligations will commence one year later than originally proposed, on 1 July 2011.

A fixed price phase will apply between 1 July 2011 and 30 June 2012. During the fixed price phase, each carbon pollution permit will cost \$10.

Substantial assistance will be provided to emissions-intensive trade-exposed industries—including a global recession buffer of additional assistance for the first five years of the scheme.

In addition, eligible businesses will receive funding to undertake energy efficiency measures in 2009-10 as part of a \$200 million tranche of the Climate Change Action Fund. This is part of over \$13 billion in a range of programs to increase energy efficiency and to research, develop, commercialise and deploy low-carbon transport and energy solutions, and renewable sources of energy production.

These and other features of the scheme ensure that it will set Australia on the path to a low-carbon economy in an economically responsible way.

The government recognises that Australians should have the opportunity to do their bit to reduce Australia's emissions. This bill will ensure the government is able to take account of individual Australians' voluntary reductions in carbon pollution when setting scheme caps.

It is important that the bills to enact the scheme be passed this year—both to maximise the chances of a global deal at Copenhagen in December and to provide business certainty.

For Copenhagen, passage of this bill would ensure that Australia has a mechanism in place to meet its international commitments. The government could agree to a target at Copenhagen, knowing that the country has the capacity to deliver on that target in an economically responsible way.

To major developing countries, it would send the signal that Australia is serious about delivering the emissions reductions to which we have committed—and therefore encourage action from them.

For all nations, it will help build confidence that, even in one of the world's most resource-intensive economies, we can start to reduce our emissions while continuing to grow our economy.

For the business community investment certainty is essential if we are to foster continuing investment and growth in our economy and jobs. The CPRS will provide that.

For example, our energy and resources sectors engage in investment decisions with a horizon of anywhere from 15 to 30 years—a time period in which there can be no doubt carbon pricing of some form will be introduced into the domestic and international economy.

Uncertainty about the passage of the CPRS generates uncertainty over these long-term investments. Some of these investments are worth billions of dollars and will result in thousands of new jobs—provided that certainty can be delivered. The converse, as Heather Ridout of the Australian Industry Group has said, is that 'uncertainty is death for business.'

The need for investment certainty is the reason why the Business Council of Australia, among others, has called for a bipartisan approach and the passage of these bills this year. Indeed, the CEO of the BCA, Katie Lahey, said last week:

"To drag on the debate whilst we have got this global financial crisis is just one more complexity that business has got to factor into its planning cycle, and for some businesses it could be the straw that breaks the camel's back."

Objective of the CPRS

The main policy objective of the CPRS is to reduce greenhouse gas emissions and to do so at the least cost to the Australian economy.

There is a key reason why a cap-and-trade scheme delivers emissions reductions at least cost, and that is the flexibility it gives to individual firms.

It is important to appreciate that a cap-and-trade scheme works by reducing pollution across the economy rather than dictating exactly where and when this occurs. An economy-wide emissions cap is set by regulations and an independent regulator—in this case, the Australian Climate Change Regulatory Authority—auctions or allocates emissions units up to that cap. Liable firms must obtain, and surrender to the authority, emissions units equal to their emissions in each financial year.

This model provides flexibility and minimises costs. The government does not dictate to individual firms how emissions should be reduced, or by how much. That judgment is left to individual firms, taking into account the price of permits and their assessment of emissions reductions opportunities.

In short, this is an incentives based model rather than one based on prescriptive directions. There is an economy-wide incentive to reduce emissions, which over time drives the uptake of low-carbon technologies. This will place the economy in a better position over the longer term and avoid the need for large and sudden adjustments in the carbon intensity of the economy.

We should not ignore the international trend towards cap-and-trade schemes. By

introducing the Carbon Pollution Reduction Scheme, Australia will join other developed nations in the fight to reduce carbon pollution. Emissions trading is already underway in 27 European countries. New Zealand has passed legislation to introduce a cap-and-trade scheme. In the United States, President Obama has reinforced his election commitments to mid- and long-term carbon pollution reduction goals and has called on congress to send him legislation to establish a cap-and-trade system, similar to that we are establishing with the CPRS.

Key features of the Bill

I would like to outline some of the main features of the bill.

Caps and gateways

As I have said, the CPRS is a cap-and-trade scheme. This involves setting a greenhouse gas emissions cap for a particular year and issuing units, equal to one tonne of carbon pollution, within that cap.

Scheme caps will be lower than the emissions path required to meet the national targets because some emissions sources—emissions from agriculture and deforestation, for example—are not covered by the scheme, and because direct emissions from facilities are only covered if they exceed specified thresholds.

To provide certainty, the minister will be required to take all reasonable steps to ensure that regulations to specify scheme cap numbers for 2012-13, 2013-14 and 2014-15 are made before 1 July 2010. Caps beyond this point will be set annually to provide certainty over a five-year horizon at all times.

To provide further guidance to liable entities and participants in the carbon market more generally, national scheme gateways may be prescribed for years beginning on and after 1 July 2015. A gateway is a range, comprising an upper bound and a lower

bound of emissions, expressed in terms of tonnes of carbon dioxide equivalent, for a particular year. The minister is required to take all reasonable steps to ensure that the scheme caps are within the range specified for the relevant year.

The Rudd government has listened to Australian households who have raised concerns that their individual efforts to reduce emissions will not be adequately taken into account under the CPRS. The bill therefore provides for the minister to take into account voluntary action in the setting of caps and gateways. As a matter of policy, the government is committed to taking account of uptake of GreenPower in setting caps. The government will take additional GreenPower purchases, above 2009 levels, into account in setting future scheme caps. A range of other indicators of voluntary action may also be taken into account. The explanatory memorandum to this bill outlines in detail how the government intends to implement this policy.

The minister is required to report annually to parliament on reasons for her recommendations in relation to caps and gateways and, as a matter of policy, will set out how voluntary action has been taken into account.

Liable entities

The scheme applies liability in two main ways.

First, liability generally arises where the greenhouse gases emitted from the operation of a facility have a carbon dioxide equivalence of 25,000 tonnes or more per year.

In relation to landfill facilities, there has been an important change from the exposure draft bill released for public comment. The government has accepted the argument from the waste sector that 'legacy waste' emissions—that is, emissions from waste that was placed in landfill prior to the start of the scheme—should not be covered by the scheme. Also, where a landfill facility is

within a prescribed distance from a landfill facility that has a carbon dioxide equivalence of 25,000 tonnes or more, and is accepting similar classifications of waste, the threshold is 10,000 tonnes carbon dioxide equivalent. This is to prevent potential avoidance of waste related liability under the scheme. The prescribed distance will be set in regulations following consultation with industry.

Secondly, where there are large numbers of small emitters, it is more practical to cover emissions by applying liability at another point along the supply chain. For example, to avoid imposing a compliance burden on many individual suppliers or users of fossil fuels and synthetic greenhouse gases, while sending the same price signal, the scheme applies liability at the earliest point of the fuel supply chain within Australia, for example, the importer or manufacturer of the fuel or synthetic greenhouse gas.

In some situations, entities that purchase fuel from that 'upstream' entity will be required or allowed to quote an 'obligation transfer number' and to take responsibility for emissions that would result from the combustion of the purchased fuel.

Obligations of liable entities

Persons liable under the scheme have two main obligations: to calculate their emissions for each financial year, and to transfer a corresponding number of emissions units to the authority.

When the scheme is in full operation, most liable persons will purchase emissions units through regular auctions conducted by the authority, or through private transactions. However, for the first year of the scheme, in 2011-12, permits will be available from the authority for a fixed price of \$10. This one-year fixed price phase will allow the Australian economy more time to recover from the impacts of the global recession.

The government has been consulting with industry on whether amendments can be made to resolve some contract pass-through issues using the liability transfer certificate mechanism. The government will continue to consult industry and legal experts on this issue and may introduce amendments should there be a satisfactory policy outcome.

Transitional industry assistance

Free emissions permits will be issued to our emissions-intensive trade-exposed industries to reduce the risk of 'carbon leakage'. Carbon leakage occurs when industries move from Australia to elsewhere, with no benefit in terms of global emissions reductions, upon introduction of a carbon price in Australia. This risk occurs when Australia imposes a carbon price on our trade-exposed industries ahead of competitor economies. Transitional industry assistance is designed to reduce this risk. Regulations will provide the detail of eligible industries and rates of assistance, but the key parameters have been elaborated in significant detail in the white paper and the Prime Minister's announcement of 4 May 2009.

As announced on 4 May 2009, a global recession buffer will be provided for emissions-intensive trade-exposed industries for the first five years of the scheme, in addition to previously announced rates of assistance.

This buffer will provide an additional five per cent free permits for EITE activities eligible for 90 per cent assistance, giving an effective rate of assistance of almost 95 per cent to these highly emissions-intensive trade-exposed activities in the first year of the scheme.

The buffer will provide an additional 10 per cent free permits for EITE activities eligible for 60 per cent assistance, giving an effective rate of assistance of 66 per cent to these moderately emissions-intensive trade-

exposed activities in the first year of the scheme.

Rates of assistance will decline at a rate of 1.3 per cent per year, in line with the carbon productivity contribution set out in the government's white paper.

Free permits will also be issued, on a once-off basis over the first five years of the scheme, to investors who purchased or constructed coal-fired generation assets prior to the Commonwealth government's announcement of its support for an emissions trading scheme.

While such a policy change could have been foreseen prior to this announcement, the government considers it appropriate to partially recognise significant losses of asset value experienced by investors that were committed to such investments prior to a clear announcement by the Commonwealth government of its support for such a scheme.

International linking

The scheme has been designed to be able to link with international carbon markets. Linking allows the import of emissions units from other schemes, which will reduce global and Australian abatement costs by ensuring that the cheapest abatement opportunities are pursued first, regardless of where they occur in the world. If emissions units are robust—and only such units will be accepted under this scheme—it should not matter where abatement occurs.

This is not only a matter of minimising costs to business. Trade in international emissions units helps developing countries move to a low-emissions pathway. And the more that trade in emissions rights can lower the overall cost of abatement, the more likely it is that governments around the world will be able to commit to more stringent targets in the future.

Use of permit revenue

Revenue raised by sale of emissions permits will be used to help householders adjust to a carbon price, in a very important feature of the scheme. A further bill will be introduced in the 2009 winter sittings to deliver a household assistance package under the Carbon Pollution Reduction Scheme. This package of cash assistance, tax offsets and other measures will be provided by the government to help low- and middle-income households in adjusting to a low-pollution future.

Reforestation

To encourage reductions in carbon pollution before the scheme starts, reforestation will be eligible to voluntarily generate emission units for increases in carbon sequestration from 1 July 2010, creating economic opportunities in regional Australia. It should be noted that, in response to stakeholder feedback, the government will be introducing amendments to the reforestation provisions in the bill.

Commencement

While mandatory obligations under the scheme will start from 1 July 2011, a number of elements of the scheme will be activated before that date.

Regulations, including regulations setting the rates of assistance for emissions-intensive trade-exposed industries will be progressively made after stakeholder consultation.

The Australian Climate Change Regulatory Authority will be established from enactment. This will give time for ACCRA to develop a good working relationship with industry and ensure that the scheme is implemented efficiently. ACCRA will undertake important preparatory work, such as testing auction systems and publishing guidelines on the practical operation of the scheme.

As noted above, scheme caps and gateways will be set before 1 July 2010—after the Copenhagen conference but well before the full commencement of the scheme.

From 1 July 2010, landholders will be able to earn permits from increased carbon stored in forests, ensuring that the CPRS will encourage action to reduce carbon pollution from that date.

Auctions for permits will commence in 2010-11 for emissions units that can be used to meet obligations in the 2012-13 and following financial years.

This timetable underlines the practical advantages of passage of the bill this year.

Legislative package

The Carbon Pollution Reduction Scheme Bill 2009 is part of a package of related bills, including:

- The Australian Climate Change Regulatory Authority Bill 2009;
- The Carbon Pollution Reduction Scheme (Charges-Customs) Bill 2009, Carbon Pollution Reduction Scheme (Charges-Excise) Bill 2009 and Carbon Pollution Reduction Scheme (Charges-General) Bill 2009;
- Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009;
- Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009 and Customs Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009; and
- Carbon Pollution Reduction Scheme (CPRS Fuel Credits) Bill 2009 and Carbon Pollution Reduction Scheme (CPRS Fuel Credits) (Consequential Amendments) Bill 2009.

Conclusion

There has been more than 10 years of discussion in Australia on the introduction of an emissions trading scheme.

In the late 1990s the Australian Greenhouse Office published a series of papers setting out how such a scheme might work and invited submissions in response.

In 2004 state and territory governments formed the National Emissions Trading Task Force, and in 2006 that task force published a discussion paper on the possible design of a national greenhouse gas emissions trading system, which was the subject of extensive public consultation.

In December 2006 the former government established its task group on emissions trading, which reported in May 2007. Again, an extensive public consultation process followed and that task group recommended that an emissions trading scheme should be implemented in Australia.

From April 2007 Professor Garnaut conducted his important review of climate change issues, which also included extensive consultation.

The government's Carbon Pollution Reduction Scheme green paper was then released for public consultation in June 2008. The Department of Climate Change undertook extensive stakeholder consultation in developing the green paper, including meetings with more than 260 organisations in technical workshops and bilateral meetings. To inform consultation, the department released 16 papers on different aspects of scheme design.

Final policy positions were set out in the Carbon Pollution Scheme white paper, released in December 2008. In developing these policy positions, the government considered 1,026 submissions on the green paper, the final report of the Garnaut Climate

Change review, feedback from meetings, workshops and one-on-one stakeholder consultation and outcomes from a number of industry workshops.

In March 2009, the government released for consultation draft legislation to implement the Carbon Pollution Reduction Scheme. In finalising the legislation, the government has considered approximately 160 non-campaign submissions on the draft legislation, the outcomes of workshops with industry, technical and legal experts and the review of the legislation by the Solicitor-General.

In April 2009, the government also released the exposure draft legislation and commentary for the Carbon Pollution Reduction Scheme fuel tax adjustment arrangements. The Treasury conducted consultations with stakeholders on the draft legislation in Melbourne and Sydney.

I would also like to take the opportunity to acknowledge the huge amount of work that has gone into this legislation by the very smart and professional officials within the Department of Climate Change. They have played a key role in the design of this fundamental environmental and economic reform. I would also like to acknowledge the extraordinary work undertaken by the Minister for Climate Change and Water, Senator the Hon. Penny Wong.

It is nearly two years since the now Leader of the Opposition, then Minister for the Environment and Water Resources, stood in this place and introduced the National Greenhouse and Energy Reporting Bill 2007. At the time, he said:

This Bill is the first major step in the establishing the Australian emissions trading scheme.

With this bill, the Carbon Pollution Reduction Scheme Bill 2009, Mr Turnbull has the chance to see this goal through. There have been 10 years of talk about establishing an

emissions trading scheme. Now is the time for action.

The time has come to rise to the challenge, provide business certainty and to act on climate change.

The government is determined to meet this challenge and protect our way of life.

The government's scheme will combat climate change, sustain our society and protect our economy now and into the future.

The government is determined to have the scheme enacted and I urge all parties to support the bill.

Debate (on motion by **Mr Billson**) adjourned.

CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2009

First Reading

Bill and explanatory memorandum presented by **Mr Combet**.

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (10.13 am)—
I move:

That this bill be now read a second time.

The Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009 contains consequential and transitional provisions relating to the Carbon Pollution Reduction Scheme.

The bill seeks to amend 11 acts and one set of regulations.

National Greenhouse and Energy Reporting

The most significant amendments relate to the National Greenhouse and Energy Reporting Act 2007.

This act provides the existing national framework for the reporting of information

on greenhouse gas emissions, energy consumption and energy production. To maintain the government's commitment to the streamlining of reporting of greenhouse and energy data, the act will be the starting framework for monitoring, reporting and assurance under the Carbon Pollution Reduction Scheme.

A number of changes are proposed to strengthen the act and align it with the requirements of the scheme, as outlined in the government's white paper titled *Carbon Pollution Reduction Scheme: Australia's low pollution future*, which was released on 15 December 2008. Under the amendments, one report will satisfy an entity's reporting requirements for the scheme and current reporting requirements under the National Greenhouse and Energy Reporting Act 2007.

Coverage of synthetic greenhouse gases

The Carbon Pollution Reduction Scheme covers synthetic greenhouse gases. As some of these gases are already regulated under the Ozone Protection and Synthetic Greenhouse Gas Management Act 1989, amendments will be made to that act to align it with the scheme.

Establishment of the Australian Climate Change Regulatory Authority

The bill contains a number of consequential amendments relating to the establishment of the Australian Climate Change Regulatory Authority.

As well as administering the Carbon Pollution Reduction Scheme, the new authority will take over administration of both greenhouse and energy reporting and the renewable energy target. This necessitates a number of legislative amendments to replace two existing statutory bodies—the Office of the Renewable Energy Regulator and the Greenhouse and Energy Data Officer—and transfer their functions to the authority.

The creation of the Australian Climate Change Regulatory Authority also gives rise to a number of other consequential amendments—for example, to apply financial management and accountability requirements to the authority.

Measures to prevent market manipulation and misconduct

Australian emissions units and eligible international emissions units are to be financial products for the purposes of chapter 7 of the Corporations Act 2001 and division 2, part 2 of the Australian Securities and Investments Commission Act 2001. The bill amends these acts accordingly.

These amendments will provide a strong regulatory regime to reduce the risk of market manipulation and misconduct relating to emissions units. Appropriate adjustments to the regime to fit the characteristics of units and avoid unnecessary compliance costs will be made. The government has committed to consulting further on those adjustments and recently released a discussion paper on this issue.

As required by the Corporations Agreement between the Commonwealth, states and territories, the Ministerial Council for Corporations has been consulted about the amendments to the corporations legislation and, to the extent necessary, has approved those amendments.

Taxation treatment of emissions units

Schedule 2 of the bill amends various taxation laws to clarify the income tax and goods and services tax treatment of emissions units.

The main consideration in designing the tax treatment of units is that the tax treatment should not compromise the main objectives of the scheme. This means that tax should not influence decisions between purchasing, trading and surrendering units or alterna-

tively reducing emissions. The preferred tax treatment will help implement the scheme and reduce compliance and administration costs for taxpayers and the Australian government.

For income tax, the amendments establish a rolling balance treatment of registered emissions units which is similar to that for trading stock. The result of the treatment is that the cost of a unit is deductible, with the effect of the deduction generally being deferred through the rolling balance until the sale or surrender of the unit.

The proceeds of selling a unit are assessable income with any difference in the value of units held at the beginning of an income year and at the end of that year being reflected in taxable income. Any increase in value is included in assessable income and any decrease in value allowed as a deduction.

The bill also amends the goods and services tax law. It characterises a supply of an eligible emissions unit or a Kyoto unit specifically as a supply of a personal property right and not a supply of or directly connected with real property. The amendments will promote certainty about the application of the normal GST rules to scheme transactions.

Conclusion

The consequential amendments contained in this bill are important for the efficient and effective operation of the Carbon Pollution Reduction Scheme. The amendments seek, where possible, to streamline institutional and regulatory arrangements and minimise administrative costs within the scheme. I commend the bill to the House.

Debate (on motion by **Mr Billson**) adjourned.

AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2009

First Reading

Bill and explanatory memorandum presented by **Mr Combet**.

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (10.19 am)—I move:

That this bill be now read a second time.

This bill will establish the Australian Climate Change Regulatory Authority—a new statutory authority that will be responsible for administering the Carbon Pollution Reduction Scheme.

It is one of a package of bills to establish the scheme.

The authority will be responsible for auctioning and allocating emissions units, maintaining a national registry of emissions units and ensuring that firms comply with their obligations under the scheme.

The government's intention is to establish an effective, efficient and independent regulator.

The authority will be a body corporate headed by a chair and between two and four other members. Through the chair, it will employ Australian Public Service employees on behalf of the Commonwealth.

It will have a modern set of information-gathering, inspection and enforcement powers, conferred on it by the Carbon Pollution Reduction Scheme Bill 2009.

The authority will be at arm's length from government. As with other independent regulators, the minister will only be able to provide directions on general matters and there are limited grounds on which a member of the authority may be removed from office.

The authority will also be accountable. It will be required to produce three-yearly corporate plans and annual reports, and to comply with the Financial Management and Accountability Act 1997.

The authority will take over the functions of the existing Office of the Renewable Energy Regulator and the Greenhouse and Energy Data Officer, so that a single regulatory body will have overall responsibility for administration of climate change laws. This transfer of functions is to be effected through the Carbon Pollution Reduction Scheme (Consequential Amendments) Bill 2009.

While it will have strong powers to ensure that scheme obligations are complied with, the authority will also have an important role in advising and assisting persons in relation to their obligations under the scheme—something that is formally reflected in the authority's functions. I commend the bill to the House.

Debate (on motion by **Mr Billson**) adjourned.

**CARBON POLLUTION REDUCTION
SCHEME (CHARGES—CUSTOMS)
BILL 2009**

First Reading

Bill and explanatory memorandum presented by **Mr Combet**.

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (10.22 am)—I move:

That this bill be now read a second time.

This bill, which is part of the legislative package to establish the Carbon Pollution Reduction Scheme, is one of three technical bills which anticipate the possibility that the charge payable by a person to the Commonwealth for issue of an Australian emissions

unit as the result of an auction, or for a fixed charge, is a tax within the meaning of section 55 of the Constitution.

The Commonwealth does not consider that these charges are taxes for constitutional purposes. However, the government has taken an approach of abundant caution, with the charges bills providing safeguards in case a court reaches a different view on this question.

Section 55 of the Constitution provides:

Laws imposing taxation shall deal only with the imposition of taxation, and any provision therein dealing with any other matter shall be of no effect.

Laws imposing taxation, except laws imposing duties of customs or of excise, shall deal with one subject of taxation only; but laws imposing duties of customs shall deal with duties of customs only, and laws imposing duties of excise shall deal with duties of excise only.

This bill caters for the possibility that the charges I have mentioned are, in whole or part, both a tax and a duty of customs by providing for the imposition of such a charge under this bill. I commend the bill to the House.

Debate (on motion by **Mr Billson**) adjourned.

**CARBON POLLUTION REDUCTION
SCHEME (CHARGES—EXCISE)
BILL 2009**

First Reading

Bill and explanatory memorandum presented by **Mr Combet**.

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (10.24 am)—I move:

That this bill be now read a second time.

This bill, which is part of the legislative package to establish the Carbon Pollution

Reduction Scheme, is one of three technical bills which anticipate the possibility that the charge payable by a person to the Commonwealth for issue of an Australian emissions unit as the result of an auction, or for a fixed charge, is a tax within the meaning of section 55 of the Constitution.

The Commonwealth does not consider that these charges are taxes for constitutional purposes. However, the government has taken an approach of abundant caution, with the charges bills providing safeguards in case a court reaches a different view on this question.

Section 55 of the Constitution provides:

Laws imposing taxation shall deal only with the imposition of taxation, and any provision therein dealing with any other matter shall be of no effect.

Laws imposing taxation, except laws imposing duties of customs or of excise, shall deal with one subject of taxation only; but laws imposing duties of customs shall deal with duties of customs only, and laws imposing duties of excise shall deal with duties of excise only.

This bill caters for the possibility that the charges I have mentioned are, in whole or part, both a tax and a duty of excise by providing for the imposition of such a charge under this bill. I commend the bill to the House.

Debate (on motion by **Mr Billson**) adjourned.

**CARBON POLLUTION REDUCTION
SCHEME (CHARGES—GENERAL)
BILL 2009**

First Reading

Bill and explanatory memorandum presented by **Mr Combet**.

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (10.26 am)—I move:

That this bill be now read a second time.

This bill, which is part of the legislative package to establish the Carbon Pollution Reduction Scheme, is another of three technical bills which anticipate the possibility that the charge payable by a person to the Commonwealth for issue of an Australian emissions unit as the result of an auction, or for a fixed charge, is a tax within the meaning of section 55 of the Constitution.

The Commonwealth does not consider that these charges are taxes for constitutional purposes. However, the government has taken an approach of abundant caution, with the charges bills providing safeguards in case a court reaches a different view on this question.

Section 55 of the Constitution provides:

Laws imposing taxation shall deal only with the imposition of taxation, and any provision therein dealing with any other matter shall be of no effect.

Laws imposing taxation, except laws imposing duties of customs or of excise, shall deal with one subject of taxation only; but laws imposing duties of customs shall deal with duties of customs only, and laws imposing duties of excise shall deal with duties of excise only.

This bill caters for the possibility that the charges I have mentioned are, in whole or part, a tax. In those circumstances, this bill imposes the charge, but only to the extent the charge is neither a duty of customs nor a duty of excise. I commend the bill to the House.

Debate (on motion by **Mr Billson**) adjourned.

**CARBON POLLUTION REDUCTION
SCHEME (CPRS FUEL CREDITS)
BILL 2009**

First Reading

Bill and explanatory memorandum presented by **Mr Combet**.

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (10.39 am)—I move:

That this bill be now read a second time.

The bill that I am introducing today seeks to establish in legislation the ‘CPRS fuel credit’ measure. It will provide transitional assistance to eligible industries and fuels that will not benefit from the cent-for-cent fuel tax reduction made under the Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009.

The CPRS fuel credit will offset the increase in eligible fuel prices by an amount equal to the reduction in the fuel tax rate. CPRS fuel credit amounts will be adjusted automatically with adjustments to the fuel tax made under the Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009.

The CPRS fuel credit program will give transitional assistance to the agriculture (excluding forestry) and fishing industries for the period 1 July 2011 to 30 June 2014. For the period the government has fixed the emissions unit charge at \$10 per tonne, based on current taxation arrangements, this credit will equal 2.455c per litre.

Activities incidental to the agriculture and fishing industries currently receive 50 per cent of the fuel tax credit under the Fuel Tax Act until 30 June 2012 after which they will be entitled to a full fuel tax credit. As these incidental activities will therefore receive a partial benefit from the reduction in fuel tax

until 30 June 2012, they will be entitled to a partial CPRS fuel credit until that date. This CPRS fuel credit will be 50 per cent of the full CPRS fuel credit while the reduced fuel tax credit rate applies, and the full CPRS fuel credit thereafter until 30 June 2014.

CPRS fuel credits will also provide transitional assistance to heavy on-road transport users for the period 1 July 2011 to 30 June 2012. The industry will be entitled to a CPRS fuel credit of 2.455c per litre based on current taxation arrangements and the introduction of an emissions unit charge fixed at \$10 per tonne.

Liquid petroleum gas (LPG), liquid natural gas (LNG) and compressed natural gas (CNG) are alternative transport fuels and will face a Carbon Pollution Reduction Scheme emissions unit obligation. However, as LPG, LNG and CNG are currently outside the fuel excise system they will not benefit from the fuel tax reductions applying to other fuels. The CPRS fuel credit program will therefore be extended to these fuels.

To be eligible for a CPRS fuel credit for the supply of gaseous fuels, an entity must be the liable entity for that fuel under the Carbon Pollution Reduction Scheme Bill 2009.

Suppliers will benefit from a CPRS fuel credit for differing transitional periods depending on the fuel.

The CPRS fuel credit will be provided to LPG suppliers for the period 1 July 2011 to 30 June 2014 as it is predominantly used for private motoring as an alternative to petrol.

The CPRS fuel credit will be provided to LNG and CNG suppliers for the period 1 July 2011 to 30 June 2012. This treatment is the same as for heavy on-road transport as LNG and CNG are predominantly used for this purpose.

The government will review these measures upon their conclusion.

As the volume of emissions from these fuels is substantially lower than the volume from petrol and diesel, the Australian emissions unit auction charge impact on them will be lower. To reflect this, these fuels will receive less than the full amount of the CPRS fuel credit.

From 1 July 2011, based on current taxation arrangements and the introduction of the emissions unit charge fixed at \$10 per tonne for one year, CNG will receive a CPRS fuel credit of 1.91c per litre, which is 78 per cent of the full credit, LNG will receive a credit of 1.23c per litre which is 50 per cent of the full CPRS fuel credit. LPG, which has the three-year assistance period, will receive a credit of 1.64c per litre, which is 67 per cent on the full CPRS fuel credit for the first year after which the credit will be adjusted in accordance with increases in the emissions unit charge.

The CPRS fuel credit program will be administered by the Australian Taxation Office and claims will be made in the business activity statement in the same manner as fuel tax credits.

Full details of the Carbon Pollution Reduction Scheme (CPRS Fuel Credits) Bill 2009 are contained in the explanatory memorandum. I commend the bill to the House.

Debate (on motion by **Mr Billson**) adjourned.

**CARBON POLLUTION REDUCTION
SCHEME (CPRS FUEL CREDITS)
(CONSEQUENTIAL AMENDMENTS)
BILL 2009**

First Reading

Bill and explanatory memorandum presented by **Mr Combet**.

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (10.35 am)—I move:

That this bill be now read a second time.

The Carbon Pollution Reduction Scheme (CPRS Fuel Credits) (Consequential Amendments) Bill 2009 will legislate amendments to the Fuel Tax Act 2006 ('the Fuel Tax Act'), the Income Tax Assessment Act 1997 and the Taxation Administration Act 1953 necessitated by the introduction of the CPRS fuel credits bill and the administrative arrangements announced by the government.

The measures in the Carbon Pollution Reduction Scheme (CPRS Fuel Credits) (Consequential Amendments) Bill 2009 are mechanical in nature. For example, the existing formula in the Fuel Tax Act for determining the net fuel amount, which is the amount either owed to the commissioner or the commissioner owes, is being replaced. The new formula includes the CPRS fuel credit and increasing or decreasing adjustments for CPRS fuel credits.

Full details of the Carbon Pollution Reduction Scheme (CPRS Fuel Credits) (Consequential Amendments) Bill 2009 are contained in the explanatory memorandum. I commend the bill to the House.

Debate (on motion by **Mr Billson**) adjourned.

**EXCISE TARIFF AMENDMENT
(CARBON POLLUTION REDUCTION
SCHEME) BILL 2009**

First Reading

Bill and explanatory memorandum presented by **Mr Combet**.

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (10.37 am)—I move:

That this bill be now read a second time.

I am introducing today a bill to amend the Excise Tariff Act 1921 to confirm in legislation the government's commitment in the *Carbon Pollution Reduction Scheme: Australia's low pollution future* white paper. The government will cut fuel taxes on a 'cent for cent' basis to offset the initial price impact on fuel of introducing the Carbon Pollution Reduction Scheme.

The government recognises that people have limited flexibility to respond quickly to changes in fuel prices but that, over time, transport choices can respond to price changes.

To give households and businesses time to adjust to the scheme, this legislation introduces a mechanism to automatically adjust the rate of fuel tax on all fuels that are currently subject to the 38.143c per litre rate of excise.

Fuel tax consists of excise duty on domestically manufactured fuels and excise-equivalent customs duty on imported fuels. Fuel tax is predominantly applied at a rate of 38.143c per litre across the range of fuels including petrol, diesel, kerosene, fuel oil, heating oil, biodiesel and fuel ethanol.

Different fuels emit different amounts of carbon when they burn and their prices will increase according to the volume of their emissions. To minimise compliance costs, the fuel tax cut will be made 'across the board' to currently taxed fuels. The fuel excise adjustment will be based on the expected rise in the price of diesel resulting from the introduction of the scheme. This will ensure there is 'cent for cent' assistance for diesel users.

Diesel emits more carbon than petrol on a per litre basis so the fuel tax cut will provide more than 'cent for cent' assistance for petrol users, which make up the majority of motorists. However, diesel use is becoming more common as fuel and vehicle standards improve. Basing the fuel tax cut on diesel will therefore ensure that the government's 'cent for cent' commitment is delivered for the most common fuels used by households.

Any reductions will take place on 1 January and 1 July each year, to harmonise with the business activity statement reporting period.

The first fuel tax reduction will occur on 1 July 2011 with the commencement of the Carbon Pollution Reduction Scheme. On 1 July 2011, based on current taxation arrangements and that the emissions unit charge will be fixed at \$10 per tonne, the fuel tax will be reduced by 2.455c per litre to 35.688c per litre.

After the fixed emission unit price of \$10 per tonne lapses on 30 June 2012, the need for further reductions, and the amount, will be assessed based on the average Australian emissions unit auction charge over the preceding six-month period. If the average unit charge at the time of the assessment is greater than the average unit charge that formed the basis of the previous reduction, then the fuel tax rate will be further reduced. This approach will apply to adjustments that occur from 1 July 2012.

If the current average unit charge amount is less than the previous average unit charge amount then the rate of fuel tax will remain the same—the fuel tax rate will not be increased if the emissions charge has fallen.

Information on the six-month average Australian emissions unit auction charge will be published by the Australian Climate Change Regulatory Authority in accordance

with section 271 of the Carbon Pollution Reduction Scheme Bill.

The final reduction will be made, if necessary, on 1 July 2014. The fuel tax rate at that date will be the ongoing rate, that is, the fuel tax rate will not revert to the 38.143c per litre rate. At this time the government will review the mechanism introduced by these amendments.

The amendments to the Excise Tariff Act will commence on 1 July 2011 assuming that the Carbon Pollution Reduction Scheme, of course, commences on that date.

Full details of the Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009 are contained in the explanatory memorandum. I commend the bill to the House.

Debate (on motion by **Mr Billson**) adjourned.

**CUSTOMS TARIFF AMENDMENT
(CARBON POLLUTION REDUCTION
SCHEME) BILL 2009**

First Reading

Bill and explanatory memorandum presented by **Mr Combet**.

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (10.42 am)—I move:

That this bill be now read a second time.

I am introducing on this occasion a bill to amend the Customs Tariff Act 1995 to confirm in legislation the government's commitment in the *Carbon Pollution Reduction Scheme: Australia's low pollution future* white paper. The commitment is to cut fuel taxes on a 'cent for cent' basis to offset the initial price impact on fuel of introducing the Carbon Pollution Reduction Scheme.

This amendment will introduce a new section into the Customs Tariff Act to ensure that the reductions made to the excise rates on fuels due to the introduction of the scheme also apply to the relevant imported products.

Where a relevant excise rate, as defined in the Excise Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009, is reduced, this amendment will substitute the same rate to the excise-equivalent customs duty rates. The substitution will apply to the subheadings in schedules 3, 5, 6, 7 and item 50(1A) in schedule 4 to the Customs Tariff Act.

Only the rate of excise-equivalent duty—that is, the non ad valorem component of the duty—will be substituted.

The amendments to the Customs Tariff Act will commence on 1 July 2011 assuming the Carbon Pollution Reduction Scheme Bill 2009 commences on that date.

Full details of the Customs Tariff Amendment (Carbon Pollution Reduction Scheme) Bill 2009 are contained in the explanatory memorandum. I commend the bill to the House.

Debate (on motion by **Mr Billson**) adjourned.

COMMITTEES

Public Works Committee

Reference

Mr GRIFFIN (Bruce—Minister for Veterans' Affairs) (10.44 am)—It is with some fear and trepidation that, on behalf of the Parliamentary Secretary for Defence Support, I move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed fit-out of the ANZAC Park West Building, Parkes.

The Department of Finance and Deregulation proposes to fit out the Anzac Park West office building in Parkes in the Australian Capital Territory. The Department of Defence has signed a heads of agreement formally indicating its intention to lease Anzac Park West from the Department of Finance and Deregulation following a fit-out of the building. Anzac Park West is a vacant heritage listed office building located within the Parliamentary Triangle. It was built in 1966 and, along with Anzac Park East, is a portal building framing the vista between Parliament House and the Australian War Memorial.

The base building refurbishment was completed in December 2006 within budget, at a cost of \$48 million, prior to a planned fit-out by the Australian Federal Police. In July 2007 the AFP advised that Anzac Park West would no longer suit their accommodation needs due to unprecedented growth and they requested to be released from their lease commitment to the building. The fit-out works were not undertaken.

The proposed fit-out for the Department of Defence will house approximately 900 staff and comprises base building modification works; office accommodation of approximately 15,000 square metres including a reception area, meeting rooms, offices and work points for the remaining staff; landscaping and external works including passive security measures, new pathways, car park rectification and planting of trees and plants; and base building works to the pavilion adjacent to Anzac Park West. The estimated out-turned cost of the proposal is \$45.5 million inclusive of GST. Subject to parliamentary approval, construction will commence in February next year with completion by December 2010. I commend the motion to the House.

Question agreed to.

Publications Committee

Report

Mr HAYES (Werriwa) (10.47 am)—I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report are being circulated to honourable members in the chamber.

Report—by leave—agreed to.

NATIVE TITLE AMENDMENT BILL 2009

Second Reading

Debate resumed from 13 May, on motion by **Mr McClelland**:

That this bill be now read a second time.

Mr TUCKEY (O'Connor) (10.48 am)—With regard to the Native Title Amendment Bill 2009, which proposes to shift more responsibility to the Federal Court for native title matters, I wish to conclude my remarks by saying that a change to the legal arrangements will not succeed without a change to the administrative arrangements, and I spoke at some length on that in my speech last night.

At the moment, significant to all these matters are the so-called representative bodies, the land and sea councils. Every one of them associated with my electorate is dysfunctional and in fact cannot even resolve its own matters within its proceedings. In the north, the Yamatji Land and Sea Council has come under severe criticism through representations in my office from Aboriginal people who want to see it resolve certain native title matters and certain issues of approval of mining projects et cetera, because they see employment and contracting prospects associated with them. It is a mess.

In the south of my electorate I have the South West Aboriginal Land and Sea Council, which has not even been able to resolve, over two years, the transfer of a tiny piece of

land to the local fire brigade so that they can build a shed to house a brand-new piece of firefighting equipment very necessary to the adjoining community. We are going to end up with some people getting killed because other firefighting appliances cannot be relocated there in a hurry, depending on where the fire is. Fires have a habit of blocking off the access road when they occur. That is how bad the situation is and that administrative process needs to be changed.

We have another problem with land rights, which concerns the intervention of other people, other interest groups that tend to exploit native title to oppose something that they do not like. The classic example, which would be known by the next speaker, I think, is Hindmarsh Island. This House was rent apart by a campaign of white people utilising native title issues to prevent a mundane and what was really otherwise an uncontroversial land development. It now exists and I do not see any Aboriginal person now being unable to have a family, as was predicted at the time.

We have the tragedy of the Inpex decision in Western Australia, which has denied the people—the collective of Western Australia—millions and possibly billions of dollars of revenue. That revenue might have built hospitals and schools and other things through the payroll tax just in the construction of that project. Furthermore, the Commonwealth has become a loser of resource rent tax. From the minute the developers of that field put in a pipeline to the Northern Territory—with, of course, huge emissions in Japan or wherever that lengthy pipeline is constructed, and with the ongoing emissions and the necessary extra energy required to pump the gas—the Commonwealth was the loser.

Now, all of a sudden, the new Premier has used the law as it is written and might be

determined by the Federal Court in the future, and the next such decision has been passed in minutes. Why? Because the so-called representative group was sidelined by the native title owners. The native title owners had their own vote this time and voted 90 per cent. Again, that dysfunction cannot continue.

Of course, we have the arrogance of the self-interest groups that intervene and people who say, for instance in the town of Broome, ‘Oh, we don’t want development; we want the other taxpayers of Australia to provide us with the Flying Doctor Service, a good hospital, roads and everything else you like but don’t you dare have some development up here that might in some way affect us.’ Missy Higgins the singer got into the act. She has a house up there, which I believe is tax deductible and one that she uses to get the sorts of feelings she needs to write things. These people should not be there. The Maret Islands, where Inpex wanted to go, have not been inhabited for years but suddenly the Kimberley Land Council starts flying people out there on a daily basis to prove that there was some interest by the Aboriginal—(*Time expired*)

Mr MELHAM (Banks) (10.53 am)—I have great pleasure in rising to support the Native Title Amendment Bill 2009. Before I go to the substance of the bill, it is important to give a little bit of history.

Mr Tuckey—I did that last night, Daryl!

Mr MELHAM—I have no problem with the honourable member for O’Connor engaging in a little history; what worries me is those who seek to rewrite or distort history. History is generally given by the winners, and the losers tend to be the ones who struggle. In many instances Aboriginal people over the years have been the losers and they have not been able to get their story out. In terms of native title, it was a Labor govern-

ment that was in power at the time of the original Mabo decision. What the Labor government did—and I was a member of the government at that time—was to try to stick with the principle of the recognition and protection of native title. Indeed, the Attorney in his second reading speech talks about the key objective of the government being to try to resolve issues through negotiation where possible rather than through litigation. If one goes to the preamble of the original Native Title Act they will see that that was the whole basis of the act. Rather than go through the common law, have litigation and knock-down, drag-down court cases that cost millions of dollars and where only the lawyers are empowered and enriched, we attempted to set up an alternative system of mediation and negotiation.

There is no doubt that it was legislation that was evolving in an area that was largely unsettled and unknown. But the principles were protecting native title and providing this alternative system. If you wanted to be involved in native title, in terms of mining and pastoral activities, there was a process. It was always recognised that the legislation would need to be amended—that it would not be the final resolution of the matter because there would be court cases and there would be evolution and we would learn from experience. It was always the view of the Labor Party that there were certain principles to maintain. In the end, we acted in a non-racially discriminatory way in terms of that legislation. The then Prime Minister, Paul Keating, needs to continue to be commended for the way he conducted himself and his government in those years. History will treat him very kindly because he ended up with a principled, balanced response.

Certainly, there was validation in relation to titles. I do not want to go into all the details of that but, with the change of government in 1996, you had a government that

was hostile from day one to native title. It had been hostile in opposition and as a result of the Wik decision brought down 400-odd pages of legislation with bucketfuls of extinguishment and basically constricted the way that native title claimants and others would be involved. Is it any wonder that, whilst there has been a number of issues resolved both in the courts and by way of mediation, a lot of money has been spent strangling the system, trying to deny native title claimants their rightful due? One of the ways of doing that was in effect strangling representative bodies in terms of funding.

One of the good things in last night's budget is that an additional \$50 million, over four years, has been allocated by the government to the native title system. That is consistent with the legislation before the parliament at the moment—to help build a more efficient system that focuses on achieving resolution through agreement making rather than through costly and protracted litigation. And mining companies know this, because in a number of instances they have funded Aboriginal groups so they can resolve native title claims. What we have here is additional funding—\$45.8 million—to improve the capacity of the native title representative bodies to represent native title claimants and holders. A further \$4.3 million will be allocated to improving claims resolution by working with state and territory governments to develop new approaches to the settlement of claims through negotiated agreements.

We are along the way. I am pleased. I understand that the opposition is supporting this particular piece of legislation. Hopefully, post the Wik resolution or the legislative resolution by the former government, instead of dealing with this matter in a combative way we as legislators can deal with it in a conciliatory way so that we can build on what gains have been made and improve

those situations or systems that are not working.

What this legislation will do is:

... amend the Native Title Act 1993 to implement institutional reform to give the Federal Court of Australia a central role in managing native title claims.

One reason for that is the central role at the moment of the Federal Court system in dealing with native title claims. This will allow courts to be better involved.

As I understand it—and I am relying on the Parliamentary Library's *Bills Digest*—during the Native Title Claims Resolution Review there was a difference of opinion between Graham Hiley QC and Dr Ken Levy. Dr Levy disagreed—and probably still does—with Mr Hiley on who should have ultimate control of native title alternative dispute resolution. He felt it should be the tribunal, and I think the former government agreed with that. But the current government is of the view that this has not worked to create an efficient native title mediation process and has made a policy decision to follow Mr Hiley's recommendations to give the court mediation powers. Interestingly, the court will have an 'overseer of workload' role as well as a role in the mediation process through the registrar, deputy registrar, district registrar or deputy district registrar of the court. In relation to the mediation role of the Federal Court, Andrew Chalk, a practitioner in the field, commented that it is not without criticism, saying:

One complaint made against giving the Court control of the mediation process is that the judges, because of their very independence, are apt to be inconsistent in their approach.

However, he says:

... the Federal Court, with its collegiate appellate structure, national allocation of judges and Commonwealth jurisdiction with powers of cross vesting, is suited to developing consistent national approaches that are still sufficiently flexible to

have proper regard to the circumstances of particular States, regions and matters.

It is acknowledged by many people that the current system of having the tribunal manage all the mediation process has not worked to produce efficient native title outcomes.

At this point can I make a comment on the new Chief Justice of the High Court, Justice French. He is someone whom I had a lot to do with in the late nineties when I was shadow minister for aboriginal and Torres Strait Islander affairs and he was President of the Native Title Tribunal. I think he is a very decent, honourable human being and will bring expertise to the High Court, certainly in relation to his experiences as President of the Native Title Tribunal. I notice that he made a speech recently in relation to some of the evidence that might be required to establish native title claims.

What I am pleased about is that there was not an outcry after he made that speech—that, in effect, we are having discussion and debate across the spectrum and that we are sticking to the facts; we are not getting blindsided by either side. I think this shows that in this area we are maturing, hopefully, which will be to the benefit of not just Indigenous people but our nation. For too long, a lot of this debate has been as a result of ignorance and prejudice, which has sidelined proper policy. It is good policy to evolve to the point where we are bringing the Federal Court into this more and more, as is proposed through this legislation.

I am not saying that this is going to be an easy road—it is not—and I am not saying that Indigenous people are necessarily going to achieve everything that they seek, but that is the case in the court system in general. In the civil system, where people make claims in relation to negligence, defamation or whatever, you set up a system where people can test the validity of what they are claim-

ing. In this instance, I think that governments at all levels—and the general community too—are realising that it is in everyone's interest to try to encourage people into the mediation and negotiation stream for resolving conflict, as against the litigious stream, which does not suit anyone. I think that we are better for that—it is like an alternative dispute resolution, which is what the Native Title Act was originally set up to do.

The Native Title Act, and its associated processes, was enacted because miners and farmers wanted certainty. They did not want common law claims that would be locked up in the courts for as long as 10 years or more—look at the history of the original Mabo case and how long it took for that to be resolved. The system evolved as an alternative to common law, and that is what we need to continue to refine. In terms of mediation, I cannot see how involving the courts in what we are proposing in this legislation can be anything other than good, because they carry a status, a stature. I do not accept that they are necessarily divergent. We are all divergent in our views. I know that among people involved in the tribunal there are divergent applications. That is human. But, when you have cases resolved on certain principles coming into the system, people have the principles on which to work. You then have less deviation from individuals concerned, if they are doing their duty properly. My view is that it is not about being a total bleeding heart or about being hard-headed. You have to have an underpinning for your decision for the system to maintain its credibility.

As I said, I can understand that those opposite might want to attack the land councils or the native title representative bodies, but I say to them: I was a criminal defence lawyer by trade before I came into the parliament, which was a bit more black and white—as to what might constitute a murder or what-

ever—than being a native title practitioner working with an evolving law in its early stages and trying to get the quality and expertise on the ground across the whole of Australia.

The honourable member for Kalgoorlie and I were on the then House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs and we looked at a lot of these land councils and saw variable quality—good, bad, ugly and indifferent. They were not all bad, but, when you look at what they had to work with, let me tell you it was pretty hard for some of them. They were underresourced. Of course there are divisions in Indigenous communities. There are divisions in non-Indigenous communities. There are competing claims—you have disputes over family wills and inheritances where people are included or left out—but there are processes to resolve those claims. Part of the problem goes back to the original structure of the Native Title Act. I do not know how thoroughly it was considered at that time, but there might have been an argument that native title claims should be made through rep bodies so that a lot of the dissent was filtered out before claims were advanced. That was an alternative, but there are arguments against that which are pretty apparent, where people could be locked out in power struggles in certain communities.

It is not a perfect act, but I think this amendment bill heads in the right direction and the government has put its money where its mouth is. The objective of the funding is to make sure that these bodies receive some assistance in arguing their cases.

The interesting thing is that in the old days we would have just heard shrill from some opposite. There is still a little bit of shrill, but not to the extent that there once was, and one has to recognise that. I quote the preamble to the explanatory memorandum:

A special procedure needs to be available for the just and proper ascertainment of native title rights and interests which will ensure that, if possible, this is done by conciliation and, if not, in a manner that has due regard to their unique character.

That is what I think this bill is all about. I am not frightened of judges being involved in the process. Indeed, I was very happy at the time that His Honour Justice French was the President of the National Native Title Tribunal. I know that he had a difference of opinion with the then government around some of the misinformation that was put out there and allowed to run in the community, but, in my view, the fact that he was a judge added to that position and he acted honourably. That is why I do not accept the argument that, with the involvement of the Federal Court, you will get a variation in the dealings of native title to the extent that judges should not be doing it.

I have great respect for our judiciary. They make mistakes, like the rest of us, but their mistakes are mistakes in good faith. They are mistakes of judgment, which all of us make, but the interesting thing is that what we are talking about here is not a judicial settlement in the sense of a judgment; it is a negotiated settlement where agreement is reached through conciliation. It is not a judicial pronouncement; it is the Federal Court providing a little guidance and assistance, as I read it. It also needs state and territory governments to step up to the plate, because too often at a federal level—and this was true, I think, of the former government—settlements were sought but the states were a bit intransigent in their attitudes.

I have spoken a bit longer than I had planned, but when I get on to native title I tend to take a bit longer because it is something I have followed since 1993—not from a personal point of view, but it is something I believe we need to handle sensitively, depoliticise and get right to the best of our ability.

I would like to see the opposition and the government in the cart together. We want long-term solutions. The worst thing in the world is getting contentious amendments every time there is a change of government. That does not help anyone and it certainly does not help Indigenous people.

In summary, the amendments:

- require the Court to refer all native title applications for mediation, subject to exceptions in line with current provisions
- allow the Court to refer a whole or any part of a proceeding for mediation to a Court mediator, the NNTT or another individual or body
- allow the Court to consider the relevant training, qualifications and experience of potential mediators
- allow the Court to cease a mediation in a number of situations in line with current provisions and add a new ground where it considers it appropriate, the Court may also refer it to another mediator following a cessation order
- allow the Court to make any orders about the way in which the mediation is to be provided, what assistance may be provided to the mediator or any other matter it considers relevant when referring a matter for mediation, and
- allow the Court to refer for review by the NNTT the issue of whether a native title group that is a party in the proceeding holds native title rights or interests.

And there are other amendments. I do not think there is anything there that any of us can disagree with. (*Time expired*)

Mr HAASE (Kalgoorlie) (11.13 am)—I rise to speak on the Native Title Amendment Bill 2009. Native title is the recognition by Australian law that some Indigenous people have rights and interests to the land that come from their traditional laws and customs. Native title is a critical matter in my 2.3 million square kilometre electorate. In

addition to having vast mineral and energy resources, many of which are yet to be developed, more than 18 per cent of the people in my electorate are Indigenous. I will explain more about native title in my electorate a little later.

Let me first refer to the comments by the member for Banks. Among other things, he admitted that among the Australian population there was a great deal of ignorance about and a great deal of hesitation in their knowledge of the detail involved in native title legislation. The member for Banks has admitted that this legislation and the act are not perfect. In that regard, I agree with him wholeheartedly. I say from the outset that in principle I support this legislation. I have been, as the member for Banks mentioned, with him a member of the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs. I was also a member of the joint standing committee on native title. If there is any need for me to indicate my credentials in this matter, having grown up in rural Western Australia, I have spent my whole life in association with Indigenous people.

The Commonwealth Native Title Act 1993 came about following the well-known decision of the High Court of Australia in *Mabo v Queensland* in 1992. In that particular case, what the High Court was dealing with was primarily the issue of whether native title ought to become law and whether it was something that needed resolution at the time. The Australian people, broadly, were very much in favour of resolving that issue.

But the process of resolution of the boundaries, the delineation of land that might be covered or ruled upon by courts, in the *Mabo* situation was much easier—so much easier that it was almost a different world. Certainly, it was an environment in which there had been little impact by European oc-

cupation, and the association with the land on an ongoing basis by Indigenous peoples had been consistent. However, governments of the day—and subsequent governments, I confess—thought it was sufficient in 1993 to introduce the Commonwealth Native Title Act. It was broadly applied to the mainland of Australia for the resolution of issues where claimant groups were identifying themselves and laying claim to particular country. Then the Native Title Tribunal and the Federal Court were expected to make determinations on these matters.

At the time of the introduction of the act, there was an all-pervading point of view that said: ‘Native title and the introduction of the act will be a panacea of all ills, the solution to all problems, almost nirvana for Indigenous people in Australia. All they will have to do is prove their association with the land on an ongoing basis according to the act and all problems will be solved.’ There was a great and ready acceptance of that belief, of that propaganda. I call it propaganda because it was nothing less than propaganda.

It was something promoted broadly by ignorant suburban populations, mainly in south-eastern Australia, who wanted their collective conscience eased by the introduction of this act so that they could sleep at night secure in the knowledge that Indigenous people who had been wronged in the past by European occupation would now have all of their problems solved. So the message was sent out by the law fraternity and those associated with it into communities that money would be forthcoming to push the cause and to find resolutions and that milk and honey would flow as a result. That was 16 years ago.

I am yet to find in my 2.3 million square kilometres a decision on native title that has created any good whatsoever. Money has flowed, compensation has flowed, royalties

have flowed and go-away money has flowed. All manner of cash resources have come into communities. All manner of committees and associations have been set up, with a great hierarchy of leadership, committee members et cetera. Infrastructure has been created on community as a result of the settlement of native title and determinations by the courts about land use agreements and access to country by mining companies—exploration companies in the first instance and sometimes active mining companies. But I have never seen anything good. I have not seen change to the point where Indigenous lives have been improved by determinations of native title. They have certainly not been improved by the introduction of the act in 1993.

On the other hand, what I have seen is whole cohesive families torn apart. I have seen communities commit murder as a result. I have seen the largesse of expenditure of these cash funds that I talk about create death or at least long-term ill health and huge costs to successive governments in relation to curing Aboriginal health problems created by an excess of various drugs—alcohol and other chemical drugs—and excess generally. The worst thing, I believe, has been the destruction of the harmonious community aspect of family life. You might say that I am suggesting that ignorance is bliss—I am not for a moment. But the conditions that existed pre the myth of native title were, in the majority of cases, much better than the mayhem that has been created since. Those are the circumstances that exist today.

These amendments that we are speaking of are another hope—out of goodwill, I am sure, shared across the chamber—that we will make the 16-year-old dream become a reality—we will make these amendments and once again everything will be put right. I do not believe it for a moment. I am not going to oppose these amendments, because

they are a bit like throwing a handful of wheat at a shed—something just might hit. Even the discussion of this issue in the chamber today just might make people think. It just might stop aunties, cousins, mothers, fathers, sisters and brothers from being at each other's throats because somebody has been excluded from a claimant group, because some wet-behind-the-ears anthropologist has come into a community and made the determination: 'The line will be drawn here. This group will be beneficiaries. They will be part of the native title claimant group. This group will not.' There is as much chance of that determination being real, accurate and embracing of reality as there is of me picking up a couple of squillion dollars—it is just not going to happen. We are talking about cultural circumstances that go back thousands of years. What is your estimate—30,000 years, 60,000 years? We are talking about a culture that once upon a time was ingrained into the minds of all Indigenous people that occupied the land. That was about 200 years ago and, since then, so much has happened.

The determinations that are made today by well-meaning individuals about who will and who will not be part of a claimant group are creating mayhem in communities. I have a constant path to my electoral office door of complainants who have been left out in the cold. The stories are numerous.

Mr Randall—James Price Point.

Mr HAASE—That is the most recent occurrence. The stories are: 'I was excluded. Mrs X has just received her royalty cheque and I'm getting nothing. It's not fair. The person that's administering the distribution of the funds is corrupt; they've got their own family on that group and they are getting all the money and we're not. They've got a new air-conditioner, washing machine, Toyota'—or whatever.' We've been excluded. We live

in poverty. We've been ignored by the courts. We're the real people; all of these remotely Indigenous people that have got a bit of education have swamped and snowed our legitimate claim.' The stories go on and on and on. We are led to believe by the government today that these amendments are going to, once again, create nirvana. It is simply not true.

Much needs to be done in relation to this act to change the public colour behind it, to change the philosophy behind it, to change the attitude of those who milk it dry for everything it is worth, including this latest \$50 million. I can see those in the industry saying today, 'Will I put another metre or two metres on the yacht?' There has been a great deal of good done by this in 16 years, and it has all been for whiteys, whiteys who are milking this act dry for every last cent they can get.

The member for Banks talks about being proud to be part of the legal profession prior to entering this place. I am sure he is. I am sure that it is an honourable occupation and it does much good, but it has certainly also got a free ride on the back of this 1993 act. For 16 years governments of different colour have been feeding funds into that system and lawyers are continuing to enjoy a lifestyle that they would not otherwise be entitled to—they would actually have to get out and do some real, hard work. To say that I and the majority of my people are disappointed with the Native Title Act is an understatement.

Before we are sat down by time, a few stats were mentioned by previous speakers. From 1997 to 2006, 81 determinations were made and 600 were waiting to be made. The cost to taxpayers was \$900 million, or some \$11.1 million per determination. There are currently around 500 claimant applications to be determined. Of those, 100 are in Western

Australia and most of those are in my electorate. I digress for a moment again. There are 100 determinations waiting regarding native title in Western Australia. Can we collectively imagine how many billions of dollars of investment are being held up and how many hundreds, if not thousands, of local jobs are not being created because these determinations are being held up? What gets in the way of these determinations? The process—the claims and counterclaims by individuals as to the correctness of the identity of the individual establishing their right as a member of a claimant group.

I digress further. When the Mabo issue was around, the people of Australia were incorrectly assured that the boundaries dividing one claimant group, one kin group, from another in Australia were so easily defined that every Indigenous person in Australia knew of these boundaries. They were assured that determinations would be made readily—that some mediation might be required but basically determinations would be made quickly and easily—because everyone knew where the boundaries were, just as they did in the Mabo situation. But historians who know their stuff will tell you, and demonstrate very clearly, that the drawing of boundaries in the Torres Strait and the establishment of boundaries on the Australian mainland are chalk and cheese. There is absolutely no comparison, and that is the basis for all of the delays in making determinations.

So mining companies, explorers, are being absolutely frustrated by this act in getting equipment onto country, developing resources and providing jobs so that Indigenous people can get off welfare and become independent and enjoy all of the benefits of self-sustainability. That is what we really want for Indigenous people. Certainly on this side of the House we do not want Indigenous people to be captives of the welfare system

and dependent upon the government for handouts. We would like them to stand alone. We would like them to be proud members of the Australian working community, not tethered to a welfare cheque which some would believe philosophically ties them to vote in a particular way. So we need to resolve these 500 claimant applications. We certainly need to get those that determine outcomes for mining companies well and truly resolved so that we can provide jobs.

Historically—this is something we can really look forward to; this amendment today is endeavouring to convince us that all this will change—the average time to process an unopposed native title claim, notwithstanding that there is almost no such thing these days, has been 12 months, for determinations by consent it has been five years and nine months and for determinations by litigation it has been seven years. So, if a mining or exploration company fronts up in good faith, tries to identify those in a community who might legitimately speak for country—and that is an ongoing practical problem, because once a deal is struck today another mob stick their hand up and say, ‘You got the wrong people; you’ve got to now compensate us as well’—and eventually gets onto country and carries out all of the surveys necessary, at huge cost to that company, and then strikes something that is worth having, we are now expecting them to hang around for seven years before shareholders can get a return by developing a resource in the ground. It is lala land. And it is preventing jobs. That is what we ought to be talking about here. If we really want to ease our collective conscience in Australia, we ought to be about creating jobs for Indigenous people.

In conclusion, I simply reiterate that the act of 1993 made great changes in Australia, and the aspiration was to improve the lot of Indigenous people. It has not done that. Irrefutably, it has not achieved what it set out

to achieve. We make amendments in this House today in an endeavour to achieve what we set out to 16 years ago. I do not believe the amendment will improve the situation as we expect, but it has focused our attention on the subject once again, and that cannot be a bad thing. But this is an ongoing problem that needs a real solution. It does need bipartisan support. I sincerely hope that in the future Aboriginal people will have jobs in this community. (*Time expired*)

Mr McCLELLAND (Barton—Attorney-General) (11.34 am)—in reply—I would like to thank members for their contributions to the debate on the Native Title Amendment Bill 2009. I would also like to thank the Senate Standing Committee on Legal and Constitutional Affairs for its detailed consideration of the bill. I note the shadow minister and member representing the shadow Attorney-General is also present in the House, and I extend my appreciation.

The Native Title Amendment Bill 2009 will amend the Native Title Act to contribute to broader and more flexible negotiated settlements of native title claims. The key amendments to this bill support the government’s main objective for the native title system of resolving issues through negotiation rather than litigation. As I said when I introduced the bill, native title can provide an important avenue for economic development for Indigenous people. It should be about more than just delivering symbolic recognition. However, it is also clear from reports of the Aboriginal and Torres Strait Islander Social Justice Commissioner, and the comments of individual judges, that the system is in need of reform. It is unacceptable that, under the existing native title system, on current estimates it may take more than 30 years to clear the backlog of claims. Indeed, the previous speaker, the member for Kalgoorlie, spoke of process being an impediment to

resolution. We are certainly trying to address that.

The passage of this bill will give the Federal Court the central role in managing all native title claims, including deciding who mediates the claim. The reforms will draw on the court's significant alternative dispute resolution experience to achieve more negotiated outcomes. The government believes that the Federal Court is in the best position to work out how a case is best resolved. This view is supported by an overwhelming number of stakeholders in the native title system. Having the court, with the authority that it brings, actively control the direction of each case will mean that opportunities for resolution can be more readily identified. This change is in line with the stakeholder feedback and is consistent with the government's position when in opposition. These changes also reflect the recommendation of Mr Graham Hiley QC, one of Australia's most respected native title practitioners, when he reviewed the native title system in 2006. The value of this change was concisely summed up by the Federal Court in its evidence to the Senate Standing Committee on Legal and Constitutional Affairs last month. Warwick Soden, the chief executive of the court, said:

... being seen and being given the responsibility and accountability for managing all of these cases will put an emphasis on the judges to find ways to resolve some of the bottlenecks ... The big, fundamental difference between us and the tribunal—

that is, the Native Title Tribunal—

in relation to that issue is what the judges can do by way of orders of the court, from the powers that they have, which may put some real pressure on the respondents to change their attitude ...

For example, the court's innovative approach in consent determinations in several South Australian claims demonstrates its active and creative approach. I do not accept the criticism made by the Native Title Tribunal in

evidence to the Senate legal and constitutional committee that these amendments may make the system more ad hoc, less effective and more costly. The government has confidence in the ability of the Federal Court to provide a nationally coordinated approach to the resolution of native title. The court has indicated that following the passage of this bill the current practice of each list judge convening regional call-overs of all cases will continue and be improved where necessary. It will also be able to request regional reports from mediators as necessary. The court has also made clear that it will be approaching native title claims in a consistent and nationally coordinated way, drawing on a team of specialist lawyers within the courts across Australia.

Other amendments in the bill aim to encourage and facilitate more flexible negotiated settlements. A majority of stakeholders who responded to a discussion paper that I released in December last year supported these amendments.

Importantly, the passage of the bill will enable the court to make consent orders on matters other than native title. This will allow outcomes to extend beyond the bare recognition of legal rights. They can include sustainable benefits that deliver improved economic and social outcomes for current and, importantly, future generations of traditional owners. This bill also empowers the court to rely on an agreed statement of facts in consent determinations. This is intended to allow for greater efficiency in the native title process. Last year I introduced the Evidence Amendment Act 2008, which, among other things, will make it easier for the court to hear evidence of Aboriginal and Torres Strait Islander law and customs, where that is appropriate.

This bill also includes a number of amendments to part 11 of the Native Title

Act, which deals with representative bodies. The main aim of these amendments is to streamline the processes involved in the recognition and re-recognition of native title claims representative bodies.

I would now like to address some specific comments raised by members. In his speech the member for Lyne foreshadowed an amendment to the bill, and I have had the courtesy of some discussions with him. I respect his view and I acknowledge the genuineness of his position. In particular, he has proposed an amendment along the lines of that proposed by the Chief Justice of the High Court, His Honour Mr Robert French, to reverse the onus of proof in relation to connection, essentially based on the thesis that there is a presumption of regularity if that continued association is established. As I indicated in my second reading speech, I share the member for Lyne's great frustration about the grinding slowness of native title claims and that has also been echoed by a number of speakers.

As I have previously indicated, I also have an open mind to further legislative change that may facilitate resolution of native title claims. However, the government will not rush into such changes without first consulting stakeholders. It is very important that there be genuine community support for measures that are, after all, designed to or intended to promote the welfare of Indigenous owners and their descendants. Without such consultation, history shows that changes can be controversial and counter-productive.

Let me briefly state the issues raised by opposition members of the Senate legal and constitutional affairs committee in their report. The first point made was that nothing in the amendments passed in 2007 limited the Federal Court from doing what these amendments seek to allow it to do. That is

not the case. The 2007 amendments created a mandatory referral to the tribunal and provided the tribunal with an exclusive mediation role with no time limit. The changes in the current bill mean that, rather than automatically referring every case to the National Native Title Tribunal for mediation, the court will decide which individual or body should mediate in each case, and there have indeed been some outstanding mediations in recent times conducted by persons other than the tribunal.

The amendments will also allow the court to make orders concerning a mediation at any time after it has been referred to the mediator. Orders might address the way in which the mediation is to be conducted, whether the person conducting the mediation may be assisted and any other matter the court considers relevant—for example, orders could include reporting dates, the specific issues that should be mediated and any other issues that would complement the court's management of the matter. This would provide the court with flexibility in allowing it to make any orders it deems necessary to manage each native title matter.

Secondly, the opposition senators expressed the opinion that the Federal Court's capacity to direct the tribunal may result in confusion about respective powers. The government considers that the bill makes clear the respective powers and functions of the court and the tribunal. It is envisaged that the court would refer a matter to the tribunal and then the tribunal president would refer it to a specific member. Therefore, no conflict should arise between the court's and the tribunal president's powers.

Thirdly, opposition senators expressed the view that giving the court unlimited discretion could result in serious unintended consequences. I do not believe that this will be the case. Under the amendment the court will

have the central control over the management of all native title claims. The government is confident the court is well equipped to choose the most appropriate mediator for each case. The court would be able to allocate matters to mediators who, over time, proved that they could achieve good outcomes and establish faith with claimant and respondent bodies. In exercising this discretion the court would be able to match the best mediator with the substance of the particular matter without being limited to the tribunal.

Finally, it was suggested that there had been inadequate consultation with respect to this matter. As I have indicated in both my second reading speech and in this response, that is not the case. There has been widespread consultation, including consultation with stakeholders, the National Native Title Tribunal and the Federal Court of Australia.

In conclusion, the key objectives of this bill are to improve the operation of the native title system and the outcomes that parties can achieve in that system. The amendments aim to foster broader, quicker and more flexible negotiated outcomes for native title claims. The Rudd Labor government is committed to improving the native title system. The amendments in this bill combined with the behavioural change of all participants in the native title system will bring about important and necessary changes in the native title system. This will lead to less delay and reduce costs for parties. The beneficiaries will be not only the claimants, particularly as a result of broader settlements, but all participants in the system. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr OAKESHOTT (Lyne) (11.46 am)—I move:

- (1) Schedule 6, page 53 (after line 20) after Part 2, insert:

Part 3—Burden of proof for applicants

20 After section 61A

Insert:

61B Burden of proof for applicants

- (1) This section applies to an application for a native title determination brought under section 61 of the Act where the following circumstances exist:
- (a) the native title claim group defined in the application applies for a determination of native title rights and interests where the rights and interests are found to be possessed under laws acknowledged and customs observed by the native title claim group;
 - (b) members of the native title claim group reasonably believe the laws and customs so acknowledged to be traditional;
 - (c) the members of the native title claim group, by their laws and customs have a connection with the land or waters the subject of the application;
 - (d) the members of the native title claim group reasonably believe that persons from whom one or more of them was descended, acknowledged and observed traditional laws and customs at sovereignty by which those persons had a connection with the land or waters the subject of the application.
- (2) Where this section applies to an application it shall be presumed in the absence of proof to the contrary:
- (a) the laws acknowledged and customs observed by the native title claim group are traditional laws and customs acknowledged and observed at sovereignty;

- (b) the native title claim group has a connection with the land or waters by those traditional laws and customs;
- (c) if the native title rights and interests asserted are capable of recognition by the common law then the facts necessary for the recognition of those rights and interests by the common law are established.

In response to the government's view that this has been a rushed amendment, whilst I certainly appreciate the discussions that have taken place in the last 48 hours in good faith between the government and me I would like to put on record that this is not something that the new kid on the block has thrown into the parliament as some sort of cheeky attempt to embarrass the government. Rather, this has been, in the most simple of terms, a listening-and-doing exercise on my behalf—listening to a three-year review process that has taken place with regard to the Native Title Act and doing what the recommendations and the continual voices that have come from the practitioners have put forward about making the Native Title Act more just and more efficient. Surely every single person in this place would hold dear to their heart those two concepts—the issue of justice and the issue of efficiency with taxpayers' dollars.

This amendment is doing no more and no less than making the Native Title Act more just—and, as was referred to by a previous speaker, that is very much a part of the preamble of the act—and more efficient. For anyone in this place who cares to be an economic conservative and cares about maximising the use of taxpayers' dollars, this amendment will save dollars and will make the determination process much more efficient.

We saw in Tuesday night's budget an additional \$15 million for the native title sys-

tem. With the current speed of claims and determinations before the court, that is the equivalent of five more determinations being completed. There is a backlog of over 500 determinations. The system as it currently stands is not working and, whilst I am a supporter of the Native Title Amendment Bill that is going through, and I certainly hope greater mediation powers for the Federal Court assist in removing that backlog, I also think we can make it a good deal better. That is the point of this amendment.

The shifting of the burden of proof, as I say, is not something that I dreamt up 48 hours ago. It does have the support of a wide range of people who are practitioners in the field, and I ask this place: who are we to reject the views of the practitioners? Whilst it is dangerous in this place to say that my amendment has the support of the 50,000 lawyers of Australia—and I am sure there are plenty of smirks about lawyer jokes, and politician jokes, that can be attached to that—it does have the support of the Law Council of Australia, which represents every law society and every bar association in this country. Yesterday the Law Council sent me a note saying:

The Law Council of Australia supports the thrust of the amendment to the *Native Title Amendment Bill 2009* proposed by the Independent Member for Lyne. The amendment is designed to create a presumption of continuity in native title claims, as originally proposed by Chief Justice Robert French in July 2008.

The Law Council considers such an amendment would markedly improve—

markedly improve—

both the efficiency of the native title system and benefits to native title claimants. The Law Council calls on all Parliamentarians to support the proposed improvement to the *Native Title Amendment Bill 2009*.

I also received a note from Tom Calma, of the Australian Human Rights Commission, who made a similar point:

Shifting the burden will better recognise this country's history while also improving the operation of the native title system. It will ensure that justice is accessible for a greater number of indigenous people and will have flow on effects to the number of issues that are brought before the court in each claim, and impact on the parties' approach to the case.

I ask this House, therefore, if this is not the time and this is not the bill, and if the views of the practitioners are to be rejected, under what authority does this place operate—when is the right time for such a move to take place and what is the right bill? I also noted that, in the discussions in very good faith that have taken place with government, consideration of this type of amendment has not been rejected. I hope, in good faith, we see something along similar lines in the near future. I do note, however, that this has to go through the other place. It will be interesting to see who is walking together and who is reconciling in this process. It is looking as though it is going to be Labor and Liberal walking together rather than Indigenous and non-Indigenous walking together for the future of this country. I hope that is not the case; I hope that if this amendment is rejected we do see something similar to it in the very near future from government. We had the symbolism of the apology and the broad respect that came with that. I hope we can now get down to the detail. (*Time expired*)

The DEPUTY SPEAKER (Hon. Peter Slipper)—The question is that the amendment be agreed to. All those in favour say aye, against say no. I think the ayes have it.

Mr Oakeshott—Mr Deputy Speaker, I call for a division.

The DEPUTY SPEAKER—The honourable member for Lyne would be aware that

there have to be two voices calling for a division. Is there a second person calling for a division? There not being a second person calling for a division, the amendment will be negated. If the honourable member wishes, he can have his name recorded in *Votes and Proceedings* as voting for the amendment.

Mr Oakeshott—I so request, Mr Deputy Speaker.

Question negated, Mr Oakeshott dissenting.

Bill agreed to.

Third Reading

Mr McCLELLAND (Barton—Attorney-General) (11.52 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

PENSIONS AND BENEFITS

Mr GIBBONS (Bendigo) (11.53 am)—On indulgence: Last night in the adjournment debate I spoke about a pension increase matter as a result of the budget. It is an issue that I feel very deeply about. I understand that some of the comments I made in that speech may have caused some offence. I regret any offence that may have been caused.

EVIDENCE AMENDMENT (JOURNALISTS' PRIVILEGE) BILL 2009

Second Reading

Debate resumed from 19 March, on motion by **Mr McClelland**:

That this bill be now read a second time.

Ms LEY (Farrer) (11.54 am)—I rise to speak on the Evidence Amendment (Journalists' Privilege) Bill 2009. I refer the House to the report of the Senate Standing Committee on Legal and Constitutional Affairs on this bill, which was tabled on 12 May. The coalition acknowledges and endorses the stated objectives of the bill. However, in its current

form the bill falls far short of achieving those objectives. The coalition opposes this bill in the House and will move amendments in the Senate.

Respect for freedom of speech has been an absolute hallmark of our legal system and indeed of Liberal Party history and values, and a free and fearless press underlies our democracy. I would like to quote from an article in the *Australian* by Caroline Overington, 'State of secrecy'. She says:

The ordinary member of the public probably has no idea how difficult it is to get even the simplest information out of government.

Under existing law and protocol, anybody employed by the government—that can mean a nurse, a police officer or a bus driver—is threatened with disciplinary action if they speak to the media.

... ..

In recent weeks, the Rudd Government has busily been insisting that it has, or is, delivering on its promise to make government more transparent. Last Friday, for example, Attorney-General Robert McClelland congratulated himself for introducing to parliament the Evidence Amendment (Journalists' Privilege) Bill 2009, otherwise known as the Government's shield laws for journalists.

McClelland says the law will provide "much-needed protection for journalists", but it won't do any such thing. It won't give a journalist the right to protect their source and it won't place the onus on the government (or any other agency) to explain why a source should be exposed.

All the change will do is give judges some discretion when dealing with journalists who won't reveal their source.

That is the problem: the approach of this bill is to amend a regime that relies entirely on judicial discretion as to whether privilege attaches to confidential communications between journalists and their sources. Under the regime of guided judicial discretion there can be very little certainty as to whether a court will ultimately compel disclosure of

those communications or identification of the source.

The law in this area has moved relatively slowly until recent times. Not only here but in the United States, Britain and New Zealand there have been examples of journalists who have opted to be prosecuted, fined or even jailed rather than betray their ethical and conscientious undertakings to their sources. All members of the House will be aware of recent examples in this country.

The right of someone to withhold information from a court must be carefully considered. After all, it is the purpose of a court to ascertain facts, and there should be as few obstacles to that process as possible. The approach that has always been taken in the common-law world is that the facts should be made available, and compelled where there is a resistance to that obligation, unless there is some overriding public interest in protecting material from disclosure. Thus, communications between lawyers and their clients have traditionally been protected because it is necessary for the administration of justice that people can be completely frank with their legal advisers. The common law has protected husbands and wives from testifying against each other, because society respects the sanctity and privacy of the home.

Our society also recognises that the public interest and our public institutions are served and strengthened by the free communication of facts and opinions by the news media. We also recognise that there are circumstances in which the source material is provided to journalists in circumstances hazardous to the provider—whether to their personal safety or to their other interests. Sometimes that material is provided despite the existence of other legal obligations not to provide the material. We recognise, as we do in relation to legal professional privilege, that the public interest

in free communication is subject to equally valid competing considerations and cannot be absolute.

The laws relating to the relationship between journalists and sources have sought to strike a balance between those considerations, to be weighed by a judge as each claim arose. The opportunity has now arisen in this place to revisit the way we try to strike that balance. A similar inquiry is underway in the United States. Recent changes have been made in the United Kingdom and New Zealand. The approach there has been to seek to provide some certainty in advance. That is nearly always a preferable course. It is a course that found sympathy in the dissenting report of the Liberal senators on the Senate Standing Committee on Legal and Constitutional Affairs. Rather than our making piecemeal adjustments to the existing regime, now is as good a time as any for us to revisit the test in its entirety and provide some certainty.

In conclusion, the Liberal senators have proposed that—as is the law in New Zealand—where there have been confidential communications between a journalist and a source, a court may not order disclosure of those communications unless it can be established that the public interest in the disclosure outweighs both any adverse effect on the source or any other person, and the public interest in the communication of facts and opinion to the public by news media. This is the test that is favoured by our side of the House.

Mr DREYFUS (Isaacs) (12.00 pm)—It is a curious position that we are faced with here in that the member for Farrer, representing those opposite, has now indicated—apparently basing her speech on the report of the Senate Standing Committee on Legal and Constitutional Affairs, which contains a section written by the Liberal senators who are

members of the committee—that there are to be amendments moved in the Senate to the Evidence Amendment (Journalists' Privilege) Bill 2009. We are told that we have to await those amendments to see what the detail is as to exactly how the Liberal Party proposes that the balance should be differently struck.

It is striking, Mr Acting Deputy Speaker, because as recently as 2007 in this place the then Attorney-General, the member for Berowra, introduced amendments to the Commonwealth Evidence Act that, according to the member for Berowra, were an appropriate balance of the conflicting—and recognised as conflicting—public interests which arise here. I will come back to this, but it is also striking that, despite the Liberal senators stating in categorical terms in their passage in the report of the legal and constitutional affairs committee that they did not favour protection for journalists' sources which is reliant on the exercise of discretion, we now hear from the member for Farrer—and indeed we read this in the conclusion expressed by the Liberal senators in the Senate report—that all they really want, it would seem, is a different striking of the balance. It is worth putting this on the record, Mr Acting Deputy Speaker.

The DEPUTY SPEAKER (Hon. Peter Slipper)—I am loath to interrupt the honourable member for Isaacs, but the correct means of referring to the Deputy Speaker is as Deputy Speaker and not Acting Deputy Speaker.

Mr DREYFUS—I thank the Deputy Speaker for the correction. What the Liberal senators said was this:

Liberal senators agree that the Bill, and future legislation purporting to strengthen journalist-source confidentiality, should do more than maintain the status quo. Liberal senators do not consider a journalists' protection reliant upon the exercise of a judicial discretion as a 'true' form of protection as there is no right for journalists to

resist a direction from the court to disclose the identity of a confidential source.

As I have indicated, it is curious that in their recommendations we see nothing that suggests that the exercise of judicial discretion should be removed from the legislative scheme to protect journalists' sources, but rather a suggestion that not only should the protection be broadened to a similar basis as that used in the New South Wales Evidence Act, which protects professional confidential relationships rather than merely journalists' sources, but also there should be:

... a rebuttable presumption in favour of journalist-source confidentiality.

That is not in any sense a proposal by the Liberal senators in their report that there should not be a judicial discretion to be exercised in the exercise of protection of journalists' sources. I say again that we will have to wait to see how it is that the Liberal Party, jettisoning the position that it adopted as recently as 2007 as to the appropriate balance for journalist shield laws, is now saying, through its senators, that it does not wish to have a system that includes a judicial discretion and saying in this House, through the member for Farrer, that amendments are to be moved in the Senate. We will have to wait to see what those amendments say.

I wanted to see today whether it is possible to put some of the extraordinarily confused commentary that we have seen about journalist shield laws, and about the interaction between journalist shield laws and whistleblower protection schemes, into a somewhat clearer context. It might be that that task is going to prove too difficult, but it is worth attempting because it seems to be recognised by even the Liberal senators, by Senator Xenophon, who participated in the report, and by the Australian Greens that this is an area of considerable complexity. It is an area in which striking the appropriate bal-

ance is difficult, and one in which, dare I say, it is appropriate for this parliament to proceed with caution.

I would start by saying that there are very few absolute immunities in the sense of immunity from criminal prosecution and from civil proceedings in Australian law. There is, of course, the longstanding absolute immunity that is enjoyed by members of this House and of the Senate from criminal and civil proceedings. That is an immunity that this parliament has inherited from the United Kingdom, an immunity that has been enjoyed since 1688 by the members of the parliament of the United Kingdom, having been included as article 8 of the Bill of Rights 1688. There is another absolute immunity, which would be the privilege attached to court proceedings and judges. Or one could refer to the absolute privilege that attaches to communications between clients and their lawyers. But much more usually in Australian law immunities and privileges are qualified. An example would be the qualified privilege which attaches to speaking out about government and political matters, which might provide a defence from proceedings for defamation. A further example would be a protection that applies, again in defamation proceedings, to reports to police or to other socially useful communications that are recognised by the law as being appropriately privileged.

In relation to journalists' sources the common law of Australia has up until now steadfastly declined to recognise a privilege for journalists. There are some very well known judicial decisions which express that refusal to confer immunity on journalists in respect of disclosure of their sources. One of the best known is a 1940 decision by Sir Owen Dixon before he was Chief Justice, but sitting on the High Court, in a case called *McGuinness v the Attorney-General of Victoria*. It is worth recording what Sir Owen

Dixon said on the subject because it very directly states the position that has been adopted by Australian courts for very many years. Justice Dixon said:

No one doubts that editors and journalists are at times made the repositories of special confidences which, from motives of interest as well as of honour, they would preserve from public disclosure, if it were possible. But the law was faced at a comparatively early stage of the growth of the rules of evidence with the question how to resolve the inevitable conflict between the necessity of discovering the truth in the interests of justice on the one hand and on the other the obligation of secrecy or confidence which an individual called upon to testify may in good faith have undertaken to a party or other person. Except in a few relations where paramount considerations of general policy appeared to require that there should be a special privilege, such as husband and wife, attorney and client, communications between jurors, the counsels of the Crown and State secrets, and, by statute, physician and patient and priest and penitent, an inflexible rule was established that no obligation of honour, no duties of non-disclosure arising from the nature of a pursuit or calling, could stand in the way of the imperative necessity of revealing the truth in the witness box. Claims have been made from time to time for the protection of confidences to trustees, agents, bankers, and clerks, amongst others, and they have all been rejected.

Moving forward, that position has been maintained by Australian courts, and one could look at a case called *John Fairfax and Sons v Cojuangco*. This is the 1988 decision of the High Court where Chief Justice Mason and Justices Wilson, Deane, Toohey and Gaudron restated the opposition of the common law to conferring any kind of absolute immunity or absolute privilege on journalists. It was a case concerning the disclosure of a journalist's source. Again starting with a lack of doubt, Their Honours had this to say:

No doubt the free flow of information is a vital ingredient in the investigative journalism which is such an important feature of our society. Informa-

tion is more readily supplied to journalists when they undertake to preserve confidentiality in relation to their sources of information. It stands to reason that the free flow of information would be reinforced, to some extent at least, if the courts were to confer absolute protection on that confidentiality. But this would set such a high value on a free press and on freedom of information as to leave the individual without an effective remedy in respect of defamatory imputations published in the media.

That is why the courts have refused to accord absolute protection on the confidentiality of the journalist's source of information, whilst at the same time imposing some restraints on the entitlement of a litigant to compel disclosure of the identity of the source. In effect, the courts have acted according to the principle that disclosure of the source will not be required unless it is necessary in the interests of justice.

There you see the balancing that the courts have engaged in, moving by 1988 to a situation where at least it was possible for a journalist to withhold the identity of the source of information that the journalist had used and published for at least some time in the course of litigation.

Might I say also that the premise that perhaps underlies the proposition that it is always the case that if journalists' sources are disclosed it will necessarily lead to the drying up of such confidential communications is not one that has been uniformly accepted by Australian courts. I was struck that in the sentencing judgment of His Honour Chief Judge Rozenes in the County Court of Victoria in imposing—it would seem fairly reluctantly—a penalty on the journalists *McManus and Harvey* in 2007, Chief Justice Rozenes quoted from a judgment of Justice Perry in the South Australian Supreme Court about this on the same subject, to this effect:

I must say that I have considerable hesitation in accepting the proposition that obliging journalists to disclose their sources of information has a tendency to restrict the flow of information which

otherwise might reach them. The law has been so clear for so long that it is a reasonable assumption that potential sources of information already realise that any such undertaking must yield to the requirements of the interests of justice where those interests are regarded by the courts as paramount.

I have dealt with that matter at some length simply to say that this is the context for considering the journalists' shield or journalists' privilege proposal which is contained in the Evidence Amendment (Journalists' Privilege) Bill 2009. At common law there is no protection or lawful excuse under which a journalist can refuse to answer questions, and until the New South Wales Evidence Act was amended in the late 1990s to include, in sections 126A and 126B, a 'confidential relationship' privilege there was no state or federal law that provided any statutory protection either.

This subject has been debated at very considerable length in recent years. I note that part of the debate has included a suggestion that whistleblowers' protection and journalists' shield laws are closely connected. I would say that that is so only if one sees whistleblowers entirely through the prism of disclosure through the media. The House of Representatives Standing Committee on Legal and Constitutional Affairs—the committee, Mr Deputy Speaker Slipper, of which you are the deputy chair—in a report tabled in February in this House proposed a comprehensive whistleblower protection scheme. It has been welcomed by many interested groups, including the Community and Public Sector Union, whose members would be most directly affected. That scheme proposes to protect disclosures of wrongdoing and maladministration in the public sector, and in particular protection for reports within an agency and protection for reports to integrity agencies outside the particular agency, like the Commonwealth Ombudsman. It also

proposes limited protection for disclosures that go through the media. That is a reflection of the committee's view that disclosure to the media is not the preferred method of disclosure for most public servants and that a procedure of internal disclosure and investigation is more likely to give effect to the purpose of all public interest disclosure schemes, which is to eliminate wrongdoing and maladministration.

Perhaps understandably, some of the media commentary has focused on proposals concerning the protection of disclosure to the media and has suggested that there ought to be protection for disclosure to the media which covers a larger range of matters. The government will be considering those comments and submissions in formulating the legislation in coming months, but it is important to understand that only part of the whistleblower protection scheme is concerned with disclosure to the media. There is no scheme of whistleblower protection in the developed world which gives blanket protection to disclosures made by public servants to the media, and I do not think that anyone would suggest it. The question is about where to strike the balance.

Journalist shield laws are concerned with protecting all sources of information that is provided to journalists, no matter what the subject matter is. While it may be the case that some journalists' sources will be public servants who wish to disclose maladministration and wrongdoing in the public sector, journalist shield laws have much wider reach than that. So there is a connection between the two proposed laws but it is a limited one. Whistleblower protection schemes for the public sector need to focus on administrative processes and need to produce a workable regime for reporting and investigation of wrongdoing. Journalist shield laws, being of general application, are not focused on the public sector alone or only on public servants

as potential sources. What the two proposed laws—that is, whistleblower protection schemes in the public sector and journalist shield laws—have in common is a need to balance competing policy objectives. It is obvious that there is room for debate about where the balance should be struck. What does not seem to be an issue—and it is the only manner which anyone has come up with for providing protection for journalists' sources—is that it will involve the exercise of judicial discretion.

The question of protection of journalists' sources, a shield for journalists, was considered at considerable length by a joint inquiry conducted by the Australian Law Reform Commission, the New South Wales Law Reform Commission and the Victorian Law Reform Commission which reported in December 2005. Part of what concerned those law reform commissions was the need for uniformity of evidence law across Australia, which of course is highly desirable but has proved to be very difficult to achieve. The recommendations of that 2005 joint report by the law reform commissions were for the extension of the notion of professional confidentiality, or protected confidence privilege—not confined to the protection of journalists' sources but, rather, directed at all professional confidential relationships. The recommendations of the joint report of the law reform commissions were very much based on continuing judicial discretion and on listing factors which are appropriate to be considered by a judge in considering whether or not to direct the disclosure of a journalist's source.

The Liberal Party in government, in 2007, did not accept the recommendations of the joint report of law reform commissions, and that is why we have in the Commonwealth Evidence Act the provision which is proposed to be amended by the bill now before the House. It would appear that the provi-

sion, introduced by the then Liberal government in 2007, is now condemned by those opposite as being inadequate. Again, we will have to wait for reasoned argument and explanation and, indeed, will need to look at the amendments that are produced in the Senate by the Liberal Party, but it would seem, listening to the member for Farrer, that on no view is the Liberal Party now supporting the position that it adopted only two years ago, in May 2007. It remains the case that consideration of an appropriate journalist shield is about getting the balance right. This bill does get the balance right. Even the Right to Know coalition, in the submission that it made to the Senate Standing Committee on Legal and Constitutional Affairs, noted that this bill represents 'significant and welcome improvement'. (*Time expired*)

Mr HAWKE (Mitchell) (12.20 pm)—I rise today to speak on the Evidence Amendment (Journalists' Privilege) Bill 2009. I apologise to the group of Young Liberals and ALSF members in my office, who are watching this broadcast, who I had to leave at short notice. I rise today on behalf of the Liberal Party because the Liberal Party is the party of the individual, the party that supports free speech and free-speech measures. Indeed, in this place we will be supporting measures which make progress towards a better free-speech society. This legislation before the House is inadequate in its attempt to deliver a system for journalists which provides a privilege for them and which will be a workable and sustainable model that will deliver the outcomes that the government and, indeed, all of the interest groups in Australia are seeking at the moment. It was interesting to note the points the member for Isaacs was making when he was referring to the coalition as somehow seeking a test of absolute privilege. I want to confirm in the House that we are not seeking a test of absolute privilege; we are simply seeking to im-

plement a system similar to what is already in place in countries like New Zealand and other parts of the world.

The coalition acknowledges that the stated objectives of this bill in its current form fall far short of achieving the objectives which the government has set out. We will be proposing amendments in the Senate. I think there is a problem with the approach of this bill, in that, while it seeks to amend a regime that relies entirely on judicial discretion as to whether privilege attaches to a confidential communication between a journalist and a source, it may well apply in other areas as well. If you do not take the time in your legislation and your mechanisms to define adequately what you are talking about, you will not meet your objectives. And that is one of the problems that we have seen with this proposed legislation. Things such as the definition of a journalist are not adequately defined. Indeed, with all of the mechanisms that are available to people today, especially to younger people—blogs, online communications and all of the facilities and features available on the internet—it is possible to perform the functions of a journalist without necessarily being one. We think there would be a big role in this space for that to be more clearly defined. That would be something that we would need to know in advance of any proceedings.

This issue has arisen over some time. There have been some disturbing cases in recent times in Australia which have disturbed many members in this place and many people in the broader community. The idea that a journalist could be sent to prison simply for refusing to reveal information which does not go to the heart of a national security matter and does not seriously threaten our country's stability is one most people would reject. There is obviously a need for us to act and move in this space. The law has, I understand from all of the reading that I have

done, moved quite slowly in this space, when the world has moved at quite a fast pace. The rate of communication, and the depth and breadth of all the ongoing journalistic activities in today's world, means that we have to move faster and we have to go further. Here we are today debating a piece of legislation which is an attempt to deal with these very serious issues.

We have seen many cases overseas of journalists who have opted to be prosecuted, fined and jailed rather than to betray their conscience or their ethical undertakings. That is something that I sympathise with. The approach that has been taken in common law is that the facts should be made available, and compelled where there is resistance to that obligation, unless there is some overriding public interest in protecting material from disclosure. That is entirely proper. If there is some overriding public interest, then obviously material may be required to be disclosed. However, the mechanism you use to determine what is in the public interest—all of the communications that happen between journalists and sources, lawyers and clients, which have traditionally been protected—is now something that we need to address and consider so that we can continue to have a robust media and a robust commentary on public life and public activity.

It is a truism that our society has been strengthened by free communication, facts and opinions in the news media, even though we may not always agree with many of the sentiments expressed in the media. While, as an individual member, I have sometimes personally suffered from people using the auspices of free speech to make some erroneous comments and interpretations of events, I can say that I would absolutely stand up in this place to say that they have the right to make some of those claims and certainly to pass comment on them. The laws that relate to the relationship between journalists and sources

ought to be balanced. They need to strike a balance in the consideration of the public interest and they need to be weighed up in that context. There could be a public interest, but there is also a right to confidential communication.

We see in other countries some serious attempts to address these issues. In the United States, they have put in place the 'shield laws'—a new bill which is in the house at the moment, looking to address this issue—and we have seen recent changes made in the United Kingdom and New Zealand. The approach there was to provide some certainty in advance. I think this is an important point, which I will spend some time on. It is always preferable to have certainty in advance for these items. It is a course that has found sympathy in the dissenting report of the Liberal senators of the Senate Standing Committee on Legal and Constitutional Affairs, and I want to refer members of this place to those additional comments by Liberal senators. I think they have made some excellent points about strengthening this legislation, and I know that it will be subject to further amendment in the Senate.

Rather than making piecemeal adjustments to the existing regime, I think it would be better here to take the time and the effort to ensure that we revisit in its entirety the whole concept in the legislation, the test, and provide some certainty in advance. The Media, Entertainment and Arts Alliance pointed out—and I think it is quite true to say—that if you do not do that now, if you do not take the time to go as far as you can now, then you will be left attempting to get together all of the states and federal attorneys-general again. We will be back to this idea that the law has been quite slow to catch up with the reality of modern journalistic communications, and we will find that there will probably not be another opportunity in the near future to make further and better changes.

If you look at the additional comments by senators in the dissenting report, you will see that one of the proposals is that, as in New Zealand, where there have been confidential communications between a journalist and a source, a court may not order disclosure of these communications unless it can be established that the public interest in the disclosure outweighs both any adverse effect on the source, or any other person, and the public interest in communication of facts and opinion to the public by the news media. That is the kind of test that would provide a clearer situation. Obviously that would mean that in advance journalists would be aware and more able to understand their obligations under the law. This would provide less conflict with the ethical and other considerations that a journalist has, and it is where I think we can adapt from another jurisdiction something which has at this point proven to be quite a worthwhile test.

If we seek to be very partisan today in this chamber and pass a law which does not go as far as it ought, and if we do not move as quickly as we can, I feel we will miss a big opportunity which may well have some very real consequences in the near future. Indeed, we have seen more cases in recent times and that trend may well be continuing. If we leave this chamber and we leave the Senate without having thought about these issues and without having gone that extra yard in improving the government's bill, we may well not be doing the right thing. I believe this test and these comments which have been provided by Liberal senators really would add value to this legislation and provide journalists with the certainty they are seeking. Journalists are certainly seeking the chance to go into arrangements with their sources and confidential communications with a higher degree of certainty than they have now. This certainly would go a long way to helping with that.

When you look at the international shield law regimes—for example, at the time of this report a bill was before the United States Senate—it is important to note that the kinds of requirements that they provide are quite substantial. That is something that I fear in this legislation as well. The concept that you need a stronger test, that you need more definition, is shown to us in these international shield law regimes, and it is something I think we should note. The idea that the member for Isaacs was promoting—that we are seeking some sort of absolute test of privilege—is absolutely wrong. That is not what we are saying. I want to be very clear to the House that we are not seeking some sort of absolute criteria or perfect test. I do not think that there would be a mechanism for anybody here to suggest one. That concept is a furphy to distract us from the idea that we need to have a stronger test in place or, as best we can, to provide some advance certainty.

I do not have more to add in relation to the detail of this legislation. I would simply say that, as a member of parliament who has been elected to this place to represent his constituency, I find that the media play a vital role in our democracy in Australia. They perform an essential function. Without them we would be poorer and our ability to function as a country would be lessened. Even though from time to time we are all quite cynical about the media in this place and we can be quite concerned about the way they cover events, we are all aware that the system will not work without an arbiter, a commentator or a source of dissent not simply from within the parliament but from outside the parliament. Therefore, it is incumbent on us when faced with new challenges—such as new technologies, the fast pace of our society, the ability of journalists to seek and gather information from sources—that we act in a way that provides

as much certainty as we can provide in law and that we ensure that the media remains vibrant, healthy and strong within our nation.

Mr CHEESEMAN (Corangamite) (12.35 pm)—I rise to speak on the change to the confidential relationship privilege provisions of the Evidence Act 1995. I do this because I think there is something here that is fundamental to our democracy. This is about an aspect of freedom of speech and the mechanisms we have to get facts and information out into the general public that otherwise might be suppressed, hidden or covered up. The Evidence Amendment (Journalists' Privilege) Bill 2009 is about a part of the crucial matrix of checks and balances that go together to make up the fabric of our democracy.

We currently have a legal basis to provide a privilege at the trial and pre-trial stages of civil and criminal proceedings for communications made in confidence to journalists in certain circumstances. The Evidence Act 1995 provides for a professional confidential relationship privilege in some cases in court proceedings. This prevents the adducing of evidence that would disclose confidential communications made by persons to a journalist acting in a professional capacity or the contents of a document recording such a communication or information about the identity of the person who made the communication. Basically, there is a certain legal basis journalists can rely on to protect their sources in some circumstances. The privilege is granted at the court's discretion but within quite restricted guidelines.

This bill gives greater flexibility to the judiciary and adds new factors which can be taken into consideration. Very importantly, the bill will allow the court to consider harm to a journalist's professional reputation and their ability to obtain information if they are forced to reveal a source. That is a very im-

portant consideration for any journalist when it comes to a judicial crunch point, and I will watch with interest how this is interpreted.

There are many in the public—and maybe even in this place—who see this issue as relatively trivial or hypothetical, but that clearly is not the case. It is not trivial and it is not hypothetical. According to the journalists association—the Media, Entertainment and Arts Alliance—six journalists have been threatened with jail over protecting confidential sources in the past 18 months. This is absolutely not hypothetical. Around this country today journalists are put in real positions and have to make real choices.

It is not trivial either. Some of the biggest and most important stories have been broken using confidential sources. The Queensland government under Sir Joh Bjelke-Petersen, which of course comes to mind; police corruption in New South Wales in the 1980s; the underbelly of Victoria and New South Wales over the past two decades—these are vitally important stories that go to the heart of public institutions and our democracy. These stories ran and collected momentum, and some of the most powerful people in this country were either disgraced or jailed. It would be interesting to be able to rewind history and see what would have happened if journalists were not able to utilise confidential sources in their reporting of these stories and cases.

Australia has had some spectacular stories about corrupt politicians, public servants and businesspeople. I believe this is extremely healthy for our democracy. It is healthy because those stories are out there and convictions have resulted. In other countries those stories may have never seen the light of day. Those politicians, those businesspeople and those public servants would still be running our country. An ex-Premier has been jailed and another disgraced, and the rotten core of

the rampant New South Wales Police corruption in the 1980s was exposed in all its ugliness. I doubt that a lot of those stories would have got out without the use of confidential sources.

Think about the good that came out of the work that Chris Masters did on the ‘moonlight state’, as he put it, on *Four Corners*. Phil Dickie from the *Courier-Mail* is another fearless journalist, and of course there are many others. Of course some of those stories did come out under the existing laws, but I think those stories and those exposures show how important journalism is, particularly investigative journalism.

Some of the current structure should be loosened to ensure that journalists are able to do their utmost in reporting those circumstances. Of course, in framing legislation like this there is no simple answer and it is a question of judgment and balance. I come down on the side that says that we should protect journalists to a greater degree to ensure society has access to information—important information in preserving our democratic state—that might not otherwise see the light of day.

Journalists today are put in very difficult positions by bodies such as the Crime Commission and anticorruption commissions around the nation. Often there are good public interest reasons for doing this. There can be good public interest reasons on both sides of the argument, but I do think it is important that more weight be given to the ongoing role of journalists and their credibility over time. When working previously for a union and for the City of Ballarat as a councillor and working now as a federal member of parliament, I have come into contact with many journalists. I would rate a number of those journalists as some of the gutsiest people I have met. Think about the courage it

takes to expose corrupt people from the underworld.

Currently, in exercising its discretion over whether a journalist may have a legal right to protect a source, the court must take into account certain matters and must give the greatest weight to national security. Journalistic privilege is automatically lost where a communication was made in the furtherance of the commission of an offence, fraud or act that attracts a civil penalty. This bill will remove the requirement that national security be given the greatest weight, though it will make it clear that it is still a factor the courts are bound to consider. This amendment will provide greater flexibility for the court by allowing it to determine the weight to be given to a particular risk of prejudice to national security based on the evidence before it. The greater the risk of prejudice to national security and the greater the gravity of that prejudice, the greater the weight the court will give to this factor and the less protection it will afford a journalist and his or her source.

I think these laws achieve a far better balance. The bill will also remove the automatic loss of privilege where the communication to a journalist was made for an improper purpose. Instead, the court will be required to take this issue into account in its exercise of discretion. This amendment enables the possible application of journalist privilege to cases where a communication between a journalist and their source is itself an offence, such as a public servant's unauthorised disclosure of information obtained in the course of official duties to a journalist in contravention of section 70 of the Commonwealth Crimes Act 1914. To assist the court to frame its consideration of whether to grant the privilege in any particular case, this bill includes a new provision directing that there be a balance between the public interest in the administration of justice and the public

interest in the media communicating facts and opinions to the public and, for that purpose, having access to sources of facts.

This is not an easy bill to frame. It is about balance. The journalistic community is a diverse bunch. Of course, we politicians do not agree with everything journalists do. That is in the nature of our relationship, and it should not be anything other than that. But I do not think anyone can argue about the Australian media and Australian journalists being central to our democracy. In my view, they need room to move and some special consideration due to the importance of the role they play in our democracy. The Rudd government noted this in the run-up to the last election, and we are delivering on that commitment today. These laws allow flexibility and allow our judiciary to weigh up a wider range of issues in the consideration of the confidentiality of journalists' sources.

This bill, without doubt, enhances transparency and accountability of government. These laws, at the end of the day, are not about protecting journo's; they are about protecting our democracy. Can you imagine these laws being put into place in Fiji, Zimbabwe or China? I suspect not. These laws are, quite simply, a measure of the health of our democracy and our willingness to protect the best interests of our society and, of course, to test it at each step. And I am quite proud to stand here and commend the bill to the House.

Mr OAKESHOTT (Lyne) (12.47 pm)—I welcome the Evidence Amendment (Journalists' Privilege) Bill 2009 as well and pick up on the words of the previous speaker, the member for Corangamite, that it is a sign of the health of the democracy we live in. We hear many debates in this chamber about freedom and peace, which is quite often used as an argument to be less transparent and less accountable in some of the activities of gov-

ernment and public policy. However, the safe port for all of us in a free and peaceful society such as Australia is to be as transparent and as accountable as possible. This bill looks to take a step further towards that.

I am aware of a debate going on in the Philippines right now on legislation called the Right of Reply Bill, where it is proposed that, if a journalist writes a story attacking a member of parliament, the member of parliament gets a right of reply in exactly the same spot in the paper in its next edition. I know that would draw many smiles from many members of parliament in this place. It is the result of an influence by public policy makers that is certainly not welcomed by the journalists, and I think it is not in the best interests of delivering transparency and accountability and is not, therefore, the logical extension of greater freedom and greater peace in countries such as ours.

This bill we are debating is good work by government. I am pleased to see that it has come forward. The bill extends a requirement for the court to consider any likely harm to the journalist if the evidence were made to be given, including damage to the journalist's professional reputation and their ability to access sources of fact in the future. I could make a quip here that I look forward to the next cabinet meeting following the passing of this legislation—I suspect it might be a bit quieter than usual because, as a result of this provision, journalists will have an ability to get information from sources and protect those sources in a better way.

The bill also repeals the provisions for automatic loss of privilege in cases of misconduct. Now, the issue of misconduct or whether the communication between journalist and source was for an improper purpose becomes just one of several factors that the court will consider. The court must consider whether the relevant misconduct, along with

all the other circumstances, warrants directing a journalist to breach the confidence of their source. The bill gives greater flexibility to the court by removing the requirement that courts give the greatest weight to any risk of prejudice to national security. The bill extends the scope of the privilege 'in appropriate circumstances', and privilege only applies at trial and pre-trial stages of court proceedings.

Obviously, as I have said, this enhances open and accountable government, which is vital to the democratic system. It improves the openness, transparency and accountability of government and the Public Service. A well-informed community through greater access to information is our safest protection for freedom, peace and democracy in Australia. It also allows for the appropriate balance to be struck between the public interest in a free press and the public interest in the administration of justice. It ensures that the court has relevant public interest factors in mind when exercising its discretion to direct that evidence of a protected confidence or protected identity information is to be given.

There are benefits for journalists in protecting confidential communications. The current law has operated too severely in mandating the loss of privilege. I pick up the point made by one of previous speakers that six journalists have been jailed in the past 18 months. I was not aware of that and I find that a startling figure. The bill also has some benefits for journalists' sources. Protections for sources are strengthened by the bill, which requires the court to consider any potential harm to the source as well as to the journalist involved. I think the judges will also have a better 'on balance' role to play in the balancing act between the public interest and the greater good of the country, balancing the protection of journalists with the protection of the public interest in the administration of justice.

The bill will require the court to consider whether a communication was made contrary to law in determining whether to direct that evidence to be given. The greater the gravity of the relevant misconduct, the greater the weight the court will be expected to give that particular factor, and there is a significant discretion for judges in weighing up factors, which I think is also an important step—placing faith in the judiciary to deal with those public interest questions. Greater flexibility is now being given to judges, and all factors are of equal value.

The bill does not negate all the problems and all the vexed questions that arise with these issues of public interest and privilege. So, although it does not mean to, it may frustrate legal action being taken against those who have made an illegal disclosure—I think that is something this chamber needs to watch into the future. Nor are the amendments designed to encourage illegal disclosures, I hope, but they might. Again, I think that is something to watch into the future.

With regard to the extension of the privilege provisions, the question is: does it go far enough? Should there be absolute privilege? I think the majority would say no; even the press need to be transparent and accountable where appropriate—again, no smiles on that point either, please! The extension of the privilege places a lot of faith in journalists to accurately report facts. Balancing the privilege and the responsibilities of a journalist is important. Again, I think that is something that everyone needs to keep an eye on and that everyone within the fourth estate needs to be very aware of. I would hope that the code of ethics is now re-read and reconsidered and that greater weight is placed by the journalism profession on checking their sources and accurately reporting facts—that adherence to the full code of ethics will be even greater now that this privilege is being extended even further for the profession.

One final issue is that it may be necessary to reveal sources to determine whether information is credible. The question then is: in what context will that happen? Again, I think that is one to watch into the future.

Broadly, this bill is a good sign that government is willing to move to further extend the confidential relationship privilege provisions for journalists. I think it reflects well on the state of play of Australian democracy and, as I have said previously, it reflects the fact that there is a greater commitment to the principles of transparency and accountability in protecting the freedoms and the peace of the country we live in. I support the bill.

Mr PERRETT (Moreton) (12.55 pm)—I am pleased to speak in support of the Evidence Amendment (Journalists' Privilege) Bill 2009. This bill amends the Evidence Act 1995 to provide greater protection for journalists and their sources. This is obviously difficult ground, as we heard in the speech of the member for Lyne.

When I think of what a journalist is, it is easy to think of the *Washington Post* reporters Bob Woodward and Carl Bernstein and how they exposed the Watergate affair—those sorts of journalists with resources at their beck and call and the time to do investigative journalism. I think of Chris Masters, from Queensland, and his expose 'The Moonlight State', an episode of *Four Corners*—someone who obviously had fine ethics and had resources and the time to track down sources. I think of people like Laurie Oakes, Lenore Taylor, Annabel Crabb, Paul Syvret, Kathleen Noonan and Dennis Atkins, to name but a few of the journalists whose articles I particularly look forward to reading. I know that their work has been researched and considered and they have some resources behind them. As I said, I am just naming a couple. Obviously, all the journalists at AAP would be similarly inclined.

But journalism is changing. It has changed since the days of *Washington Post* reporters having an editor who could support them through an arduous investigative process. Now we have newspapers whose revenues have declined. We have a younger generation who have a different approach to how they gather their information—in terms of television and the web, iPhones and the like. We now have people who are one step away from being a blogger in their lounge room who are also taking the guise of journalists. So, when we talk about Bob Woodward or Carl Bernstein, or Laurie Oakes or Chris Masters, we can talk about their journalistic ethics and what they would consider appropriate to print. However, I think the definition of ‘journalist’ is going to change significantly over the next few years.

We had that unfortunate situation just the other day when John Cobb, the member for Calare, clearly stated that he had some information that he did not know to be true—he did not know whether it was true or not—yet he was happy to talk to the media about it. So the story takes off and has a life of its own, even though, as I said, he had no knowledge one way or the other as to whether it was true. It certainly sounded fanciful.

So, in terms of that continuum of what a journalist is, I am very, very comfortable with providing protection to journalists such as Woodward, Bernstein and crew, but, if there is a blogger in their backyard saying, ‘I heard this half of a rumour on the internet and I therefore need protection for it,’ that is where it could be more problematic.

But, leaving that aside, most good journalists have always been able to balance the tension between their ideals of a free press and the public interest while upholding their professional code of ethics by protecting their sources who provide information on a

confidential basis. I just hope that the Woodward-Bernstein type journalist is more likely to use this protection than some blogger who has an axe to grind or who is not particularly interested in preserving the truth.

In other professions the boundaries between privacy and discretion are clear-cut. In this House we are very fortunate as politicians; we know that what we say is privileged—or certainly for most of the time we know that what we say is privileged while parliament is in operation. I have heard some comments hurled across the chamber during divisions that would perhaps get us into trouble if they were spoken outside Parliament House. Why do we have this privilege as politicians? It helps to ensure that there is a healthy democracy. Personally, I hope that there is never anything I say inside this chamber that I would not gladly repeat outside the chamber—but that is me.

Obviously there are other people who have protection, such as patients, who know that their health records are confidential, something between them and their doctor. This is very important because it helps to save lives and make sure that people always tell the truth when talking to their doctor. Also, a client knows that what they share with their lawyer is protected. This protects the adversarial system of justice that we have in Australia. Occasionally there are hiccups. That might seem bizarre but, for the greater good, legal professional privilege must be preserved and protected. You do not have to be a lawyer to understand why that must occur.

A healthy democracy relies on the ability of journalists to hold government and government institutions to account, and sometimes this can only be done with the help of sources who, for whatever reason, choose to remain anonymous. I know that there are people in the corridors of this House who are

happy to talk to journalists off the record. It is not my particular practice. In fact I was quoted anonymously in a paper the other day and I made a point of contacting the journalist to say that I do not give things off the record, that I am happy to be quoted. He clarified that by saying that his subeditor had removed my reference because they wanted it to appear anonymous. Obviously in Canberra we do run into journalists in all sorts of places and, hopefully, there is nothing that I would say that would be problematic. Maybe if a politician were as drunk as 50 cats down at the Holy Grail I could understand why they might want some protection, but a healthy democracy means that we let journalists protect their sources on occasion.

If sources cannot speak to journalists with confidence that their identity will be protected, then whistleblowers will be significantly less likely to expose wrongdoing. We have seen so many examples of this. I have heard testimony from Toni Hoffman, from the Bundaberg hospital, and from Hedley Thomas, a journalist at the *Courier-Mail*, about this and how on occasions such whistleblowing can save lives. Being part of the House of Representatives Standing Committee on Legal and Constitutional Affairs, I heard so many people in the whistleblowing investigation give great evidence about the importance of this.

In Australia most of our journalists hold firmly to their code of ethics. Among the 12 clauses the code states that journalists:

Aim to attribute information to its source. Where a source seeks anonymity, do not agree without first considering the source's motives and any alternative attributable source.

So clause 3 says that a journalist's aim is to attribute information to its source, and I hope that all journalists remember that. I am sure that they have a copy of their code of ethics

in their back pocket at all times. The code continues:

Where confidences are accepted, respect them in all circumstances.

This is from the Media Alliance Code of Ethics, No. 3.

In their submission to the Senate Standing Committee on Legal and Constitutional Affairs inquiry into this bill, Australia's Right to Know coalition, which is a coalition of major Australian news organisations including News Ltd, Fairfax, ABC, AAP, Sky News and the Media, Entertainment and Arts Alliance, all very honourable and reputable entities—and I would like the press gallery to know that—said:

Keeping a source confidential is fundamental to the ability of journalists to maintain trust with their sources and to encourage other sources to trust journalists and bring forward information of public concern.

Therefore it is in the public interest for journalists to maintain a circle of trust and to ensure that sources who seek anonymity for genuine reasons—and, as I said, they attribute the information whenever they can—can have confidence that they are protected.

During the last 20 years nine Australian journalists in six separate cases have been convicted or jailed for not revealing their sources. Tony Barrass, from the *Sunday Times* in Perth, was imprisoned for 10 days and fined \$10,000 in 1989 for refusing to disclose a confidential source. It was a significant amount of money and significant jail time as well. Gerard Budd, from the *Courier-Mail*, Brisbane's No. 1 selling paper, was imprisoned for 14 days. Deborah Cornwall, from the *Sydney Morning Herald*, was given a suspended jail sentence. Chris Nicholls, from the ABC, received a prison sentence for his story relating to a conflict of interest of a South Australian government minister. Belinda Tasker, Anne Lampe and Kate

Askey, from AAP and the *Sydney Morning Herald*, refused to reveal their sources but avoided jail after the NRMA board dropped their case. These are very significant circumstances.

Most recently we had the *Herald Sun* journalists Michael Harvey and Gerard McManus convicted of contempt of court and fined \$7,000 each for refusing to reveal the source of a story about a federal government plan to cut war veterans' benefits. As a result of the story, a public servant, Desmond Patrick Kelly, was charged under the Commonwealth Crimes Act for leaking confidential information. Kelly was convicted in the Victorian County Court, a decision later overturned by the Victorian Supreme Court. In Kelly's trial, Michael Harvey and Gerard McManus held up their professional code of ethics and refused to reveal their sources or give evidence in Kelly's trial, and they were consequently charged with contempt of court—brave stuff indeed! In response to this case, the Howard government introduced the Evidence Amendment (Journalists' Privilege) Bill 2007 to provide some protection to journalists in civil and criminal proceedings of a federal or ACT court for communications made in confidence to journalists.

Under this legislation, the court must rule out evidence that would harm a confidential source and where that harm outweighs the usefulness of the evidence. The open and honest Rudd Labor government believes that this law does not go far enough and does not provide adequate protection to journalists and their sources. Obviously, having somebody like Senator the Hon. John Faulkner in cabinet is great for the Australian pursuit of freedom of information and an open government. He has been a terrier on these particular matters. A major flaw of the current law is that the court can compel the journalist to disclose a confidential source where it believes that the communication to the jour-

nalist was an offence, such as a public servant's disclosure of information obtained in the course of official duties.

Unfortunately, Australia has fallen behind most Western democracies on this issue. Journalists in New Zealand, the United Kingdom and the United States, for example, are protected by law from revealing their sources in almost all circumstances, the exception being, obviously, in cases of national security.

The bill before the House will improve the privilege for journalists who receive information confidentially. It will require the court to consider not only the harm that might be caused to the source but also the possible or likely harm that could be caused to the journalist if the source were to be revealed. Under this bill, the court should still consider national security; however, the requirement that it be given the greatest weight is removed. The bill also overturns the requirement for journalists to disclose a confidential source where the court believes that the communication to the journalist was an offence. If the court believes the source was involved in misconduct in disclosing confidential information to the journalist, it will take it into account but it will not automatically rule out granting privilege on this basis.

This bill is about balance. It directs the court to weigh up the public interest in the administration of justice versus the public having access to the facts through the media. As many of the earlier speakers have stated, this is the right balance in a healthy democracy. While this bill offers greater protection to journalists, the primary purpose of this legislation is about ensuring greater accountability and increased transparency in government. There are high expectations that journalists will report the news in the public interest, honestly and ethically. However, reasonable protections must be in place to

ensure they are not bullied by the courts into disclosing confidential sources. This legislation provides flexibility for the court to take into account all relevant factors, including harm to the source or the journalist, national security and misconduct in the disclosure of information. These factors must be weighed against the public interest.

Finally, I hope this bill will pave the way for similar legislation across all jurisdictions to ensure greater uniformity and certainty for journalist shield laws. I commend the bill to the House.

Mrs BRONWYN BISHOP (Mackellar) (1.10 pm)—I rise to speak on the Evidence Amendment (Journalists' Privilege) Bill 2009 and to add a strong voice, I trust, to the cause that says this bill is an improvement but it does not go far enough. Last month during the break I attended the Inter-Parliamentary Union in Addis Ababa in Ethiopia. It was the 120th assembly of that union. For those who are not familiar with the organisation, it is structured along the lines of the United Nations and its membership is as that of the United Nations, with the exception of the United States, which is contemplating renewing its membership.

An important debate took part in that assembly, which related to the freedom of expression and the right to information. This was a matter dealt with by the third standing committee of the union, and I became a member of the drafting committee and the rapporteur for that committee, both to the committee as a whole and to the assembly. The beginning point for our resolution was to recall that under article 19 of the Universal Declaration of Human Rights of 1948, 'Everyone has the right to freedom of opinion and expression.' If that right is to be fully met then the question of a journalist's freedom to protect their sources and not to be incarcer-

ated as a result of not disclosing them has to be part and parcel of that concept.

The membership of the Inter-Parliamentary Union ranges across many states that are far from the democracy that we are. But, nonetheless, a very strong resolution was accepted, and parts of the resolution are very pertinent to this debate today. Cited among the recitals are these:

Believing that the people's right to information as well as the generation and dissemination of information are indispensable elements of a functioning democracy and that access to information is an essential tool for strengthening government accountability, transparency and adherence to the rule of law ...

Transparency can only be properly exercised and be effective if journalists, who are so often the means of disclosing information which can otherwise remain hidden, can protect their sources. Further in the document we recognise:

... the importance of freedom of expression and access to information in a democratic society for ensuring accountability, checking corrupt practices and enhancing good governance ...

We were:

Convinced that the protection of journalists' sources is an indispensable condition of press freedom ...

We considered:

... that education and literacy are crucial to the full enjoyment of access to information rights ...

In this country we do have virtually 100 per cent literacy; our people are able to appreciate and have access to freedom of expression. But we also need the right to have information published without the fear of being incarcerated.

In this resolution we said we were aware:

... that people's right to access information is more relevant today than ever, as modern democracy embraces a wider and more direct concept of accountability ...

We said we believed:

... that freedom of expression and access to information are fundamental to a democratic society ...

We further said that we encouraged:

... those parliaments that have not already done so to enact freedom of information legislation at the earliest opportunity—

and underscored—

the need for the parliaments of States that already have such a legal framework in place to ensure that it is implemented effectively ...

This legislation is important in that concept of effective implementation. That is why the legislation needs to go further.

Whilst the opposition will not impede the second reading in this chamber, I foreshadow that there will be amendments in the Senate. The Senate Standing Committee on Legal and Constitutional Affairs, which investigated this bill, concluded that the Liberal senators have proposed that, as in New Zealand, where there have been confidential communications between a journalist and a source, a court may not order disclosure of those communications unless it can be established that the public interest in the disclosure outweighs both (a) an adverse effect on the source or any other person and (b) the public interest in communication of facts and opinion to the public by news media. This is the test that is favoured by this side of the House. The fact of the matter is that under this legislation, as it stands, journalists who have been imprisoned previously would still be imprisoned; therefore the legislation does not meet the test that we are effectively allowing for freedom of expression.

I go back to the resolution of the 120th Assembly of the Inter-Parliamentary Union. We invited:

... parliaments to take legislative action to protect journalists from being compelled to reveal their sources ...

We condemned:

... restrictions imposed on, violence suffered by, victimisation and even assassination of members of parliament, journalists and other opinion shapers in exercising the right of freedom of expression ...

We urged:

... parliaments to ensure that only those restrictions on freedom of expression that are absolutely necessary to protect the rights of others and provided for by laws are allowed, and that any regulatory regime operates in this context ...

This legislation does not meet the criteria. We recognised:

... that freedom of expression and access to information may need to be restricted in case of war or other serious threat to public security—

but stressed—

that such restrictions ought to be strictly limited in scope and duration by legislation that is proportionate to its purpose and whose implementation is subject to independent judicial oversight ...

We called on parliaments:

... to combat arbitrary sanctions by the State on the media, press agencies and their agents ...

We urged:

... the media to exercise their freedom of expression judiciously in all circumstances, particularly during armed conflicts, counter-terrorism operations and in other similar situations ...

We called on parliaments:

... to ensure that education is compulsory, free and equally available to boys and girls until at least aged 16 and that adult literacy and mastery of new information and communication technologies become widespread practices ...

Those were parts of the resolution that were aimed at those countries that do not enjoy a high standard of literacy or, indeed, that prevent girls and women from being educated and also having that access. We in this country are free and we, as men and women, are equal. It is a hugely important thing that we

have achieved over a long time, which is precious to us and which we must always maintain. If we want other countries to follow in the way we have developed and to see that freedom enjoyed by women in other countries then we have to, indeed, fulfil our obligation to ensure that when we say that there must be freedom of expression and access to information we do it to the very best that it can be done—and the very best that can be done is not the legislation that is before us.

In rising to speak to the legislation, I do so from my personal commitment to there being privilege for journalists and their sources but also from having taken part in an international forum where I advocated that strongly—that in the public arena there is the need for freedom of access to information, but unless you can express it and publish it and have it known then it is, in a way, being censored. The only remedy for a court to use when a witness refuses to give up their sources is contempt of the court, and the remedy that follows that is imprisonment. We have heard other members cite examples of where journalists have been imprisoned, and that is a blight, I believe, upon us.

I do believe that the provisions of both the UK and New Zealand, particularly New Zealand, offer a better solution. I will quote what the New Zealand Evidence Act says about protection for journalists' sources. It states:

- (1) If a journalist has promised an informant not to disclose the informant's identity, neither the journalist nor his or her employer is compellable in a civil or criminal proceeding to answer any question or produce any document that would disclose the identity of the informant or enable that identity to be discovered.
- (2) A Judge of the High Court may order that subsection (1) is not to apply if satisfied by a party to a civil or criminal proceeding that, having regard to the issues to be determined

in that proceeding, the public interest in the disclosure of evidence of the identity of the informant outweighs—

- (a) any likely adverse effect of the disclosure on the informant or any other person; and
- (b) the public interest in the communication of facts and opinion to the public by the news media and, accordingly, also, in the ability of the news media to access sources of facts.

In other words, the presumption is in favour of the journalist, and that is what is lacking in this bill. There is no question that the public interest is always going to be of concern in these issues, but there has to be an ability for the whistleblower to be confident that, if they give information which they believe is in the public interest to a journalist who will publish it, that source will be protected by the journalist.

The issue of whistleblowers is an equally important question. In my life in this parliament I have on many occasions had people come to me and give me very sensitive information which I have been able to use because of the privilege that is afforded in this place, and I have brought about just outcomes. Plenty of examples can be given where journalists have been able to bring information to the surface and to the public which has resulted in justice being brought about for a particular individual or a circumstance. But the journalist and whistleblower do not have the same protection that someone who may come to me has. I do believe that in an open society—in a democracy such as ours, representatives of which attended that international forum, where there were many countries where, compared to ours, people are oppressed—we have an obligation to do our very best to ensure that that freedom of information and freedom of expression are truly upheld by laws.

So I say to the government that the bill does improve the situation somewhat but not sufficiently. I believe that the opposition senators have drawn good conclusions. I am one—and I will put it on the record—who would and does support the enactment of laws to enable the situation that pertains in New Zealand jurisdictions to apply here. Although the bill is not one that we would wish to reject, it is one that does not yet go far enough.

Ms JACKSON (Hasluck) (1.25 pm)—I rise to speak in favour of the Evidence Amendment (Journalists' Privilege) Bill 2009. I am pleased to do so because this bill will not only strengthen the protection of journalists and their confidential sources but also ultimately enhance the transparency and accountability of government by recognising the public interest in the communication of facts and opinion to the public by the media. There is currently provision in the Evidence Act 1995 for a journalist to refuse to give evidence to a court on the basis that it would disclose information obtained through a professional confidential relationship. However, the provision has been rightly criticised for its narrowness in a number of respects. It was interesting to listen to the comments of the member for Mackellar, who said that she believed that in this area the best that can be done should be done, when she was a member of a government that for 11½ years did far less than that. This provision was a product of Howard government legislation.

With this bill the government delivers on its election commitment to strengthen journalist shield laws, as the provisions are known. These amendments are not made to give journalists some special protection but, as I said, to enhance the transparency and accountability of government. These amendments strengthen a vital component of our democratic system: the community's ability to access information which is in the

public interest. This government recognises the importance of the role played by the media in the communication of facts and opinion to the public. Through this bill the government seeks to ensure that the court has the discretion to consider and balance the relevant facts of a particular case before deciding whether to grant privilege to a journalist.

In the main, in Australia we have had a fine history of professional journalism. As a Western Australian I would like to mention one particular example that comes to mind: Catherine Martin, a journalist with the *West Australian*. Catherine Martin was an exceptional investigative journalist who was credited with uncovering the disastrous impact of asbestos mining and the subsequent diseases of asbestosis and mesothelioma in the residents of Wittenoom in the north-west of Western Australia, where blue asbestos was mined until the 1960s. By bringing this tragedy to the attention of the public, Ms Martin deserves some of the credit for subsequent actions that have been taken to address CSR and, indeed, perhaps some of the credit for the decision to set up a fund to assist people affected by asbestos from the mine.

Ms Martin's achievements were recognised with four Walkley awards during her career, including the inaugural Gold Walkley for the Wittenoom asbestosis articles. In 1982 she was made a member of the Order of the British Empire for her services to journalism. Ms Martin lived in Western Australia for most of her professional life—indeed, for most of her life—and only passed away in April this year, aged 90. As many commentators noted in obituaries, she died in the week that Justice Ian Gzell in the New South Wales Supreme Court found the company James Hardie guilty of misleading conduct and failure to meet its obligations over its handling of asbestos compensation. She was truly a magnificent journalist, and I am pleased that legislation such as that we are

considering today will be available to protect people such as her.

Journalists in Australia are represented by the Media, Entertainment and Arts Alliance, who have adopted the fabulous by-line, 'The people who inform and entertain Australia.' MEAA, as they are commonly known, have established a code of ethics to which their member journalists adhere. Point 3 of the Media, Entertainment and Arts Alliance code of ethics reads:

Aim to attribute information to its source. Where a source seeks anonymity, do not agree without first considering the source's motives and any alternative attributable source. Where confidences are accepted, respect them in all circumstances.

The code does not provide for the ability to opt out of this mandate when compelled by law to do so. When circumstances cause the journalists' code of ethics to clash with the rule of law there is a great deal of interest from the media. We have had some examples of that in Western Australia. The member for Moreton may have mentioned the situation of Tony Barrass, who was imprisoned. In 1989, Western Australian journalist Tony Barrass was called upon as a witness to identify a source of information. When he refused the magistrate imprisoned him for five days. Interestingly, Mr Barrass claims his incarceration was a positive career move because of both the contacts he made in prison and the credibility that he gained with future potential sources. That is one example.

We must also be mindful of the extent to which the media is vulnerable to manipulation. We need to look no further than the notorious 'children overboard' affair for an example. At the time, many people were concerned that a group of asylum seekers attempting to enter Australia by boat had thrown their own children into the water to force the hand of our border patrols. However, it eventually became clear that inaccurate information and misinterpreted photos

were strategically released and used to whip the media, and consequently the voting public, into hysterical support for hardline immigration policies.

There are two main points that I would like to draw from those examples and that of Catherine Martin. The first is that the nature and extent of likely harm to the journalist who discloses a source is fundamental. A responsible journalist who can inspire trust from a source and who has the integrity to recognise when information should be made public deserves the protection of our courts, just as the source deserves our protection. But, conversely, the danger of granting blanket freedom to publish without attribution or accountability is just as fundamental. I am confident that this legislation gets the balance right for the benefit of the public interest in transparency and accountability.

I note that the Law Reform Commission report on the operation of the uniform evidence acts, tabled in 2006, recommended that a professional confidential relationship privilege be included but that it be a qualified privilege, allowing the court to balance the competing interests at stake. A critical feature of the legislation criticised by some in this House but preserved in this bill is that the onus of establishing privilege rests with the person claiming it. In this sense, it stops short of being a true or unfettered privilege, although it should be noted that the court also has the power to grant privilege on its own motion. This legislation guides the courts in the discretionary decision to confer privilege.

This is in contrast to legislation in some other countries, such as New Zealand and the United Kingdom, where journalists have a rebuttable presumption of privilege. Such contrast has given rise to criticism that this bill does not go far enough. However, it must be remembered that these amendments are

not primarily about protecting journalists; they are about ensuring that the community is able to access public interest information. This is integral to the sound operation of our democratic system. While this bill will encourage greater accountability, blanket privilege may open the door to a loss of accountability on the part of those reporting unattributed facts and opinions to the general public. The wonderful and unique ABC *Media Watch* program has given us ample examples of that over the years.

This bill gives the court flexibility to decide whether the privilege should apply after it has considered all the relevant circumstances. Importantly, the bill requires the court in making its decision to consider the nature and extent of likely harm not just to the confider but to the confidant—that is, the journalist. The court will also be required to consider likely harm to journalism as a profession by virtue of a new requirement that the public interest in the administration of justice be balanced against another legitimate public interest: the public interest in the media communicating facts and information to the public—and the obvious corollary that the media must have access to sources of facts. These considerations legitimise the role of the professional journalist in a democratic society.

This bill brings balance to the legislation in other important respects. The court was previously required to allocate overriding significance to considerations of national security. This bill provides the court with the ability to balance matters of limited risk to national security against other important considerations. That is a much more measured and proper approach.

The bill also corrects a glaring shortfall in the previous legislation. Previously, privilege was excluded where information was conveyed in the furtherance of the commission

of an offence, fraud or act that attracted a civil penalty—for example, where a public servant without authorisation disclosed information obtained in the course of official duties, contrary to section 70 of the Crimes Act 1914. To a significant extent, this exclusion rendered the shield laws pointless. Nevertheless, it must be recognised that some misconduct should not be protected and it is appropriate to allow the court to allocate weight according to the nature of the specific disclosure. Therefore, this bill requires the court to take into account whether the communication was made in the furtherance of an offence, the nature and gravity of that offence and the importance of the evidence being shielded to the proceeding. I believe that the bill transforms the journalist shield laws from an empty gesture into an important component in upholding a robust fourth estate. This bill extends the application of the shield laws beyond proceedings in federal courts and courts in the ACT to all proceedings for an offence against a law of the Commonwealth in any other Australian court.

Together with existing shield laws in New South Wales, this legislation provides journalists with guidance as to what circumstances will challenge their code of ethics. I am encouraged by the interest shown in other states in enacting similar shield laws. While I note that the WA Attorney-General has expressed some reservations—unfortunately, it appears, based more upon his perception of insufficient consultation with him than anything else—I remain hopeful that he will realise that shield laws are an integral component of an accountable democracy and will allow WA journalists to get on with doing their job.

I could not speak on the issue of journalists without referring to those wonderful people who provide an essential service to my constituents in Hasluck and surrounding

areas, and they are the hardworking journalists and staff of my local newspapers, such as the *Echo* and the *Examiner*. In particular, I would like to acknowledge local journalists Julian Wright, of the *Examiner*; and Kristy Moroney, of the *Echo*. I also acknowledge the fine work of Jamie MacDonald, formerly of the *Echo*, and wish him well in his new job.

The DEPUTY SPEAKER (Ms AE Burke)—Don't make me force you to come back to the relevance of the bill before us, Member for Hasluck!

Ms JACKSON—It was important that I acknowledge how broad the application of these journalism shield laws may be, Madam Deputy Speaker.

The bill establishes an essential balance between the public interest in the administration of justice and the public interest in the media having access to sources of facts for the communication of facts and opinion to the public. The bill creates a framework in which journalists can conduct their profession with integrity but not with impunity. I am confident that this bill lends no comfort to scandalous reporting but facilitates great investigative journalism without that being at the expense of justice in the courtroom. It stands as part of a raft of measures that have been promoted and supported by the Rudd Labor government, including the terrific work of Minister John Faulkner on changes to the freedom of information legislation and the like to ensure a much more transparent and accountable government. For these reasons, I commend the legislation to the House.

Mr McCLELLAND (Barton—Attorney-General) (1.39 pm)—in reply—I would like to thank the members for their contribution to this debate. Such a debate as this is a hallmark of a great democracy, and unquestionably our system of government is that. It

is a shame, however, that the opposition have chosen not to give their support to this important bill, the Evidence Amendment (Journalists' Privilege) Bill 2009. Indeed, it is somewhat curious when the position that they are taking necessarily means that they believe the current law—the law that they introduced just two years ago—is inadequate.

Indeed, the current law is inadequate because more often than not it is irrelevant or unavailable to a journalist to use. That is because it provides that the privilege cannot be claimed when the information is originally provided to a journalist in breach of a law involving a civil penalty or in breach of criminal law. For instance, if information is provided by a whistleblower who is a public servant acting contrary to the conditions of their service or to specific laws regarding secrecy and the like, the journalist under the current state of law is automatically disentitled from relying on the privilege. We, on the other hand, have endeavoured to strike a balance, as specified in the objects of the bill, between the administration of justice and the freedom of communication. I note that the opposition are taking the view that legislation, whether a modification of this bill or new legislation, should be drafted on the basis that it creates a presumption—that is, a presumption in favour of privilege. I should say that that is, again, diametrically opposed to the position the opposition took when they were in government, just two years ago, when the Hon. Philip Ruddock, the then Attorney-General, said in his second reading speech:

... the court will be required to give greatest weight to the risk of prejudice to national security.

Again I note the significant about-face on the part of the opposition. It is a little disappointing that none of the members opposite have focused on the key elements in the bill that

we believe considerably strengthen the shield that is available under current law.

The Evidence Amendment (Journalists' Privilege) Bill 2009 will enhance open and accountable government. The bill enables an appropriate balance, as I have indicated, to be struck between the public interest in a free press and the public interest in the administration of justice. The bill gives specific recognition to the two public interests which underlie the privilege—the public interest in a free press and the public interest in the administration of justice—but leaves it to the court to determine where the appropriate balance lies in the circumstances of each case. To suggest that the onus is on the person claiming the privilege is misconceived. To assist a court in finding the right balance, the bill provides an objects clause which sets out the purpose of the journalists' privilege, and that is to achieve a balance between the public interest in the freedom of the press and the public interest in the administration of justice. There has been some criticism of the inclusion of the objects clause, but I am certainly aware that judges do regard objects clauses as helpful in resolving ambiguity or uncertainty in legislation. That is even though, where the language is clear, they apply the language of the specific provisions and an objects clause in itself will not determine the outcome on the consideration of the particular facts.

It has also been suggested that stronger protections should be provided by imposing an obligation on the court to specifically take into account the public interest in press freedom. Indeed, the Senate Standing Committee on Legal and Constitutional Affairs also recommends the inclusion of a public interest factor in the list of matters that the court should consider in exercising its discretion. The committee's recommendation would require the court to consider the public interest in both the disclosure of a protected con-

fidence and the disclosure of protected identity information. This is in fact similar to recommendations that were recently made at the Standing Committee of Attorneys-General, where Attorneys agreed to include two new public interest factors in the professional confidential relationship privilege in the model uniform evidence bill. That agreement between the state and territory Attorneys, I should say, was significant. The federal government has been a supporter of uniform evidence laws, and I can assure the House that I will be giving careful consideration to the recommendations of these two bodies.

While the media have called for journalist shield laws to go further, others have suggested that the bill goes too far. I accept that different sectors of the community will have diametrically opposed views on journalists' privilege. But this bill, as I have indicated, aims to achieve the appropriate balance between competing interests. Inevitably in those circumstances neither end of the spectrum will be completely satisfied with these reforms, but that in itself is often a good sign that the appropriate balance has been achieved.

It should be noted that, while the vast majority of journalists in this country publish information and provide opinion in good faith and unquestionably in the public interest, equally it must be accepted by fair minded people, I would think, that it is not unknown for journalists to be motivated by self-serving reasons and indeed, regrettably, sometimes by malice. The extent to which journalists defaming someone under those circumstances or with those motivations, for instance, should be protected by such a privilege is certainly a legitimate question.

It is surprising today to see that the opposition are opposing the bill on the basis that it does not go far enough. As usual, it appears

they are playing somewhat opportunistic politics. They have been quite all over the place on this issue. I have indicated that the backflip in their position is an admission of how ineffective their 2007 laws were in addressing this critical issue. When the then Attorney-General introduced the current law some two years ago he said:

It is a significant amendment to evidence law, and it will provide an avenue to protect confidential communications between journalists and their sources.

Indeed, Senator Johnston, representing the then Attorney-General in the Senate, went further. He said:

The bill provides an appropriate balance between the competing public interests

We have specifically referred to a balance, and we have graded all considerations equally for them to be considered in the exercise of a court's discretion. Labor have been absolutely consistent in where we stand on this issue, both when in opposition and in government. Our position is reflected in this bill. The government have made it clear that we support the courts having a guided discretion to make a decision. In contrast, the opposition as usual are playing opportunistic politics in a bid to get some cheap praise, one would think, from media outlets.

In conclusion, this bill forms an integral part of the Rudd government's commitment to enhance transparency and accountability of government and the Public Service and to promote free speech. In conjunction with other proposed reforms in areas such as freedom of information law and whistleblower protections, this bill will bring about a more vibrant system of democracy in Australia. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr McCLELLAND (Barton—Attorney-General) (1.49 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

FAMILY ASSISTANCE AND OTHER LEGISLATION AMENDMENT (2008 BUDGET AND OTHER MEASURES) BILL 2009

Second Reading

Debate resumed from 18 March, on motion by **Ms Macklin**:

That this bill be now read a second time.

Mr ABBOTT (Warringah) (1.50 pm)—I do not propose to long detain the House on the Family Assistance and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2009. It does essentially three things: first, it removes the Australian Taxation Office from the administration of family tax benefit; second, it provides for an appeal to the Social Security Appeals Tribunal, and ultimately to the Administrative Appeals Tribunal, for people newly subject to income management in the Northern Territory; and, third, it ensures that people's CDEP, or Community Development Employment Project, wages can be quarantined for the purposes of income management. The coalition will not be opposing any of these measures but has some reservations about each, which I will very briefly outline.

There is something to be said for allowing people to claim their family tax benefit by way of a reduction in their pay-as-you-go tax instalments. It will no longer be possible, under this legislation, for this to happen. I understand, though, from a briefing that was kindly provided by the minister's office and the department, that there have been very few people claiming family tax benefit in this way and, as a result of that, notwith-

standing its theoretical advantages, the coalition will not further object.

The original Northern Territory intervention legislation did not provide for appeals over income quarantining. The coalition would be happy for this situation to continue. We do not think that the quarantining of income is of a nature to routinely justify appeals beyond those to a Centrelink review officer but, nevertheless, given that this only applies to people who are newly subject to income management and not to the 17,000 or so already on it in the Territory, again, we do not want to pursue this objection.

Finally, the coalition wanted to turn CDEP employment into either real jobs or a kind of Work for the Dole. We wanted CDEP to turn into a stepping stone towards the real economy rather than be a permanent Indigenous economy. Our support for this measure to enable CDEP wages to be quarantined as if they were welfare payments should not be interpreted as surrendering our continuing reservations about the changes that the government is making in this broader area. Other than that, the coalition is not going to oppose this legislation, and I do not propose to further detain the House on it.

Mr NEUMANN (Blair) (1.54 pm)—I speak in support of the Family Assistance and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2009. This bill implements a 2008 budget measure. It removes the option of claiming the family tax benefit through the ATO and it makes a number of other amendments. One amendment it makes relates to the Social Security Appeals Tribunal and the Administrative Appeals Tribunal and the capacity to review a decision under the Northern Territory income management regime. The third aspect relates to amendments affording new participants from 1 July 2009 in the Community Development Employment Project, the CDEP, with

access to income support payments instead of CDEP wages and the CDEP participant supplement. Existing participants will continue to receive the supplement in addition to CDEP wages until 30 June 2011.

Only about seven per cent of current FTB clients actually claim the benefit through the ATO, and getting rid of this option just reduces bureaucracy, duplication and bureaucratic anomalies. It certainly reduces inconsistency. Currently, families can choose to receive the FTB as fortnightly instalments by making a claim through Centrelink or Medicare Australia. If they want to, however, families can choose to claim the FTB as a lump sum following lodgement of their income tax return at the end of any relevant year. That is quite common for those people who can actually afford it—that is, if they are high income earners or middle income earners. They effectively make a claim for FTB for a past period through Centrelink or Medicare Australia at the same time as they lodge their taxation return. From 1 July this year the option of claiming FTB for the past period through the taxation system will be removed. Removing the taxation system option for delivering FTB payments will, in my view, simplify the system and in the circumstances I am surprised it has not been done in the past.

I had a look at some figures on this. As I said, it was about seven per cent. About 154,164 clients of the system applied for lump sum payments through the Taxation Office. Just over 1,876,000 people—about 90 per cent—applied for fortnightly payments through Centrelink. In my electorate of Blair that has certainly been the experience. Generally speaking, those people who claim the FTB as a lump sum have high incomes—that is, they are very wealthy people in the circumstances—and can afford to wait till the end of the year to see their accountant and make arrangements accordingly. We are

doing this by way of reform. We think it is a sensible way to go about it.

The second aspect of this bill contains a measure announced on 23 October last year. It is based on the recommendations of the Northern Territory Emergency Response Review Board. These amendments make sure that people under the Northern Territory income management regime will have access to the same jurisdictional rights, under SSAT and AAT appeals, as non-Indigenous Australians to income support and family payments. I think that is a fair thing in the circumstances. It allows natural justice to take place. It gives people who are subject to the Northern Territory intervention and the management of their income the same rights as other Australians. In the circumstances that is a good initiative. The income management regime was introduced by the Howard government. It was announced on 21 June 2007. Under the income management regime certain amounts can be deducted from a person's income management account to meet the priority needs of their dependants, such as food, accommodation, utilities, transport et cetera. That amount is paid into an account controlled by Centrelink.

An individual can be subject to an IMR for a number of reasons. They are good reasons and they are reasons that protect children in the circumstances. I think that that is a sensible thing in all the circumstances. For example, a person can be subject to an IMR in circumstances where it is necessary to protect the child of that individual or if the individual is subject to the jurisdiction of the Queensland Family Responsibilities Commission and the commission has made a request for the provisions to be applied in the circumstances, if they are a resident of a specified area in the Northern Territory or if their child is deemed to have unsatisfactory attendance at school. Truancy is a challenge and if children do not go to school in certain

circumstances, particularly in low socio-economic areas, they do not have the same capacity to use their skills, talents and abilities in the future.

The SPEAKER—Order! It being 2 pm, the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour and the member will have leave to continue speaking when the debate is resumed.

MINISTERIAL ARRANGEMENTS

Mr RUDD (Griffith—Prime Minister) (2.00 pm)—I inform the House that the Minister for the Environment, Heritage and the Arts will be absent from question time today as he is attending the World Ocean Conference and the Coral Triangle Initiative partners conference in Indonesia. The Minister for Agriculture, Fisheries and Forestry will be answering questions in his place.

QUESTIONS WITHOUT NOTICE

Economy

Mr TURNBULL (2.00 pm)—My question is addressed to the Prime Minister. I refer to what the Prime Minister described yesterday as 'peak debt' of \$188 billion in 2012. Will the Prime Minister confirm that in calculating that debt there has been no provision for the funding of the \$43 billion broadband network, the \$28 billion investment in Ruddbank or the \$300 billion defence build-up referred to in the white paper?

Mr RUDD—The government's planning for defence is fully accounted for in the government's budget going forward and is consistent with the recommendations contained in the defence white paper. On the question of the Australian Business Investment Partnership the honourable member would be aware that that matter currently lies before the parliament and has not yet passed. The provision for it is outlined in legislation which is before the Senate. As for the other

element of the honourable gentleman's question, which referred to the National Broadband Network, the equity injection into it is contained, again, in the budget papers. I would draw the honourable gentleman's attention to the fact that at the time that we announced our plans for a national broadband network we indicated that we would consult with the private sector with a view to establishing appropriate levels of equity between the private sector and us in constructing a much needed national project.

I would also say to the honourable gentleman in answering the question that the reason the government has acted on a national broadband network is that for 12 years the opposition, the then government, did absolutely nothing when it came to national broadband. There they sat for 12 years, with the rest of the world skating by and leaving Australia in its wake, with no high-speed broadband across the country. They fiddled and they faddled and they did nothing, and they left people in regional Australia without effective broadband connection. We have taken a decisive course of action to embrace this challenge for the future and those opposite have simply squibbed it. We are proud of the fact that we are acting in the national interest in providing this much needed infrastructure for Australia for the future and supporting jobs, supporting small business for today and investing in infrastructure we need for tomorrow. The provisions are contained within the budget.

Nation Building and Jobs Plan

Mr SYMON (2.03 pm)—My question is to the Prime Minister. Will the Prime Minister outline how the government is supporting Australian jobs and small businesses during this global recession by stimulating the economy and investing in nation building for recovery through road, rail, ports, broadband—

Mr Pyne interjecting—

The SPEAKER—Order! The Manager of Opposition Business does not have the call. I cannot imagine anything that could be that provocative in a question.

Mr SYMON—Will the Prime Minister outline how the government is supporting Australian jobs and small businesses during this global recession by stimulating the economy and investing in nation building for recovery through road, rail, ports, broadband, solar energy, hospitals and the biggest school modernisation program in Australian history?

Mr RUDD—I thank the member for Deakin for his question. The government is embracing a strategy of nation building for recovery. That is the strategy reflected in the budget document we released to the parliament earlier this week and that is the strategy we are implementing across the nation today. Its essence is that we are supporting jobs and small business today by investing in the nation building infrastructure we need for tomorrow. That is why we are investing in roads, rail and ports right across the country. That is why we are investing in the single largest school modernisation program in the country's history. That is why we are investing in what we are advised will be the world's largest solar power plant through the clean energy initiative. That is why we are investing also in a range of other infrastructure measures including hospitals, medical research facilities, schools, universities and TAFEs. The objective of all these things is to support jobs and to support small business in the here and now by investing in the infrastructure we need for tomorrow.

Mr Baldwin interjecting—

Mr RUDD—Today in the company of the member for Hunter I participated in the announcement locally of the Hunter expressway, a project of \$1.65 billion. This is a pro-

ject that those opposite, as the member for Paterson will know full well, promised in the 2004 election. And what did they do after the 2004 election? Nothing. In 2004 they made a bold promise about funding this road, much needed in that local area, and those opposite when in government did nothing. What we have done in our first year of office is commit funding for this project, announced today conjointly with the government of New South Wales, with construction commencing in the year 2010. I notice the member for Paterson constantly interjects. He doth protest too much. He has been sprung and spotlighted by this one—and it is not all that difficult to spotlight the member for Paterson from time to time, although there is less of him these days!

The member for Paterson is a classic illustration in this place of members saying one thing in their electorates and doing nothing about it in Canberra. He said in 2004 that he would have this road project funded but nothing was actually done about it in the subsequent term of office.

The project will cut travel times between Newcastle and the Hunter by 28 minutes; relieve congestion between Newcastle and the towns of Thornton, Maitland and Rutherford, with forecast reductions in traffic from a level of 60,000 vehicles now by 15,000 to 30,000 vehicles per day; support the growing Hunter region, where traffic is forecast to grow at around four per cent per year; and meet the growing freight task of the region, which is forecast to increase 30 per cent in coming years. The project will support up to 800 jobs directly in its construction. This is part of our long-term plan for the construction of network 1 to provide a proper freight network right across the Australian east coast.

Mr Truss interjecting—

Mr RUDD—I notice that the Leader of the National Party intervened about a road between Cooroy and Curra. Is that right? That is a part of the world known to me and to him, and it is in his electorate. As transport minister he took not a single action; as local member he took not a single action. He represents a constituency where, he said in today's paper, he drives with fear and trembling because of the road accidents there—but he did nothing. This government is providing funding for an investment in his electorate because national needs determined it should be there. He has a record of zero action. We have a record of commitment to action and we have funding on the table to do it.

Also today, with the member for Hunter, I participated in the launch of the Hunter Valley rail. This is an important project as well, because we turned a sod on one of those projects funded under the Australian government's \$4.7 billion nation-building statement of last December. The construction of the third rail track on the main northern railway in the Hunter is part of the government's \$1.2 billion investment in the Australian Rail Track Corporation. The government has invested more in rail freight in its first 18 months than the previous government did in 12 years. There are six rail projects across the Hunter being delivered as a result of our investment, creating up to 650 jobs in the local area.

These are practical actions which demonstrate our approach to dealing with the recession—supporting jobs, small business and business more generally today in order to create the infrastructure for tomorrow. Our approach to this recession is to embark upon a clear-cut strategy for the future. To make these investments it is necessary for the government to have temporary deficit and temporary debt. The Leader of the Opposition says that he does not support the govern-

ment's current level of deficit and debt to invest in infrastructure, to support jobs and to respond to the recession. That is what he said. The Liberal Party Treasury spokesman said yesterday that he supports \$25 billion less debt than the government. Tonight, therefore, the Leader of the Opposition—

Mr Hockey—It's a starting point.

Mr RUDD—He now says, 'It's a starting point.' A new position! So, somewhere in no-man's-land yesterday, between the Leader of the Opposition's statement that he would not name a target and the Treasury spokesman's statement 16 minutes earlier that he would name a target—\$25 billion—we now have a no-man's-land position of somewhere in between. The Leader of the Opposition says that he does not support the government's current level of deficit and debt to invest in infrastructure, to support jobs and to counter the recession. The Liberal Party Treasury spokesman, although he objects to it today, said yesterday that he supports \$25 billion less debt than the government. Tonight, therefore, the Leader of the Opposition must name his level of debt—name his additional savings—because refusal to do so confirms that in fact he is doing nothing but running a dishonest scare campaign.

Mr Pyne—Mr Speaker, I rise on a point of order. I ask the Prime Minister to come back to the question. I also remind him that he can't name his own debt.

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

Mr RUDD—He doth protest too much, Joe!

Mr Hockey interjecting—

Mr RUDD—Well, Joe, it was not the best of days yesterday; you know that. It was not the best of days. Tonight, the Leader of the Opposition must name his level of debt—his level of borrowing—

Mr Pyne—Mr Speaker, I rise on a point of order going to relevance. We know that the Prime Minister is trying to get his camera angle right for the television news tonight, but he actually has to answer the question—

The SPEAKER—The Manager of Opposition Business will resume his seat.

Mr RUDD—It is always good to hear from the member for Sturt—he who asserted recently that the Asian financial crisis was just as serious as the current global economic recession. That was his great statement of economic literacy! I heard him recently make that proclamation. How absolutely unfounded and ridiculous a proposition.

Mr Pyne—Mr Speaker, I rise on a point of order. It is outside the standing orders to make offensive remarks about members of parliament. The Prime Minister is not entitled to verbal—

The SPEAKER—The member for Sturt will resume his seat. He has other avenues available to him. It is not a point of order.

Mr RUDD—Tonight, therefore, the Leader of the Opposition has a very clear responsibility. Tonight, therefore, the Leader of the Opposition must nominate what level of debt he supports, what level of savings and what savings he will advance. On top of that he must indicate precisely what course of action he is going to take. He must nominate the level of debt, nominate the level of savings and nominate the actual savings, because failure to do so will demonstrate the absolute fraudulence of the fear campaign he is running on debt today. That is the bottom line. Name the level of debt and name the savings that you will advance. Otherwise you are confirming that this is nothing more than a baseless scare campaign on debt. You are attempting to conceal the fact that the Liberal Party's position on debt is, in essence, virtually the same as the government's. That is what they do not want exposed.

If he does not name a debt level tonight, or specify the savings tonight, he will in fact drive a stake through the heart of his own scare campaign. You can see how the tombstone will read when it is all done: 'Here lies the Liberal Party scare campaign, tragically killed on 14 May 2009 because the Leader of the Opposition couldn't nominate a level of debt or a level of savings.' The fraudulence of this position on the part of those opposite stands clear and loud for all to see.

Budget

Mr TRUSS (2.15 pm)—My question is addressed to the Treasurer. I refer the Treasurer to the lack of provision in the budget for any drought relief payments at all or any replacement program beyond 2009-10. Treasurer, is the government going to stop all drought relief payments permanently or are your forward budget estimates rubbery?

Mr SWAN—The question from the Leader of the Nationals is simply astounding. There was no provision in their budgets for forward years for drought relief—none. This budget contains \$866 million to support primary producers, including \$715 million to extend drought assistance for 2009-10. That is the practice that the former government put in place; it did not make forward provisions for drought assistance. We have said that we are looking at all of the arrangements. When we have concluded doing that we will put in place our arrangements for the future and do what the previous government never could do.

Economy

Mr BRADBURY (2.16 pm)—My question is addressed to the Treasurer. Will the Treasurer outline for the House the relative strength of the Australian economy compared to other economies?

Mr SWAN—I thank the member for Lindsay for his question. It is certainly the case that the Australian economy is much

stronger than those of many other developed countries around the world. In the middle of this global recession, the worst one in 75 years, we have seen many advanced economies contract sharply. We have seen global trade collapse. We have seen production collapse. Eight of Australia's top 10 trading partner economies are expected to contract this year. On top of that, China has slowed, Japan has gone into negative growth and India has slowed dramatically. This is having a brutal impact on growth, jobs and budget revenues here in Australia.

As we saw in the budget, growth is expected to contract by half a per cent in 2009-10. Despite that contraction, Australia is expected to do much better than all other advanced economies. In fact, I know from talking to colleagues at G20 meetings that many of them sitting around that table would trade places with Australia any day, given the outcomes that we are receiving here compared to the rest of the world. Our forecast contraction is much milder than that of many of the other advanced 20 economies, the high-income economies, around the world. It is certainly much better than the 3¾ per cent contraction expected for advanced economies as a whole. If we just go through them, the US is expected to contract by three per cent, the euro area is expected to contract by four per cent and Japan is expected to contract by a massive six per cent.

Of course, it is the case that unemployment here is forecast to rise to 8½ per cent by June 2011 as the impacts of this global recession flow through our economy. But what we need to keep in mind is that that is less than the double-digit rates expected for many other advanced economies, although it is much higher than anyone would like. As we know, our budget has been hard hit by the global recession. Our revenues have been written down to the tune of \$210 billion. These write-downs account for something

like two-thirds of the write-down in the overall budget position since the last budget. Of course, even after these revenue write-downs, the government's financial position remains amongst the strongest in the world. The forecast budget deficit of 4.9 per cent of GDP for 2009-10 is less than half the average of major advanced economies, at 10.4 per cent, while net debt at its peak of 13.8 per cent in 2013-14 is much, much lower than the 80 per cent of GDP net debt levels projected for all advanced economies. So we are not immune from the impacts of this global recession but we are still much better placed than many other countries in the world.

A large part of the reason for that is that this government acted, it acted early and it acted decisively with economic stimulus. And in this budget we are nation building for the recovery, putting in place the vital investments that will support jobs now and create the jobs of tomorrow by expanding the productive capacity of our economy, by making the necessary investments in ports, road, rail and broadband—investments for the future that are so important to assist us not only to fight this global recession but to deal in the long term with the ageing of our population. We are doing better here because we moved earlier, because the government was decisive and took the courageous decisions to put in place vital economic stimulus.

Without our economic strategy, without our stimulus, unemployment would peak 1½ percentage points higher, reaching double digits. That is why our action, and moving so early, are so important. If we had done the opposite, if we had done what those opposite said we should do, which was to sit and to wait and to see, unemployment would be far higher, the recession would be far deeper and the recession would be longer. But this government acted—and we acted in the interest of jobs, we acted in the interest of business

and we acted in the long-term national interest of the country.

But tonight those opposite have a unique opportunity. They have been going on about deficit and debt. They have been going on about deficit and borrowing. Well, tonight they get the opportunity to tell the Australian people where they are going to make their savings from. They can put their money where their mouth is this evening. If they are going to be taken seriously, they will have to nominate savings this evening. Otherwise, they will have taken hold of and will be responsible for that debt. This country has had imposed on it a huge cut in its national income which has required borrowing to support employment. If they say they can bring debt down and borrowing down then they had better nominate where the savings are coming from—put their money where their mouth is—because, if they do not, they will have no credibility whatsoever.

Budget

Mr HOCKEY (2.23 pm)—My question is to the Treasurer. I refer him to his own budget papers—Budget Paper No. 1, page 9-4. It indicates the government is borrowing now at least \$300 billion in this budget cycle at a rate of \$3 billion a week. I ask the Treasurer: what is the average interest rate Australian taxpayers will have to pay over the life of this debt?

Mr SWAN—If I could just follow up on that question and make this very simple point. The shadow Treasurer has said that he would borrow \$25 billion less—that is what the shadow Treasurer has said, so he is admitting to borrowing \$275 billion. He is admitting to borrowing \$275 billion, and the interest on that will be the market rate at the time that it is borrowed.

Mr Hockey—What is the answer to the question?

Mr SWAN—That should be obvious to anybody.

The SPEAKER—Order! The Treasurer will resume his seat.

Mr SWAN—Perhaps—

The SPEAKER—The Treasurer will resume his seat.

Mr Pyne—Sit down, Wayne!

The SPEAKER—The Manager of Opposition Business is sometimes his own worst enemy. He has got to be very careful about doing those sorts of things if he wants the call. The Manager of Opposition Business.

Mr Pyne—Mr Speaker, on a point of order: under standing order 104, the Treasurer was asked for a figure. He does not need to embroider his answer with anything else—

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

Mr Pyne—We have simply asked a specific question, the average interest rate over the life—

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

Government members interjecting—

Opposition members interjecting—

The SPEAKER—Order! The Treasurer is responding to the question. The Treasurer.

Mr SWAN—So further borrowings to support employment, further borrowings to support infrastructure, further borrowings to support jobs will come at the market rate at the time the money is borrowed. But the average interest rate paid on recent bond tenders has been 3.88 per cent.

Budget

Ms SAFFIN (2.25 pm)—My question is to the Minister for Finance and Deregulation. How is the government's fiscal strategy supporting jobs; and what would be the consequences for jobs and the economy of adopt-

ing a different approach towards temporary deficit?

Mr TANNER—I thank the member for Page for her question. Members who have perused the budget papers will note that the government is forecasting a dramatic drop in government revenue over the next few years, and I particularly draw their attention to the figures for the next two financial years: \$49 billion and \$55 billion. Of course, the government is projecting deficits over those two years of \$57 billion in each case. This does indicate that the vast bulk of the problem the government is dealing with in this fiscal situation is derived from the fact that we have had a huge hit to government revenue as a result of the global recession. That has been a major contributor to the fact that we are now in a position of temporary deficit.

These circumstances do present the government with a choice. The government can either seek to contract the economy, to contract the fiscal position, to increase taxes and to reduce spending in order to cover that deficit or, alternatively, borrow temporarily to cover that deficit. That is essentially the choice that the government is presented with. The government has chosen to borrow over that period of time and it has chosen to stimulate economic activity through its Nation Building and Jobs Plan and other initiatives in the budget to sustain jobs, to sustain economic activity and to sustain businesses in the face of the most savage global downturn in living memory. Treasury estimates that this package will sustain GDP to the tune of about 2.75 per cent in the forthcoming financial year and 1½ per cent in the year after that and that it will in the process support over 200,000 jobs in the economy.

I note that the *Australian Financial Review* in its editorial yesterday stated this—and it is not normally given to praising the government in its editorial, I might add. I am

sure the Prime Minister will be astonished to hear that! Normally it does not praise the government in its editorial but it did on this occasion state:

The government cannot be faulted for running deficits to stimulate activity and protect jobs. That is what governments are meant to do when the world economy turns down ...

That is the *Financial Review*. The opposition, of course, are advocating an alternative strategy which they say would mean a much lower deficit, which inevitably would mean either higher taxes or lower spending, or both, and in particular would mean sucking vast amounts of money out of economic activity—that is, tens of billions of dollars out of the economy, out of sustaining jobs, out of sustaining business activity. That is precisely the error that conservatives in many countries made in the 1930s through things like the Premiers Plan in Australia, which cut wages, which cut benefits and which ultimately compounded the problem of recession and turned it into the Great Depression. It created a downward spiral of ever-mounting unemployment, ever-mounting business losses and ever-mounting misery. We do not intend to repeat the mistake that conservatives made in the 1930s.

But it is still unclear what the opposition's position actually is on these issues. We note that the member for North Sydney says that the deficit should be \$25 billion lower than what the government says, yet the Leader of the Opposition says that if he were in charge there might even be a small surplus. So you have got a deficit of \$30-odd billion from the member for North Sydney, but the Leader of the Opposition suggests that if he were in charge there might have been a small surplus.

We will see some indication of where these divisions land this evening. This evening when we finally hear the budget reply

we will see some indication of how these divisions within the Liberal opposition come into collision and where the final landing point is. They have become so divided and such a rabble that in recent weeks they have even been given to giving themselves names that are so offensive I am not even allowed to mention them in parliament! They have even been able to give themselves and their internal workings some appellations that would be unparliamentary if I referred to them in this House. That is an indication of how bitter and how deeply divided the Liberal opposition have become and how incoherent they have become on the fundamentally important issues facing this nation.

Tonight the opposition has to front up and explain how its position of less spending and lower taxes would lead to lower deficits and less debt and yet without any savings and with lower taxes how that all would add up to a single coherent position. Tonight is the time you have to front up, when all of the one-liners and all of the rhetoric and all of the contradictory grabs between the member for North Sydney and the Leader of the Opposition have to be added up to a single position. Tonight we will be watching with great interest to see where all this lands and how the great Ponzi scheme of the Liberal opposition's position adds up. We wait with great interest to see how you can get together more spending, lower taxes, lower debt and lower deficit into a single position in a single reply.

Budget

Mr HOCKEY (2.31 pm)—My question is to the Treasurer of the biggest spending government in modern history.

An opposition member—Temporary Treasurer!

Mr HOCKEY—Temporary Treasurer! I refer the Treasurer to the fact that the government has increased its borrowings now to around \$3 billion a week to fund its record

spending budgets. Will the Treasurer confirm that more than two-thirds of that is being borrowed from overseas?

Mr SWAN—In terms of the government's borrowings, roughly the same percentage is being borrowed overseas now as was borrowed overseas when those opposite were in government.

Mr Robert interjecting—

The SPEAKER—Order, the member for Fadden!

Mr Hockey—The biggest spending finance minister in Australia's history—that's you! You get the title.

The SPEAKER—Order, the member for North Sydney!

Opposition members interjecting—

The SPEAKER—Order, the member for O'Connor! The Treasurer has the call and he should be heard in silence. Order, the member for Paterson!

Mr SWAN—When those opposite were in government and when they left office I think there was something like \$55 billion worth of Commonwealth securities on issue. I know it is a bit inconvenient for those opposite to acknowledge that but that is the fact.

Mr Robert interjecting—

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

Mr SWAN—About two-thirds, or a little less than that then, was borrowed overseas and the same percentage, roughly, is the case today—about two-thirds. What we have seen on display here is just monumental hypocrisy. Those opposite know that the government is borrowing because revenue write-downs have hit \$210 billion and the alternative to borrowing that money is to savagely jack up taxes or savagely cut services. If they are sitting here today saying that they are not going to borrow then the Leader of the Op-

position has to come into this House tonight and show where he is going to cut \$210 billion from the revenue write-downs. That is what he has to do tonight. If he does not do that he does not have a shred of economic credibility. Nothing could better demonstrate how out of touch the Liberal Party has become than their proposition that in the middle of the sharpest contraction since the Great Depression that a government should not borrow to support employment in the economy. What we are doing is in the national economic interest.

Our budget is all about nation building for recovery, nation building for jobs and building the productive capacity of the economy for the future, particularly to deal with the ageing of the population. To do those things to protect our people from the ravages of a global recession we are borrowing responsibly. But the thrust of the questioning in here day in and day out is somehow to make us believe that if they were in government today they would not have to borrow one cent. If that is the proposition that is being advanced then the Leader of the Opposition must tonight show how he is going to make up for the revenue that has been lost to this country—that is, a revenue loss that has been imposed on this country by the rest of the world. Revenue of \$210 billion has been lost, which is the equivalent of all the spending on health and hospitals over the forward estimates.

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

The SPEAKER—The Treasurer is responding to the question that referred to increases in borrowings. It went to percentages of the borrowings of \$3 billion a week. Has the Treasurer concluded?

Mr SWAN—This evening the Leader of the Opposition has to indicate to the Australian people where he is going to make the

savings to make up for the revenue loss or what taxes he proposes to dramatically increase to make up for the revenue loss. That is what he has to do this evening; otherwise he will be endorsing the responsible borrowing that this government is doing.

Budget

Ms ANNETTE ELLIS (2.37 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. How will the government secure sustainable pension reforms, support carers and prepare Australia for the challenges of the future?

Ms MACKLIN—I would like to thank the member for Canberra not only for her question but also for her leadership on behalf of carers as the chair of the House of Representatives inquiry into support for carers. The government's secure and sustainable pension reform package will deliver essential and long overdue recognition to people with disabilities and to carers. From 20 September this year, the government will deliver increases to people on the carer payment and those receiving the disability support pension of \$32.49 for singles on the full rate and \$10.14 for couples on the full rate. These rises are on top of the existing allowances for GST, utilities, telephone, internet and pharmaceuticals. There are 720,000 disability support pensioners and 140,000 carer payment recipients who will receive this increase.

Around 500,000 carers across Australia will also receive a new payment, the new permanent \$600 carer supplement. This supplement will go to people who receive the carer payment, the veterans carer service pension or the carer allowance, and it will be \$600 for each of the people that they care for. People who receive both carer payment and carer allowance will receive two carer supplement payments. This supplement and

the additions to the disability support pension and carer payment have been welcomed by both carer groups and those representing people with disabilities. Carers Australia Chief Executive Joan Hughes said, 'The \$600 a year supplement was very welcome because its status was assured in future budgets.' From the Spinal Injuries Association we had, 'People with disability are pleased that their living costs have been recognised.' I am very pleased to be able to tell Australia's carers that just a short time ago today the Senate passed the bill introducing this new permanent \$600 supplement. This is a huge win for Australia's carers. Their first \$600 supplement will be delivered before the end of June.

The government's reforms have involved some very difficult decisions—decisions like lifting the age pension age—decisions that in 12 years the previous government did not make despite the former Treasurer's enthusiasm for releasing reports about our ageing population. Here are just a few words from the member for Higgins back in 2007. He said:

The first Intergenerational Report put the ageing of the population on the map.

... ..

We started talking about fertility rates and pushing back retirement ages ...

Now here we are five years later. The member for Higgins of course was still only talking, as he is today. The member for Warringah by contrast has at least woken up to the fact that talking about something is not the same as doing it.

Ms Gillard—Steady on, Jenny! The member of Warringah has woken up to something?

Ms MACKLIN—The member for Warringah has woken up! This morning he actually said that the age pension age should go up more quickly than that being proposed by

the government. So we hope to hear from the Leader of the Opposition tonight in his budget reply: is this now Liberal Party policy? Is he going to confirm the member for Warringah's statement this morning that the age pension age should go up more quickly? Of course the member for Higgins was not prepared to act when he was in government. Let us see whether the Leader of the Opposition is going to support the member for Warringah tonight.

Foreign Debt

Mr HOCKEY (2.42 pm)—My question is to the Treasurer. I remind the Treasurer of his previous statement that servicing foreign debt will place a burden on future generations. I remind him of his claim that Labor's concern about foreign debt stems from what foreign debt says about our capacity to compete in the global economy and the risk that ever-increasing levels of foreign debt may mean for interest rates. Now that this, the biggest spending government in Australian history, is borrowing \$3 billion a week—\$2 billion from overseas—what does the Treasurer believe will be the impact on interest rates of this massive increase in foreign debt?

Mr SWAN—This is just astounding—a question about foreign debt from the shadow Treasurer! Foreign debt exploded under the Liberal Party. Get this. Between 1996 and 2007 the Liberals left the nation with a 200 per cent increase in net foreign debt, a 460 per cent increase in credit card debt, a 340 per cent increase in household debt, a tripling of private sector debt and a 450 per cent increase in corporate debt. So—with an appalling record like that—they should be the last people to come into this House and lecture anyone about levels of debt.

Mr Hockey—Mr Speaker, I rise on a point of order. My question was to the biggest spending Treasurer in modern Australian

history. I want an answer about interest rates of \$2 billion per week.

The SPEAKER—The Treasurer is responding to the question.

Mr SWAN—I was actually asked about foreign debt. I would just like to go into what has been said by people over time about foreign debt. Who said, back in 1995: 'Foreign debt is a terrible thing. It is now the equivalent of \$10,000 per head for every Australian'? Who said that in 1995? Peter Costello. And what happened to foreign debt from the time that the former Treasurer made that statement? It went up by 200 per cent. There was a massive explosion in foreign debt under the Liberals, and if the proposition being put forward by the shadow Treasurer—

Mr Dutton—Mr Speaker, I raise a point of order on relevance. The Treasurer is talking about private company debt, not government debt. There was no government debt left by this coalition to this Labor Party.

The SPEAKER—The member for Dickson will resume his seat. The Treasurer has the call.

Mr Pyne—On the point of order of the member for Dickson, Mr Speaker: the member for Dickson was making the point that the Treasurer was asked about net government foreign debt and is answering a question about an entirely different—

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

Mr Albanese—Mr Speaker, there have now been double-digit numbers of points of order during this question time in order not to make a point of order about the standing orders but to make a political point. That is disorderly conduct under the standing orders, and I make the point of order that the standing orders should be upheld in that regard.

The SPEAKER—I take note of the point made by the Leader of the House. The Treas-

urer has the call. He will respond to the question.

Mr SWAN—I was asked by the shadow Treasurer about foreign debt. Foreign debt back in 1995, according to Peter Costello on radio 5AN on 10 October 1995, was a terrible thing and it was \$10,000 per head for every Australian. In September 2007, as Peter Costello left office, foreign debt was \$589 billion or \$29,450 per Australian. That is actually what has happened to foreign debt, which is what I was asked about by the shadow Treasurer. So that is the answer to your question.

Nation Building and Jobs Plan

Ms GRIERSON (2.48 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. Will the minister update the House on how the government is delivering new, improved nation-building transport infrastructure, including rail and road projects for the Hunter? How does this compare to the previous government's approach to infrastructure?

Mr ALBANESE—I thank the member for Newcastle for her question. This morning I visited the Hunter with the Prime Minister, the Treasurer, the member for Hunter and the Premier of New South Wales. There we visited a site where we saw the government's nation-building plans in action. In the Hunter the government's injection of \$1.2 billion as part of its economic stimulus package last December is reaping real benefits in creating jobs today and in building the infrastructure that we need for tomorrow. One of those loop lines has already been opened, and today the Prime Minister turned the first sod on the first rail track on the main northern railway in the Hunter. This project itself will support some 150 of the 650 jobs that will be supported in the Hunter region.

On the way there, we passed through Maitland, a community that will benefit from our investment in the new Hunter expressway. This is a project that the coalition promised to deliver but never did. There is more chance of finding a mention of Malcolm Turnbull on the Peter Costello website than there is of finding some real activity from those opposite when it comes to the Hunter expressway—

Mr Baldwin—\$107 million, you goose!

Mr ALBANESE—because the real action was zero.

Mr Baldwin—No, that's not true.

Mr ALBANESE—The member for Paterson, known as 'Paterson's curse' in the Hunter for his—

The SPEAKER—The minister will resume his seat. The member for Paterson will withdraw.

Mr Baldwin—I raise a point of order, Mr Speaker. It was the minister—

The SPEAKER—First of all, the member for Paterson will withdraw the remark he made by way of interjection.

Mr Baldwin—What did I say that was offensive? I withdraw. I do not understand what I said—

Government members interjecting—

Mr Baldwin—that was offensive.

The SPEAKER—Order! The House will come to order. Whether or not the member understood it, I did understand it and it was unparliamentary. Now it has been withdrawn. Is the member for Paterson seeking to raise a point of order?

Mr Baldwin—Yes, Mr Speaker. I ask you to ask the minister to withdraw his comments. As you asked me, Mr Speaker, to withdraw the comment in response to that, I suggest that you ask him to withdraw the initial comment.

The SPEAKER—The minister has the call.

Mr ALBANESE—To assist, Mr Speaker—when he sits down.

The SPEAKER—The minister is going to assist. The member for Paterson will resume his seat.

Mr ALBANESE—Paterson's curse is a purple flower. I did not know you were a shrinking violet, but I withdraw—unreservedly. If you want to actually look at what those opposite did, you can go to the 'Nationals audit office' report. The Nationals audit office is back. The Nationals audit office report on the delivery of projects on the AusLink national network makes terrific reading when it comes to their failure to deliver on their promises in the Hunter. It outlines how, in September 2005 in the AusLink agreement put up by the former government, the Howard government included funding for the project of some \$382 million. It also outlines how the former government knew that in May 2005 the appropriate authorities had estimated the cost to be twice that: \$765 million. What happened was that, as part of AusLink, they allocated \$382 million and it just stayed there. It got reallocated and spent in other areas, not in the Hunter. They delivered nothing; through AusLink nothing was delivered. The majority of the money was set aside and allocated to other projects.

But, of course, because they did nothing—with what was happening to the global economy with increased costs for steel and concrete and with the growth and boom in our region—costs went up. In July 2007 there was a new estimate, all outlined in this report. The RTA revised the cost estimate of the project to \$1.2 billion in 2007 dollars, an out-turn cost of between \$1.5 billion and \$1.7 billion. In Tuesday night's budget, we allocated \$1.65 billion—\$1.45 billion from the Commonwealth and \$200 million from

New South Wales. The coalition knew about the revised cost. They knew about it, but in the heat of the 2007 election that counted for nothing. In November 2007, the then Prime Minister flew in to Williamtown air base and made a promise of \$780 million for a project that they had been advised—

Mr Baldwin interjecting—

The SPEAKER—The member for Paterson will withdraw!

Mr Baldwin—Mr Speaker, it is pretty hard listening to the lies from this minister, but if it pleases you I will withdraw.

The SPEAKER—The member for Paterson will withdraw.

Mr Baldwin—I said that, Mr Speaker.

The SPEAKER—The member will withdraw without reservation.

Mr Baldwin—I withdraw.

Mr ALBANESE—All this is outlined in the Australian National Audit Office report. It is there on the record. They knew at that stage the cost was \$1.2 billion in 2007 dollars, with out-turn costs of between \$1.5 billion and \$1.7 billion, but they made this nothing promise that did not exist.

What you have to look at is what governments do in their budgets and what they do on the ground, not what they promise in the dying days of an election campaign, when they are walking out the door. The truth is they delivered nothing for the Hunter expressway. They delivered nothing for the people of the Hunter over 12 years. You know that it is consistent with their ideological approach, because their approach to nation-building infrastructure is that governments should get out of the way and that the market will sort it all out. That is essentially what they believe in their hearts. It is in their DNA, which is why you never hear about nation building from those opposite. The

shadow Treasurer belled the cat when he said:

You know what the biggest investment in infrastructure is? Investing in people. Giving them tax cuts, helping them pay their bills everyday. Giving them a job. That's what I call investing in infrastructure.

Those on this side of the House believe that investing in infrastructure is about allocating real money in budgets, making sure that real people are employed today so that we build the infrastructure that we need for tomorrow.

Budget

Mr PEARCE (2.58 pm)—My question is to the Treasurer. Can the Treasurer please explain to the Australian people the logic of his government lending \$10 billion to the International Monetary Fund for eastern Europe while the government borrows \$188 billion to fund his own budget?

Mr SWAN—I am happy to answer the question. At the recent meetings of G20 leaders in London, it was decided that there should be a substantial increase in resources for the International Monetary Fund, given the global recession and the dramatic impact that that global recession was having on the developing world, the impact that it was having on those nations and the subsequent impact that was having on world growth—which was feeding back into the global recession. The decision was taken by governments of all political persuasions around the world that in those circumstances it was the responsible course of action to increase the resources of the International Monetary Fund.

Those opposite are fond of talking about the Asian financial crisis. Many opposite have compared it in size to this global recession. But we know that the global recession is much bigger and that it takes in both developed and developing countries. As part of this nation's response to the Asian financial

crisis, very substantial moneys were lent to countries in the region by the former government, rightly and correctly.

In the meeting of the G20 recently it was decided that the new arrangements to borrow should be increased. We agreed to that. Our proportion of borrowing under that new arrangement—which we have always contributed to, under the previous government and under this government—is going to increase. We have agreed, as part of the new arrangement to borrow, that there will be increased resources—loans, which will be repaid with interest—should they be required. We are making them available in exactly the same proportion that the previous government also made them available. There has been no fundamental change whatsoever.

But what we seem to have now from the opposition is yet another example of tawdry, cheap and opportunistic politics. We are participating in the IMF in the same way as the previous government participated in it. We are doing it for very good reasons. We are doing it because it is good for this country economically, but we are also doing it because it is our responsibility—a responsibility that both sides of politics have adhered to over a long period of time. If that is changing as well, I would like to hear the Leader of the Opposition tell us what his position is. He is on the record, around the time of the G20 meeting, as supporting a very substantial increase. So we have his support, but obviously we do not have the support of one of his frontbenchers. That is yet another example of the confusion and disunity and the rabble that this opposition have become.

Education

Ms KING (3.02 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. What is the government doing in response to the Bradley

review of higher education and what has the higher education sector's response been to these developments?

Ms GILLARD—I thank the member for Ballarat for her question. I know that, when on budget night the government released the document *Transforming Australia's higher education system* and announced its intention to invest \$5.7 billion in higher education over the next four years, she would have been delighted to see that in her local community the University of Ballarat is receiving \$40 million for its science and engineering precinct and that a further \$18 million has been committed for a manufacturing technology training centre. That is part of making sure through the Education Investment Fund that we have the capital investment necessary to have the learning institutions for the future of this nation in a knowledge economy and a globalised economy. This side of the House understands that our future is in a globalised economy, something that from recent questions clearly the opposition is denying.

Those who care about education, those who care about our economic prosperity tomorrow, those who care about this nation making its way in a knowledge economy and those who care about every Australian child getting the best possible start in life have embraced this vision of higher education. If we go across the university sector, we see that Universities Australia has applauded the federal budget and this new vision for higher education. It said:

The government has acted responsibly and in the nation's interest by increasing funding for teaching and learning with improved indexation from 2012, which will ensure teaching quality is maintained and enhanced.

The Group of Eight, in a media release entitled 'Visionary road taken to university reform', said:

The Government's response to the Cutler and Bradley reports will work to widen the base of Australia's higher education and strengthen university capacity research capability ...

From the Australian Technology Network of Universities, we have had the following statement. It said the budget was:

... the most significant in a decade, providing the building blocks for long lasting reform of the sector and the creation of a world class university system.

The government believe in an education revolution. We believe in this nation taking its place in a knowledge economy. We believe in the building blocks of economic prosperity. On the other side of the House, one wonders. While those who care about education have been responding, we are still lacking any form of detailed policy response from the opposition to this transformation of Australia's higher education system. There has been no policy statement released by the shadow minister; there has been no substantive policy response. He did whip out one media release, full of bark but no bite. But in that media release there was one policy statement that Australians should understand. The shadow minister, in his only policy statement that I am aware of on universities—potentially his only policy statement on education—said:

Last year the Government abolished all full fee places for Australian students—a private revenue stream for Universities that had been growing and providing economic security into the future ...

The only policy statement that the shadow minister for education has made in response to this report is to endorse Australian students paying full fees for their education.

We know we are heading tonight to the opposition's leader's budget reply speech. We also know that if, in that speech, he does not name tonight a debt level or specify a savings target then he is going to drive a stake through the heart of his dishonest scare

campaign about debt and deficits. It makes me wonder whether the complete eradication of university funding is on the savings list.

Mr Pyne—Mr Speaker, I rise on a point of order. The Deputy Prime Minister was asked a question about education. I know she would like to be the Treasurer but she cannot now stray into debt and deficit.

The SPEAKER—Order! The Manager of Opposition Business will resume his seat. He is warned if he is going to abuse the opportunity of a point of order by coming to the dispatch box and debating. I am quite happy to invite him for points of order but I am not happy to invite him for debate.

Ms GILLARD—My simple point is this: the shadow minister for education never says anything substantive about education. Australians deserve better from the Liberal Party than a shadow minister who has no care or concern for his portfolio.

Mr Pyne interjecting—

The SPEAKER—Order! The member for Sturt is reminded of his status. He is very close to out.

Ms GILLARD—The opposition should outline a vision for Australian university education, if it has one. The only vision at the moment we have is one of complete privatisation. My simple point to the Leader of the Opposition is this: his dishonest scare campaign comes to an end tonight unless he can nominate savings targets to take the budget into the surplus he has talked about. Can he rule out that eradicating all public funding for universities is on that list? The only policy statement from his shadow minister is all about students paying the complete cost of their university education; there is nothing else.

Prime Minister

Ms JULIE BISHOP (3.09 pm)—My question is to the Prime Minister.

Mr Hale interjecting—

The SPEAKER—Order! The Deputy Leader of the Opposition will resume her seat. The member for Solomon will withdraw.

Mr Hale—Withdrawn.

Ms JULIE BISHOP—My question is to the Prime Minister. At a time when the government is plunging this nation into record debt, why should tens of millions of dollars of additional taxpayers' money be spent on a vote-buying spree in Africa and Latin America to support the Prime Minister's personal ambition of a temporary seat on the United Nations Security Council? Are Australians paying for his job application as UN Secretary-General?

Honourable members interjecting—

The SPEAKER—Order! The question has been asked. I would have thought that people would have liked to hear the answer.

Mr RUDD—I read with much amusement the article in the *Australian* this morning. It is the most baseless article I have ever read. As the journalist who wrote the article I understand confirmed in the article, he telephoned my office and, prior to obtaining a reply from my office, went ahead and produced the article. My office rang back and he did not return that call. Though I know the journalist in question and have had a long-standing good relationship with him, this article is entirely a fabrication, and I question why it was produced in the way in which it was.

I thank also the shadow foreign minister, as she now is, given her great track record of originality in all things. That has been part of her career trajectory from the shadow Treasury position into the shadow foreign ministry position. This question of originality concerns the importance that is attached to the United Nations and the Security Council.

There were statements by the former foreign minister, Mr Downer, and by the former Prime Minister, Mr Howard, about the importance of the United Nations General Assembly and about the importance of the United Nations Security Council. We, together with previous governments, both Labor and Liberal, are doing what all Australian governments have historically done, which is to obtain whatever support we can to try and prosecute a campaign for the future for Australia to obtain a position on the United Nations Security Council. In doing so, we are seeking to prosecute Australia's international interests in the long term.

Part of those international interests in the long term goes also to our role in various international financial institutions. One of those financial institutions is the International Monetary Fund. The International Monetary Fund and our contribution to it, and in fact to other international monetary authorities, was raised recently by the member for xenophobia over there, the member for Aston, in the question that he raised before. We as a government have a deep interest in what fabric constitutes itself—

Mr Pearce—Mr Speaker, I rise on a point of order. I would ask you to request the Prime Minister to withdraw that highly offensive remark.

The SPEAKER—It might assist the House if I ask the Prime Minister to withdraw.

Mr RUDD—I withdraw. It is good to see the spirit of Hansonism alive and well on the benches of those opposite.

Ms Julie Bishop—Mr Speaker, I rise on a point of order. During this week, you required one member to withdraw calling 'the Swan' a goose. Today we require you to get the Prime Minister to withdraw provocative remarks about the member for Aston.

The SPEAKER—The Prime Minister will withdraw.

Mr RUDD—Mr Speaker, my remarks were not about the member for Aston but about the opposition corporately for endorsing a question like that, which demonstrates that Hansonism is alive and well. To assist the House, I will of course withdraw.

It goes to the question of contributions—and you should wrestle with your conscience on this one—to our international financial institutions. Of course, the single greatest set of contributions has been made recently by governments around the world, and prospectively by the Australian government, to the International Monetary Fund, for a range of reasons—firstly, to assist countries who are in deep need in their own financial circumstances; and, secondly, to ensure that we maintain the stability of the international financial system. That is why governments got together in London recently and agreed on a massive injection of resources into the IMF.

Ms Julie Bishop—Mr Speaker, I rise on a point of order. My question was about the vote buying spree in Africa and Latin America designed for 2012—the year of the vote.

The SPEAKER—Order! The Deputy Leader of the Opposition will resume her seat. The point of order is relevance. The Prime Minister is responding to the question.

Mr RUDD—It is countries around the world, and the emerging world in particular—including in the continents just referred to by the shadow foreign minister, as she is these days—in which the International Monetary Fund operates. But the core principle, and why governments around the world support these institutions, is not only that it is inherently the right thing to do in the spirit of Bretton Woods going back to 1944—which I think all decent governments and parties, Liberal and Labor, have sup-

ported from then until now—but it is also an investment in our collective self-interest. When it goes to economies in Europe, for example, if there is an implosion in those economies, the ricochet effect through Europe and global financial markets back to the domestic Australian financial market is significant and potentially extreme. Therefore, international financial institutions, properly resourced—

Mr Pyne—Mr Speaker, I rise on a point of order. On the issue of relevance, the Prime Minister was not asked a question about the International Monetary Fund; he was asked—

The SPEAKER—Order! The member for Sturt will resume his seat. The first aspect of the question most probably should have been ruled out of order in that it introduced argument. The central aspect of the question went to certain funding overseas—if I recall rightly, to Africa. It is in that context that the Prime Minister, I believe, is responding.

Mr RUDD—Thank you, Mr Speaker. I note that in his point of order the member for Sturt said that the question dealt with the foreign aid budget. The foreign aid budget was not referred to at all, not in one word in the question asked by the Deputy Leader of the Opposition, demonstrating the high level of coordination that now exists within the 40-member tactics committee of the opposition, representing all factions. Frankly, they moved into the caucus room to have their tactics meeting in the morning!

In terms of the matters raised by the member for Aston, and the question asked by the Deputy Leader of the Opposition, I would just draw the attention of those opposite to this statement by the Leader of the Opposition about our contributions to international monetary authorities. In relation to the G20, on 3 April he said:

The biggest thing they've done, overwhelmingly the most important thing they've done, is agreed to commit about a trillion dollars to the International Monetary Fund collectively; now that's a good measure ...

So says the Leader of the Liberal Party. It was obviously not quite cross-referenced with the member for Aston's question before or with some of the other things that have been said recently. I would suggest to the Deputy Leader of the Opposition, as she seeks to take potshots at the budget that has been delivered by the government, that she reflect on her friend and party colleague the Western Australian Premier, who said that his government welcomed fundamentally the contribution to the state of Western Australia by this Australian Labor government, that the Western Australian government has secured funding for deep-sea ports and industrial sites and that those projects could now go ahead. It was, from the perspective of the Western Australian Liberal government, a first-class budget, helping the development of Western Australia. I think the honourable member should consult with her party colleagues.

Nation Building and Jobs Plan

Mr SULLIVAN (3.19 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. How is the government investing in vital road infrastructure that will improve road safety in Queensland?

Mr ALBANESE—I thank the member for Longman for his question and his active pursuit of infrastructure for the area north of Brisbane that he represents. On the front page of the *Australian* today there was an article and a photo of Mr Wayne Sachs, a Queensland ambulance officer who came to my office on 24 February to make a case. He came as someone who has witnessed the fact that there have been 13 fatalities on the Cooroy to Curra section of the Bruce Highway

since 2002. Mr Sachs put forward his personal experience of what it was like to literally see people expire after they have been through these accidents.

This section of the Bruce Highway was not included on the Infrastructure Australia priority list. It was a pipeline project. It was not included because, in terms of the rigorous economic analysis that Infrastructure Australia undertook of projects that were submitted, it did not have the requisite amount of freight and passenger transport. But there was absolutely no doubt about this. Whilst it might not have met the economic test, it met the common-sense test, it met the decency test and it met the Australian test—which is about making sure that the national interest is looked after. So, in this budget, in spite of the pressures that are on due to the global economic recession, we made room to provide funds—not from the BAF—for this vital project. There was some \$488 million from the Commonwealth and \$125 million contributed from Queensland, because we knew that we needed to listen not just to economists but to people out there doing work in communities. And this is a government that will listen and will act. Supporting this project, which will support up to 650 jobs, will be good for the economy and good for safety.

One wonders why this neglect happened over such a long period of time. Indeed, one wonders why, given that the shadow minister for transport, who is the local member for Wide Bay—this road is in his electorate—was reported in the same article as ‘travelling the highway regularly, with his heart in his mouth’. He is quoted as saying:

I’m always pleased when I turn off. You never feel completely safe on that road.

And the shadow minister for transport is on the record as saying that this is a dreadfully accident-prone section that is rated as the

worst piece of highway in Australia. That is what the shadow minister for transport said. He sat in this parliament in government for 12 years—with 10 years as a minister and a period as the minister for transport—but nothing was done over that long period of time.

I wondered why nothing had been done over that period of time so I went back and had a look at what the opposition did in government and at what they allocated in budgets—not at what they said during election campaigns but at what they actually did when it came to nation-building infrastructure. In the Department of Transport and Regional Services budget statements in 2002-03, under the heading ‘Federal government keeps Queensland moving’, made by the Deputy Prime Minister, Leader of the National Party at the time and Minister for Transport and Regional Services, John Anderson, it stated in relation to the Cooroy-Gympie route study that the government would establish a \$1 million study that would ‘examine possible future routes for the Bruce Highway’. But then they said—and these are in their budget papers—‘Construction is likely to be 15 or 20 years away.’

No action was taken by the former government and yet a campaign was run demanding action by this government. Well, this government have listened to the community. That is why we have provided this funding. It has taken a Labor government to build this important infrastructure project in safe National Party territory because the government is determined to build the infrastructure that Australia needs.

Budget

Mr RANDALL (3.26 pm)—I have to follow a new low, but I will ask the Prime Minister the following question: can the Prime Minister confirm revelations in today’s *Aus-*

tralian Financial Review that this year's Budget Paper No. 1 was printed and pulped just days before the budget, reportedly due to errors stemming from late decisions by the government and 'disagreement in the bureaucracy over figures'? Can the Prime Minister please inform the House what last-minute changes prompted the government to order the pulping of Budget Paper No. 1 and what figures in the amended version should also be written off as pulp fiction?

Mr RUDD—I thank the honourable member for his question. In terms of the printing processes for the budget, I am completely unaware as to how that was handled and I would imagine that if you had asked that question of Mr Howard he would have been unaware of the printing processes associated with the budget as well. It is a complex physical process; it takes time and I am sure there are corrections made on the way through, as there were in the past.

Budget

Ms JACKSON (3.27 pm)—My question is to the Minister for Health and Ageing. Will the minister advise the House on important health initiatives and reforms included in the budget?

Ms ROXON—I thank the member for Hasluck for her question. I know that, along with many members in this House, she is particularly pleased about the investments that were made in health in the budget. The Midland community in her electorate will benefit from a \$180 million new hospital, which is being funded by the Commonwealth, and I am sure that she, along with others who have received funding in 32 different communities from the Health and Hospitals Fund, will welcome the investments that we are making. This week's budget continues to deliver on our commitments to reform and improve the health system across the country. We are investing in

the whole health system across the whole country to deliver better health outcomes for Australians.

Tuesday's nation-building recovery budget continues a journey in health that we began last year. Despite the major challenges to the budget caused by the global recession we have continued to drive major improvements in hospitals, health infrastructure, our health workforce, maternity services and services in rural and regional communities. It might be of interest to the House to know that this budget delivers a landmark \$64 billion into our healthcare agreement. That is a 50 per cent increase on the investments made by the previous government, with 35 per cent more GP training places than we had under the previous government, a 45 per cent increase in rural health funding and a 57 per cent increase in Indigenous health funding. Nurses and midwives are also big winners from the budget. For the first time highly skilled nurse practitioners and midwives will be able to access the MBS and the PBS. In fact, the Australian College of Nurse Practitioners described this initiative as a 'visionary decision', while the Australian Nursing Federation said:

Australians will be healthier and have greater access to equitable, quality health care because of changes announced in the Federal Budget ...

The rural package means that nearly 2½ thousand more doctors and 500 more communities are newly eligible for funding and 40 new projects to better support rural health services have been approved. Once again the government is taking action to make up for 11 years of neglect by the previous government. As I have already mentioned in answer to the member for Hasluck's question, this budget itemised the first down payments from the Health and Hospitals Fund, set up by this government to make long-term investments in our nation's health infrastructure. The fund is now in business and \$3.2

billion worth of projects—with 32 projects across the country—have been given the green light.

I do wonder whether the member for Herbert, who does not appear to be in the House today, supports the \$250 million to expand the Townsville hospital or whether he thinks, as it appears some of the leadership does, that these sorts of investments are irresponsible. Likewise I would be interested to hear whether the member for Tangney and other members from Western Australia support the replacement of the Perth rehabilitation unit at the new Fiona Stanley Hospital. This project has now been made a reality, thanks to a \$255 million contribution from the Commonwealth.

Mr Randall—That was from the previous government. We gave the money in our government and you're just re-announcing it.

Ms ROXON—But we have heard nothing to indicate whether those opposite are going to support this project. That was an interesting interjection from the member at the front, who always manages to get things just a little wrong. He thinks this was an announcement already made by the previous government. I hate to break it to him: there was no health and hospitals fund from the previous government. There was no funding for hospital infrastructure by the previous government.

Mr Randall—It was announced before you ever became the government, and you know that.

The SPEAKER—Order! The member for Canning.

Ms ROXON—There was no money announced ever by the previous government for these projects. It has been welcomed already by the Liberals in Western Australia. But, no, those opposite are never prepared to acknowledge when these projects are being funded by us. They have a question to ask the Leader of the Opposition: are they going

to stand up and support these initiatives in communities that need them or are they just going to be opportunistic and oppose anything that our government does, no matter how many communities will benefit? Most of these 32 projects are shovel ready, so, in addition to the obvious healthcare benefits, they will support jobs today and provide the infrastructure that Australia needs in its health system for tomorrow. As you know, Treasury modelling shows that up to 210,000 Australians would be out of work if it were not for our stimulus and our budget.

I would like to read some comments that Mr John Kirwan, the Chief Executive Officer of the Launceston General Hospital, made about the investment of \$40 million to upgrade his hospital. I know the member for Bass will be interested in this. I do want to quote, Mr Speaker, but I am not entirely sure all of the language is completely parliamentary. Mr Kirwan said:

It's absolutely, bloody fantastic. There won't be many unemployed tradesmen around for the next few years.

This is a fair budget. It is investing in health infrastructure across the country. Communities will benefit, and those opposite will have to decide whether they want to stand with their communities or stand with their leader.

Budget

Mr HOCKEY (3.33 pm)—My question is to the Treasurer. I refer to what has been described as the Treasurer's 'spend and pretend' budget. Does the Treasurer expect Australians to believe his budget predictions that the Rudd government will go from being the biggest spending government today since World War II to being the meanest government in 20 years after the next election? Treasurer, when will the debt binge end?

Mr SWAN—The government has outlined its fiscal strategy for the four years ahead. We have clearly outlined our program

of economic stimulus, in particular our nation-building projects for recovery. We did that for one reason and one reason only: we are in the middle of a global recession that is threatening the employment of tens of thousands of Australians, threatening the viability of communities and threatening the jobs of very many people. We have moved entirely for the right reasons: to stimulate our economy and to protect our people from a vicious global recession. We have done that entirely appropriately and in a responsible way.

Our fiscal stimulus has been assessed by the OECD as being one of the best and most responsible in the OECD. But this budget is not just about the here and now. This budget is about the future. It is a budget about building the wealth creation potential of the Australian economy through investing in infrastructure, skills, higher education and our people. It is a budget that is about preparing this country for a time when global growth returns. It is a budget which is about maximising the opportunities for this country when global growth returns, and to do that we do have to borrow on a temporary basis.

It is also the responsible course of action for us to put in place a path back to surplus. What should never be forgotten is that there is more room to move in this country than in many other developed countries. Using the strength of our balance sheet to protect our people is entirely the responsible thing to do in these very difficult circumstances. As global growth does return, we will pay down debt, move the budget back to surplus and bring into play our medium-term fiscal rules—and they are tough. A two per cent cap on spending once growth comes back to trend is a very important fiscal discipline put in place by me and the Minister for Finance and Deregulation back in February and implemented in detail in this budget. You can see the stimulus wind down in the forward estimates. In the final year of the forward

estimates there is no new net spend because what we have done, principally, is to borrow to make up for the \$210 billion which has been lost to this country because of the global recession.

That is the responsible thing to do. But, of course, those opposite have simply become totally irresponsible and totally out of touch. They are just so remote and removed from the problems in the Australian economy, if you judge them by what they have had to say in this House about the nature of the challenge that we face in this country. There is no understanding of it whatsoever in their public statements.

I have always had a degree of respect for the Leader of the Opposition. I have always thought he was a reasonably bright bloke. And I always thought that he had some contacts with the business community that might help him get in touch with what was going on in the economy. But he is so out of touch that he does not understand the most basic fact of business life: if business is going to be successful and profitable it needs demand. When you have a global recession and the withdrawal of private capital, that gap can only be met up by a government borrowing responsibly. That is what we have been doing, and in so doing we have had the support of the business community.

We have had the support of the business community because we have acted responsibly. Part of acting responsibly is bringing the budget back to surplus when global growth returns and paying down debt, thereby ensuring that we have protected our community at this time of global threat. But those opposite have no notion of that at all. They have become so opportunistic—they have become so rank in their approach to politics—that they have come in here today and played the race card as well. It is unbelievable! Their behaviour in the House this week means that they

are absolutely and completely unfit for government.

Paid Parental Leave

Ms CAMPBELL (3.38 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. How will the government's paid parental scheme support families and prepare Australia for the future, and how has the scheme been received?

Ms MACKLIN—I would particularly like to thank the member for Bass for her question on paid parental leave. She has been a great activist for some time for parents to get access to this very important scheme. Today is a very significant day. I just say to the Treasurer that Tuesday night was a very significant occasion for Australian parents. It was a very significant day for Australian parents. For the first time Australia is going to have a paid parental leave scheme. Australian parents will mark this day as a crucial day in our history. It means that for the first time Australian parents will be able to stay home with their newborn babies full time—to spend time with their babies in those early months of a little child's life. It will give parents the options that they have been looking for so that they can better balance their work and family lives. Of course, it will also help to prepare Australia for the ageing population by encouraging more women to stay connected to their workplaces.

The scheme will provide 18 weeks of parental leave at the federal minimum wage, which is currently around \$543 a week. This is a long-overdue reform and means that Australia will finally catch up with the rest of the developed world. The scheme will commence on 1 January 2011 to give employers, in particular, time to prepare. Parents can choose between receiving the paid parental leave arrangements or the baby bonus and family tax benefit part B, depending

on what suits their particular circumstances. Mothers who are not in the workforce will continue to be eligible for the baby bonus and family tax benefits part A and part B. I am pleased to say to the House that many employers and their organisations have welcomed this historic announcement. I will quote just a few. The Council of Small Business Organisations of Australia said:

What this scheme means is that life is going to be easier for a lot of people.

Western Australia's Chamber of Commerce and Industry said:

This would improve workforce participation ...

The Aldi Group—just to name one employer—said:

Our employees are our greatest asset and an additional cash boost from the government on top of what we already offer will be a great help to new parents.

This measure—this major reform in this year's budget—will help to prepare Australia for the future. I am pleased to note that those opposite have finally worked out that Australia does need this sort of strong action—a new paid parental leave scheme—to deal with the ageing of our population. I have already mentioned one contribution from the member for Warringah. He has certainly been out and about recently, but this latest admission from the member for Warringah was rather breathtaking. He said this week, just after we announced the paid parental leave scheme, that the former government did not do enough to support new parents. The member for Warringah said on Tuesday:

But I have to say that on this issue I do think that the former government could have done more, should have gone further.

Australian families could not agree more.

Budget

Mr HOCKEY (3.43 pm)—My question is to the Prime Minister. Does the Prime Minister agree with his very respected and

successful predecessor Bob Hawke, who, when speaking at an event at Old Parliament House only last weekend, said:

The deficit will be temporary, just like this place was temporary for 61 years.

Mr RUDD—You can tell when we are getting down to the end of question time: those opposite are so well prepared that the member for North Sydney has had to run the last two off the cuff, with no preparation by the tactics committee! You can understand that if you have a tactics committee of 40 you cannot get agreement. Secondly, I say to those opposite, particularly the member for North Sydney, whom I have known for some years, that his performance in question time today on the question of debt has been remarkable. He decided again to, shall we say, ‘stray from the thematic’—which was about net debt—and open up what was from our point of view a welcome debate on foreign debt, given the unique contribution to foreign debt by the former Treasurer Mr Costello, who will soon be the Leader of the Opposition.

Mr Hockey—I seek leave to table the authority, which is the *Canberra Times*.

Leave not granted.

Mr RUDD—What we are engaged in in this debate, in this parliament and in other parliaments and other governments right across the world, is a fundamentally serious challenge: how do you deal with the global recession? And there has been a complete abandonment of truth on the part of those opposite in any real debate or exchange about what you do. In fact, what is going on here is one huge smokescreen. The smoke-screen led by the member for North Sydney, led by the member for Higgins before he moves up the front here, led by the Leader of the Opposition, is that those opposite would not engage in temporary borrowing and temporary deficit and temporary debt in the face

of this recession. That is what they are actually arguing. That is the pretence which exists on the part of those opposite. Everybody knows in this country, all those who follow the economic debate in this country know, that those opposite are simply trading in an absolute falsehood, an absolute pretence. It is completely disconnected from reality. It is as if they are engaging in one huge bubble-like activity here in Canberra, unconnected with what is going on in the real economy, with real families, with real communities and with other countries around the world.

Even on this question—that is, the reality of net debt and how to deal with it over time—we had the member for North Sydney go out there yesterday into no-man’s-land, and what did he do? He confirmed the Liberal Party’s debt position is \$275 billion. The member for North Sydney said it would be \$25 billion less. He confirmed therefore it is a \$275 billion debt strategy by the Liberal Party. Yet they will seek to come in here tonight through the Leader of the Opposition and pretend that it is not like that.

I would say to those opposite that, given the gravity of the challenges faced by the nation and by those facing unemployment today, it is about time we had a bit of truth in this debate, a bit of honesty on the part of those opposite. If the Leader of the Opposition is being honest about the proposition put forward, that he does not support the level of debt and the level of deficit which the government has advanced in the budget papers, he has one responsibility, and that is to name his debt target, to name the savings that he would make as well and, through that, to demonstrate how in fact it is different from what the member for North Sydney said yesterday. It is a very simple and straightforward challenge. If he fails to do that, he sinks a stake through the heart of his own credibility and through this extraordinary fear campaign on debt which is being mounted by

those opposite, because in their heads—and, I dare say, in the hearts of those on the other side of the chamber who are a little bit honest—they know it to be an absolute falsehood as well.

Budget

Mr HAYES (3.47 pm)—My question is to the Minister for Housing and Minister for the Status of Women. Minister, what has been the response to the decision to extend the first home owner boost? Why has it been good for the economy?

Ms PLIBERSEK—I would like to thank the member for Werriwa for his question. He is very well aware that first home buyer activity in his own electorate has been very strong since the introduction of the first home owner boost. He has told me about it. In fact, one of the Landcom developments out his way, One Minto, had to release extra land to cope with the extra demand that they have seen from first home buyers in the electorate of Werriwa.

On Tuesday the Treasurer announced the government will extend the highly successful first home owner boost as part of our commitment to building the nation for recovery. The first home owner boost was introduced as a temporary stimulus measure to support housing construction and also to help young Australians into homes of their own. It has been very successful in supporting jobs. In fact, it has been one of the very important measures in both the stimulus packages and in the budget that will help support 210,000 fewer Australians ending up on the unemployment queues.

To the end of March this year, 59,000 Australians have claimed the boost and, of course, many more have bought homes. Many more have signed contracts to build homes and will claim the boost once their homes are complete. There were 17,700 new loans written to first home buyers in March,

compared with 8,800 in August 2008, so we see almost a doubling in the number of loans written to first home buyers. Loans for construction rose by almost 14 per cent in March, compared with in the previous month. That means that, in seasonally adjusted terms, housing loans have risen for six consecutive months, following eight months of decline prior to the introduction of the first home owner boost. The proportion of first home buyers is at record levels: over 27 per cent of new loans written are going to first home buyers. Building approvals have risen for the previous three months, after a major decline last year.

In order to ensure the responsible phasing-out of the first home owner boost, it will be continued at existing levels for three months and then stepped down. So, until 30 September, first home buyers will be eligible for \$21,000 from the federal government for newly built homes and \$14,000 for existing homes. Between 1 October and the end of the year, 31 December, first home buyers will be eligible for \$14,000 on newly constructed homes and \$10,500 on existing homes.

The reaction from people in the housing construction area and related fields has been, predictably, enormously positive. They know how important this measure is to support jobs in their industries. David Airey, the new President of the Real Estate Institute of Australia, says that this measure will have:

... tremendous flow-on effects ... to those in the business of servicing the property industry, such as solicitors, conveyancers, financiers, valuers, removalists, furniture suppliers and a range of tradespeople.

Ron Silberberg of the Housing Industry Association says that this measure:

... means thousands of jobs will be secure and frenetic buying will be avoided. The proposal provides a transition to the cutting in of the in-

vestment in housing under the Nation Building Plan.

Caryn Kakas, the Executive Director of the Residential Development Council, says:

The timing for the boost to wrap up dovetails well into the ramp up of Government spending on the public housing front which will guarantee that jobs across the construction sector are secure.

And Wilhelm Harnisch from Master Builders Australia says:

... these measures will be effective in lifting activity in the building and construction industry at a time when the global financial crisis is having its worst impacts ...

The first home owner boost is supporting the jobs of today and helping thousands of Australians into homes of their own—homes that will give them lifelong financial, social and emotional benefits. The Australian government is supporting the jobs of today by helping Australians into homes of their own.

Budget

Mr HOCKEY (3.52 pm)—My question is to the Treasurer. I refer to the Treasurer's pledge in the budget papers to keep real spending growth to just two per cent per year. Given that he is expecting the defence budget to increase by double that amount over the forward estimates, to pay for growing defence expenditure, which portfolios are going to have the massive spending cuts to meet his pledge, after the election?

Mr SWAN—They have certainly run out of questions, Mr Speaker. They are now asking me to deliver next year's budget today! It is just extraordinary. It is absolutely extraordinary. But the member for North Sydney does correctly point to our commitment to put a spending cap on once growth returns to trend. He correctly points to it. I was talking about it before. It is the fiscal rule that we will operate by, and we put it out there for a very good reason. We do not apologise for providing funding to the Defence Force, for

giving them certainty and for meeting our election commitments to fund the Defence Force. We do not apologise for the white paper. We do not apologise for our commitment to future capability. We do not apologise for any of it. We do acknowledge that we have to have fiscal rules, going forward. We have outlined them in great detail. I will talk to you next year!

The SPEAKER—Before I give the call to the member for Wakefield, I remind the member for O'Connor of his obligation to take his seat.

Mr Tuckey—Thank you very much, but I just needed to pass a message.

The SPEAKER—All right. Well, pass your message quickly, please.

Budget

Mr CHAMPION (3.54 pm)—My question is to the Minister for Agriculture, Fisheries and Forestry. What is the impact of the budget on rural and regional Australia, and on Australian farmers?

Mr BURKE—I thank the member for Wakefield for the question and for his strong engagement with the farmers in his electorate. The budget, as it has been described, is about nation building for recovery. It is about supporting jobs today by building the infrastructure Australia needs for the future. It is also about tough savings to deliver the lowest net debt of all major advanced economies. And there are savings within the department of agriculture; there is no doubt about that, and the government has been upfront about that.

I was interested to hear among the interjections that came from the member for Murray that she asked why we got rid of the dairy money that was there, when the only way of keeping that was to continue to charge consumers 11c a litre every time they wanted milk. If it is the position of the oppo-

sition that that should be brought back in, that 11c a litre should continue on milk, then perhaps we will hear that in the speech tonight. It clearly has support from one of the rural members of the Liberal Party.

But what was more extraordinary was the claim from the National Party that there had been a \$1 billion cut—a \$1 billion cut—to agriculture, fisheries and forestry. Now, there have been cuts, and those cuts are real: \$13 million from Land and Water Australia, a \$3 million reduction in the rural issues program from the Rural Industries RDC and a \$3.4 million reduction in funding for DAFF. But only the National Party could say \$13 million plus \$3 million plus \$3.4 million equals \$1 billion! National Party mathematics have created this extraordinary situation where they can get those figures and then run around regional radio across the country claiming that there have been \$1 billion in cuts. It is not surprising they have come up with their own form of mathematics; they are only used to counting to nine in this room! We then also had the shadow minister for agriculture describing it as—

Dr Southcott—Mr Speaker, on a point of order: it was a very tightly crafted question asking the minister for the reaction in rural Australia by farmers, and I invite you to ask the minister to come back to the question.

The SPEAKER—The member for Boothby will resume his seat. The minister will respond to the question.

Mr BURKE—And, if it is a position of the opposition that they are irrelevant to farmers, then they can say that tonight too. The shadow minister for agriculture put out the position that this was a ‘horror budget’ for agriculture. He always makes a thing about his background with the New South Wales Farmers Association, so I thought: well, what did the New South Wales Farmers Association say about the budget in their

media release? ‘Budget winners: infrastructure, water and drought assistance’. That was the headline on their media release, which I am very happy to table. I am very happy to table that, Mr Speaker.

The National Party have developed this concept of the bush where they just go looking for gloom—looking for gloom and looking for misery wherever they can find it. We saw it earlier with the question that was asked by the Leader of the Nationals, where he complained about the method of forward estimates on drought funding when it is identical to how it was done when he was the minister for agriculture. At first I thought, ‘How outrageous for him to do that; he would have known.’ Then I thought: ‘Well, he’s the leader of the Nats; maybe he never knew. Maybe he never understood that that’s how they work it.’ The way they go around looking for gloom, it is like they have become the political equivalent of the bogong moth that just wants to hug the mozzie zapper. They just want to keep going out there and looking to the most miserable stories they can find.

But we have a budget that is good to the bush. We have a budget that delivers infrastructure nationwide, that is community based and that goes all the way down to the farm—infrastructure for roads, rail, ports and broadband, all of it bringing farmers closer to their markets and closer to each other. There is community based infrastructure through local councils and local schools supporting rural communities, support for rural health including incentives to get GPs to the bush and infrastructure all the way back to the farm. There is the \$300 million to provide on-farm irrigation—infrastructure on the farm. There is the increase in the small business tax break from 30 per cent to 50 per cent so that farmers can make their own choices about their own infrastructure on-farm.

The opposition need to detail which of these programs they would cut, which savings they would make or which measures they would abandon. We have got no idea what their direction is going to be on this, given the Leader of the Opposition has only asked four questions since budget night, keeping him off TV during that time. How long would it be since a Leader of the Opposition has asked so few questions following the budget? I thought it might be decades, but it was pretty similar to what we saw from Brendan towards the end.

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

AUNG SAN SUU KYI

Mr STEPHEN SMITH (Perth—Minister for Foreign Affairs) (4.00 pm)—Mr Speaker, on indulgence: I have two matters that I know will be of interest to the House. Firstly, I draw to members' attention very gravely concerning reports that Aung San Suu Kyi has been taken from her house by Burmese police authorities. I know that all members of the House will share this grave concern. It is Australia's longstanding position, shared by governments of both political persuasions, that she should be released immediately and unconditionally, and I repeat that today and I know all members will support it.

Secondly, on Tuesday I delivered a ministerial statement on the humanitarian situation in Sri Lanka, and I think that it is true to say that the sentiments on that issue are shared by both the government and the opposition. I draw to members' attention the United Nations Security Council's statement overnight, which very substantially underpins the sentiments expressed by the House on Tuesday, and I know that the concern about that difficult situation is shared by all members of the House. I thank the House for its indulgence.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (4.01 pm)—On indulgence: I join with the Minister for Foreign Affairs on behalf of the opposition in supporting his comments in relation to Aung San Suu Kyi. The freedom and democracy campaigner and Nobel prize winner has been under house detention for some 13 of the last 19 years. Members will recall that in 1990 the party led by Aung San Suu Kyi won a majority of about 80 per cent of the votes in a parliamentary election. Yet the military regime ignored that vote and has continued to ignore the will of the majority of the Burmese people. As I said, over the last 19 years Aung San Suu Kyi has been under house detention, essentially, for 13 of those years. She is currently serving a period of house arrest of six consecutive years.

Back in 1995 I travelled to Burma. I met with Aung San Suu Kyi. She had at that time just been released from her first period of home detention of six consecutive years. I recall that at the time she said she was a prisoner in her own country, and it seems that today the Burmese regime is determined to make that a reality. This regime is unparalleled for its human rights abuses against the Burmese people, and I join with the government in calling on the military junta in Burma to release Suu Kyi not only from house arrest but also from these charges which, we understand, arise from an unauthorised access to her home. The world stands by and watches as Aung San Suu Kyi suffers in her non-violent struggle for freedom and democracy. The world must engage in greater levels of diplomacy and other actions to ensure that Aung San Suu Kyi is free and that freedom and democracy are returned to the people of Burma.

In relation to the matter of Sri Lanka, again, on behalf of the opposition, I join with the foreign minister in supporting the statement issued overnight by the United Nations

Security Council. The bloodshed, the killing of civilians, the conflict in northern Sri Lanka is at a dire level. We join with other nations in calling on the Sri Lankan government to ensure a ceasefire between the Sri Lankan forces and the LTTE. Civilian lives are being lost and this must not be allowed to continue.

QUESTIONS TO THE SPEAKER

Question Time

Mr ROBERT (4.05 pm)—Mr Speaker, could you investigate and report back to the House why my point of order to the Prime Minister yesterday is not clearly reflected in *Hansard*. The point of order was heard across the chamber. It was reported on *Sky News* last night. Yet the final part of the point of order is not clearly reflected in *Hansard*, that being that we do not use hair dryers in the military. So I ask whether you could investigate and report back to the House why *Hansard* does not include the full point of order.

The SPEAKER—I think that the real problem is that we are in the electronic age which can give footage of everything that happens, but I recollect that, like a number of other points of order, when I have decided that we are entering into things that are outside the point of order I have probably asked you to resume your seat, and that is why after that it is not recorded. I just indicate that one of the hardships for those in the box is that they are obliged to switch the microphones off when I so direct, and I think you will find that has happened. If that is not the case, I will get back to the member for Fadden. I will only get back to him if that is not the explanation.

PERSONAL EXPLANATIONS

Mr TRUSS (Wide Bay—Leader of the Nationals) (4.06 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr TRUSS—Yes.

The SPEAKER—Please proceed.

Mr TRUSS—During question time the Minister for Infrastructure, Transport, Regional Development and Local Government suggested that I had done nothing to upgrade the Bruce Highway in my electorate between Cooroy and Curra. That statement is untrue. It was the coalition government that completed the four lanes north to Cooroy. The next section of the highway had not been designed by the state Labor government and so we committed funding to a study that took two years to complete the route choice for the project. During that period we spent at least \$250 million on upgrading sections of the highway. We committed to complete the whole 62-kilometre section by 2020 and committed \$700 million of funding to start that work. Before the election, the Labor Party indicated it would spend only \$200 million, taking \$500 million off the project. The money announced by the government last night is to construct a section of the Bruce Highway between Cooroy and Curra which is to be flooded by the Traveston Crossing Dam. In other words, the government has funded a project that the Queensland government had promised to fund; in fact, the government was conned by the Queensland government into funding a project it had already funded.

The SPEAKER—Order! The member is starting to debate his personal explanation. The Leader of the National Party has explained where he claims to have been misrepresented.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (4.08 pm)—I table the budget papers from 2002-03 that I referred to in question time today. Documents are pre-

sented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the *Votes and Proceedings*.

MATTERS OF PUBLIC IMPORTANCE

Economy

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

The failure of the Government to provide a credible plan to ensure Australia's economic recovery.

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

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

Mr TRUSS (Wide Bay—Leader of the Nationals) (4.08 pm)—Little did the Australian public know when they turned on the television last Tuesday night for the budget speech that in fact the speech had been pulped and hurriedly replaced with a magic show. That is the way it certainly seemed to me. Instead of a conservative and sensible 'live within our means' budget of the sort we were so used to between 1996 and 2007, we saw a 30-minute performance chock full of spin-doctoring, wild inconsistencies, broken promises, unbelievable forecasts, chicanery, illusions, smoke and mirrors and really out-right trickery. After sitting through it, I wondered whether we had seen the birth of another famous illusionist, a man to join the ranks of Houdini, David Copperfield, Penn and Teller and others. I present to you the Great Swan, the great illusionist—or perhaps the not-so-great Swan—with his lovely assistant, Kevin.

The DEPUTY SPEAKER (Ms AE Burke)—The member will refer to members by their appropriate titles.

Mr TRUSS—This was truly a budget where disbelief was suspended and black became white and the sun rose in the west. Let me tell you something about the sleight of hand in this performance on budget night. The Treasurer said, 'I am fiscally responsible.' The Prime Minister said, 'I am an economic conservative.' They magically turned a \$20 billion surplus into a \$32 billion deficit in only one year. What a great trick to start with. But they can do better. It is going to be \$58 billion this year and \$58 billion again the following year. They will have, astonishingly, made \$188 billion disappear into thin air by 2012-13.

But that is not the best trick of all. The money will suddenly reappear again! In six years time all that money will come back. It is going to take them a whole six years for the magic trick to occur, but to the naked eye this double act created an illusion to claim that all of this vanishing of money actually was not the magician's fault at all; it was caused by factors overseas. But, when it comes to making the money reappear, that is the work of the illusionist. They are going to deliver all that themselves. But any keen-eyed observer would have been noting the tricks that this pair got up to with their smoke and mirrors and they would have noticed that the lovely assistant had been outside for the last week or two burning \$50 notes—sprinkling money around the audience like confetti. And, of course, the audience was happy; they like having money sprinkled around on their chairs.

But the reality is that the budget is far different and we are going to have to live with it for decades. This is a budget that today's schoolchildren will have to live with and pay for over their entire lifetimes. The interest

payments on this debt will hang over them. Their opportunities to get a job will be reduced. They will be prevented from enjoying the benefits of needed investment in infrastructure, health, education, defence and the environment because they will be paying off the debt of our illusionists.

If we start paying off this year's \$58 billion budget deficit tonight at the rate of \$1 every second, it will take over 1,500 years to complete the payment. After next year's budget it will take 3,000 years. When they borrow the \$300 billion that the Treasurer confirmed today he intends to borrow, it will take 10,000 years at the rate of a dollar a second to pay back. Billions are not empty numbers; they are serious amounts and they are a serious impost on future generations. The debt of \$188 billion means a debt of \$9,000 for every man, woman and child. When it gets to \$300 billion it is close to double that amount. Every Australian is stuck with an interest bill of at least \$500 a year—a \$900 interest bill for every worker. These workers got one cheque for \$900 and now they will get an interest bill every year for \$900 until this money is paid back. This is real money. This is a serious impost on future generations. This is this government bequeathing to the children and grandchildren of Australians a debt that they will be burdened and lumbered with for a very long period of time.

Let us turn to the second part of the illusionary trick—the repayment of all of this money. Treasury has already adjusted its economic forecast three times in the past six months, but if their latest forecast is correct it will take six years for the Labor government to turn around an annual deficit of \$58 billion and start delivering a surplus. It will be many years after that before the debt is repaid. But the illusionists on the other side say that to achieve this we are going to have a growth rate of 4½ per cent within two years

and that growth will continue at that pace for at least six years in a row.

Let us shed some light on the Treasurer's dark arts. Australia's economy has grown at 4½ per cent per year on only five occasions over the last 30 years. Through the mining boom and the good management of the previous government, we have only managed five occasions in the last 30 years when growth has exceeded 4½ per cent. But Labor are going to do it six years in a row! They are consistently going to achieve levels way above trend. No-one could believe that forecast. The whole budget is built on unreliable, rubbery figures. Inflation would inevitably be out of control if you had that level of growth. Interest rates would be crippling. The very people whom the government would be relying on to drag us out of the recession—like business and exporters, those who actually make the wealth of the country—would not be able to afford the interest rates because the government would be out there competing with them to fund its huge debts. Of course, if we end up with an emissions trading scheme, that in itself will be enough to add the second million to the unemployment queue and to guarantee we have a new bout of recession. Yet Labor believe that through all this—their thousands of pages of unbelievable predictions—they have some kind of a plan to get us out of this mess. It is clearly bald spin that anyone could suggest this is a budget for recovery. This is a budget for debt. This is a budget for putting burdens on Australians for a very long period.

I was proud to be part of the government that paid back Labor's last lot of debt, the \$96 billion debt that the Keating and Hawke governments left Australia. The Rudd government are going to deliver that much debt in just two years. In just one term this Labor government will deliver more debt than their predecessors did in 13 years. The great illu-

sionists want us to believe that, while they have been spending at a hypersonic velocity of \$225 million a day, they are now going to go cold turkey for six years, that there will be no more expenditure on new programs, including no more expenditure on drought.

I will respond to the comments of the Minister for Agriculture, Fisheries and Forestry. He said, quite correctly, that there is not normally provision in budgets for drought announcements that have not been made. But this budget went a lot further. It actually says in the budget that drought payments will cease, that there will be no more made after 2009-10. The words are in the budget: the drought program will cease. If it is not going to cease—and I heard the minister say on radio today that there will be future drought assistance—that means that the Treasurer's promise that there will be no more spending programs has already been broken. In other words, the commitment that there will be no more spending and all the money will go to paying back the debt has already been broken and the government's rhetoric has been completely empty.

When the Labor Party needs to make cuts it is the usual victims who get hit—the self-funded retirees, people with private health care, business, exporters and, of course, those who live outside the capital cities. They copped a \$1 billion hit in last year's budget—and that was in good times—and they have copped it again in this budget. There is no new regional partnerships program, even though Labor promised there would be one. The government have axed the area consultative committees across the nation, even though Minister Albanese promised, only a couple of months ago, to their face, that their jobs were safe and the network would be continued. Of course, the minister for agriculture's own department took the brunt of the cuts. It was singled out for a special hatchet job. Yet the minister

seems to sit there self-satisfied about what has happened: 312 staff to go, the abolition of Land and Water Australia and \$12 million to be taken from the Rural Industries Research and Development Corporation.

In this budget, the Labor government have announced \$460 million in new programs to help farmers in other parts of the world. They are spending \$460 million in new programs to help farmers in other parts of the world while they rip \$900 million out of the assistance for Australian farmers. What are the priorities of this government? A seat at the UN is a higher priority for this government than a bed in a public hospital. This government would prefer to have a road in the Caribbean than to have one in country Australia. Their priorities are all about seats in the United Nations and the future of the Prime Minister. They could not care less about the debt being inflicted on people around this country.

What about the changes that have been made to Youth Allowance, which will mean that hundreds of country children have had their dream of a university education shattered. They have no capacity to find the money somewhere else. The children of drought stricken farmers and others will not be able to get youth allowance, and the injustice that is already there in relation to country education will be further expanded.

We should probably have expected this. Obviously, the member for Dawson knew what to expect from this budget, because he said in the *Townsville Bulletin* today: 'Quite frankly, we were lucky to get anything.' The member, who represents a regional part of Queensland, has pretty quickly recognised what the role of a regional member is within the Labor Party government—that is, you are pretty lucky if you get anything. That is the approach that Labor takes to people who live outside the capital cities.

Finally, I turn to some of the issues in my own shadow portfolio of transport. The other great spin associated with this budget is the claim by the government that somehow or other this is going to be a great nation-building budget, with record expenditure on road and rail. It may surprise you, Madam Deputy Speaker Burke, that the government's allocations in this budget for road and rail are actually less than the coalition had committed over the same period. There is no great spending on road and rail in this budget; it is a reduction on what had been promised by the previous government. It is a classic example of the way in which Labor use spin and illusion to pretend they are delivering programs when in fact they are not.

Of course we have sections of roads that need to be upgraded. We had committed to AusLink 2; the new government has committed to AusLink 2. This supposed grand expenditure that was going to come from the Building Australia Fund has turned out to be another disappearing trick. The Prime Minister spoke about \$70 billion worth of projects. 'Just wish and we will deliver,' the people of Australia were told, and \$800 billion worth of wishes came in. How much does the government have to spend? Only \$8.4 billion. Only one in 100 of all of the wishes has been honoured, and, in reality, even with that money the government still has not approached what the coalition had committed to spend on roads and rail.

Nearly all of this money is going to urban public transport projects, including a number that seem to be a bit of a surprise to people around Australia, such as the funding for the O-Bahn busway extension in Adelaide. That came as a great surprise to the South Australian Minister for Transport, because he had not even asked for it. We are led to believe that there was some kind of detailed, careful scrutiny for all the projects, but South Australia receives a project it had not even asked

for. A lot of these other projects are also smoke and mirrors. We are told there is \$91 million for a Sydney west metro rail proposal. How far is \$91 million going to go towards a project that will cost up to \$10 billion? Or the \$20 million for the \$14 billion tunnel projects in Brisbane? Or the money for the Gold Coast light rail, which is dependent upon massive private sector investment? This is all about illusions. This is a budget that has not delivered on its commitments, just debt to future Australian generations. (*Time expired*)

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (4.24 pm)—It takes a pretty special Leader of the Nationals to be able to deliver a 15-minute speech on the budget without once referring to the revenue downgrades and without once referring to the fact that there is a global recession. He got close. At one point he talked about 'things happening overseas'. That was about as close as we could get to an acknowledgement of the fact that when there is a global recession Australia is affected by that.

When you have a global recession there are a whole series of impacts on revenue downgrades. When people are not making capital gains because of a global recession, the capital gains revenue does not hold up. When companies are facing a much tougher period because of international circumstances, there is not the same company tax revenue. When you have a hit on the share market, that means a significant number of people who thought that, with their retirement savings, they were self-funded retirees then go onto a part pension. All of that is an essential part of this budget, but how many times did the Leader of the Nationals mention the fundamentals and the context in which the entire budget had to be framed? Absolutely none.

If there were ever an example of the gap that I suspect exists between what the National Party like to tell their electorates they want to do and what actually happens in here, it would be the gap between the speech we just heard from the Leader of the Nationals and the speech that we may well hear from the leader of the coalition tonight. Every single point that was just made by the Leader of the Nationals was that the problem with this budget was that the government did not spend enough. Every single issue that he just went through was an argument about where we should have spent more. He went through the agriculture portfolio. He has moved from \$1 billion down to \$900 million; he will eventually work his way backwards, I hope, to \$13 million plus \$3 million plus \$3.4 million, but I accept we have a way to go. Apparently a cut of \$3.4 million to the Department of Agriculture, Fisheries and Forestry is responsible, as he said, for more than 300 job losses. But this is not as a result of retiring programs—unless there is a belief from the Leader of the Nationals that, when a program is no longer there to manage, you need to keep the people who were employed to manage it doing that job, sitting at their desk and, I don't know, forming National Party policy or something. Perhaps they could do that—just sort of sit back there and hang around.

Other than the cuts of 13 plus three plus 3.4, what is the reason for the other cuts? It is all retiring programs or demand driven programs where different assessments have been made. The legislation to abolish the 11c dairy levy went through. The Leader of the Nationals voted in favour of it. The Nationals in the Senate voted in favour of it. Now, when it is no longer being budgeted for, they are angry about that. If you want to keep something in the budget then you probably should not vote for the legislation to abolish

it. That would be a helpful legislative principle for the National Party to follow.

It is the same with the Tasmanian Community Forest Agreement, which was their policy. It started in 2004 and expired at the expiry date for which it had been implemented. Now that that has expired and the money that was promised has been fully expended, the position of the National Party is that they are very angry that the money that has been spent is not still there. It is the same with the irrigation management grants, a program that received bipartisan support when it was introduced. Those grants were actually extended by this government and then the end of the program was reached. They are complaining that, even though the program has ended—there having been bipartisan support when it began, when the government extended it and when it concluded—they still want it there anyway.

But the most bizarre objection to the budget figures that comes from the National Party is their objection to that part of their 900 figure which refers to the demand driven drought programs. The demand driven drought programs are the parts put in the forward estimates—the same parts that they used to put in the forward estimates—and they are based on how many areas are drought declared. The reason that the projections are smaller than the previous year is that there are fewer areas of Australia in drought. This really angers the National Party! The Leader of the Nationals is clearly furious and he is the only person representing regional Australia who apparently hates rain. Demand driven programs that are based on current declarations therefore have to be based on what the demand will be. That is how you do the forward projects. Or maybe the concept from the Leader of the Nationals is that we need to have drought assistance for people who were in drought but who have subsequently had very good levels of rain

and are moving forward again, with the money—even though the demand is not there—continuing to appear in the budget papers. There is an insanity at every level of the speech that was just given by the Leader of the Nationals.

I want to move on to some of the infrastructure issues. If you use that wonderful research tool—and I know that it is not always the most reliable one—Google to search for the name of the Leader of the Nationals you will find that there are two *Wikipedia* entries under his name. One refers to the Leader of the Nationals. The other refers to a form of infrastructure. I want to read one of them: ‘The Warren truss was patented in 1848. It is a form of bridge which alternates between comprehension and tension and is therefore relatively light.’

Mr Truss—They will never name a bridge after you.

Mr BURKE—I love his view that something that was patented in 1848 is named after him.

An opposition member—Are you struggling for content?

Mr BURKE—No, I have had that one for a while and I have been waiting for the moment. This MPI today is seeking to deal with the budget that we have in front of us and it criticises the credibility of the plan. And that is how it is dealt with by the Leader of the Nationals.

On the issue of the plan, let us not forget that every single issue that the Leader of the Nationals raised was an argument as to why we should spend more. Where the government is spending money, it is doing so in areas which do two things: support jobs now, and make sure that we are positioned for the recovery with the infrastructure for the future. They are the two things that the infrastructure projects do. Those infrastructure projects go all the way from the level of na-

tionwide projects—whether they be roads, rail, ports or broadband—back to the local and community level and all the way back not just to the farm gate but on farm. On farm infrastructure is part of the government’s commitment in the framing of this budget.

I want to refer to the significance of the small business tax break. The small business tax break, which had already been increased to 30 per cent, was expected to expire. Far from expiring and more than being extended, it goes from 30 per cent to 50 per cent. In terms of farmers’ representative organisations and in terms of conversations with farmers, this has been of front line assistance at the 30 per cent and is only going to be of more significance at the 50 per cent level. Yet somehow it is not sufficiently significant to rate a single mention in the speech that we heard from the Leader of the Nationals.

In the same way, we have the \$5.8 billion for the sustainable rural water use and infrastructure program containing \$300 million for on farm water efficiency. I have heard complaints from the Nationals saying, ‘Why isn’t something happening for on farm water efficiency?’ Yet, now that it is there, there is no mention of it. The program that the former minister for agriculture wants to refer to is the irrigation management grants, which were part of the program that had bipartisan support for its full time line until, apparently, this budget.

But if it is the position of the coalition that there should be \$1 billion extra for the agriculture portfolio, I expect that we will hear it from that dispatch box tonight. I expect that the Nationals have enough clout within the coalition that, if they believe that there should be \$1 billion extra for the agriculture portfolio, they will make sure that the leader of the coalition announces that in his speech tonight. If it is their position that the infra-

structure money that has been announced in the budget and been spoken about today by the Minister for Infrastructure, Transport, Regional Development and Local Government is a tiny amount of what actually needs to happen then I presume that we will hear that from the leader of the coalition, the Leader of the Opposition, in his speech tonight.

The problem is that this opposition has no way of reconciling the arguments that they have now put. At the time of the stimulus packages, they were arguing that what we needed to do was to lower taxes. Now, today, we hear from the National Party that what needs to happen is for the government to spend more. Somehow, we get a cocktail of three: they are going to manage to lower taxes, spend more money—a billion dollars in my portfolio alone; if you can make that work on the macro figures, sensational—and at the same time knock at least \$25 billion off debt. The extraordinary thing is that the Leader of the Nationals began his speech today in the parliament by referring to magicians. Of all the analogies that he could have used, that is one that he really did not want to walk into.

I imagine that every member of the National Party has media releases ready to go out at 7.30 tonight, because if the National Party has any clout within the coalition they will have media releases ready to go saying that the Leader of the Opposition has promised a billion dollars extra for the agriculture portfolio; that the Leader of the Opposition has promised more money across the board; and that the Leader of the Opposition has promised more money for roads, more money for rail and more money for infrastructure everywhere—except probably for broadband, because they get confused about that one. They will be able to have all those media releases ready to go about those things

at the same time as the ones about lowering taxes and reducing the deficit.

The simple thing is—there are a few ways I could end that, looking opposite! The simplicity of the argument is found in a very simple concept which the Leader of the Nationals decided to go nowhere near, and that is: there is a global recession, there are massive write-downs in revenue, and savings have to be put in place to make sure we have the long-term structural changes to be able to return to surplus and take the benefits of the recovery. That has to be part of the framework of any responsible budget. Yet, against that, the Nationals say that the only way to go forward is to continue to throw around buckets of cash, and somehow I do not think that is going to be part of the speech that we hear tonight.

At the end of tonight, everybody will know the answer to one very simple question: who actually runs the coalition? Are the Nationals, all nine of them, nothing more than a cheer squad to make up the numbers for the Liberal Party—is that what they have become? Or will they actually be successful tonight and have the Leader of the Opposition promise the massive extra spending that they want? In tonight's speech, either the extra billion dollars is promised or they have nothing to argue about anymore—the extra roads and infrastructure money is promised or they have nothing to argue about anymore. If they do win their argument, I will be interested to see whether the shadow Treasurer has any arguments at all in terms of what he has been saying about the deficit.

Mr PEARCE (Aston) (4.39 pm)—This MPI today is about exposing the absolute failure of the government—

Mr Sidebottom—Absolute?

Mr PEARCE—yes, the member for Braddon is right: absolute—to provide a credible plan to ensure Australia's economic

recovery. It is incredible that we are standing here today talking about Australia's economic recovery. It is incredible to think that it has taken just 18 months for the Rudd Labor government to take our nation from a healthy surplus position to a horrendous deficit position—record speed. I know it will alarm the member for Braddon that we have gone from a healthy surplus to a horrendous deficit in record speed. The fact is that Labor has lost control of our nation's public finances. That is the most worrying thing, and again I know the member for Braddon will be very concerned about that—his own government has lost control of the nation's public finances.

When you look at the deficits projected in the budget, you see a \$32 billion deficit this year, which is a \$50 billion turnaround in one year; a \$58 billion deficit in 2009-10; a \$57 billion deficit in 2010-11; a \$45 billion deficit in 2011-12; and a \$28 billion deficit in 2012-13. All of this adds up to a massive \$220 billion in deficits. It is unbelievable, isn't it, Madam Deputy Speaker—\$220 billion in deficits.

On top of that, if that is not enough, this Rudd Labor government have achieved the position—and I suspect, based on the last speech, that they are actually proud of this—of the biggest spending government since World War II. They plan to reach a spending level of 29 per cent of GDP. This is, I think most alarmingly, even worse than the Whitlam government and even worse than the Keating government. Can you believe, Madam Deputy Speaker, that anybody could be worse than Gough Whitlam's and Paul Keating's governments? That is the position this government have reached. They have assumed the position of the biggest spending government—even worse than Whitlam's and Keating's.

The central issue behind deficits is that deficits equal public debt. Given that we are heading for record deficits, naturally we are heading for record public debt as well. This government has, since it was elected in November 2007, increased new spending by a massive \$124 billion. If you break that down, it comes to an average of \$225 million of new spending per day.

It is often interesting to go back to what people in this House have had to say about spending. It is interesting to remember what the Treasurer said on 5 May last year about spending. This is from a Treasurer who is going to be the highest spending Treasurer since World War II, spending \$225 million a day:

... we—
the government—

are going to wind back the excessive increase in government spending that's occurred in recent years ...

The Treasurer said he was going to wind back the excessive increase in government spending, yet he is going to be the highest spending Treasurer since World War II. He also said, on 10 May last year:

So, what you'll see on Budget night is a new era of fiscal discipline ...

A new era all right! This is the new era, the era of typical Labor—big spending and big taxing. This reckless spending by Labor means that the net debt of our country is going to grow to \$188 billion by 2012.

Now, that is bad enough—it is bad enough to have \$188 billion of net debt. But, do you know what happens? When you have debt, you have this added thing called interest. We have not heard the government talking about this in recent days. But interest payments, as a result of their debt, are going to cost at least \$8 billion a year. What that means is that there is \$8 billion a year less that can be spent on hospitals, that can be spent on

schools, that can be spent on roads, that can be spent on helping people throughout the community who need help. This government is going to have to set aside \$8 billion a year to fund its massive debt.

Overall, as I said, Labor's debt will be the biggest in peacetime Australia. What a badge of honour! All Labor members can wear that badge throughout their electorates over the coming weeks. They can walk around their respective electorates and they can say to everybody, 'I'm a member of the biggest-spending government in peacetime Australia; I'm a member of the government that is going to take this nation to record levels of debt; I'm a member of a government that is going to have to set aside \$8 billion a year to fund the interest payments alone, before we do anything.'

I think it is always reflective to fully understand the impact of such economic recklessness on all of us in this nation. The fact is that the Labor deficits will mean \$9,000 of debt for every man, for every woman and for every child in our country. What a staggering reflection it is on the Australian Labor Party that they would bequeath to every man, woman and child in this country a debt of \$9,000 each. Furthermore, the interest, as I mentioned earlier, is going to cost each person in our country around \$500 a year. So, each day that Australians go out to work, to earn a living to look after themselves and their families, to save for their futures, they know that before they do anything they are going to have to cover the costs of \$500 per year for the interest alone. And, as we heard from the Leader of the Nationals, it is going to take decades and decades to pay off that debt.

I think the most concerning issue is the fact that, above and beyond everything, when you look at history it reveals certain things. There is one thing about Australian

political history that is certain: Labor has never paid off its debts—never. History is going to repeat itself once again. I guess at its core it is not the Labor way to pay off debt. The Labor way is to spend big, to tax big, to drive our economy headfirst, full-on, into a deep recession, to mount up enormous debt, to load all Australian men, women and children with debt for years and years and then to leave it to someone else to fix, like they did last time. Yet again, Australian political history will prove that this is another case where Labor has taken our country to the bottom, driven us into huge debt with massive interest—and somebody else is going to have to come in here and fix it. And that somebody else, of course, will end up being the coalition. Political history will repeat itself and, just like before, the coalition will have to fix the problem. (*Time expired*)

Mr CHAMPION (Wakefield) (4.49 pm)—This MPI is utterly drenched in denial. It ignores modern economic thought, it ignores the lessons of history and it ignores the international economic situation, just to make an opportunistic political point. It is political deception and it is utterly soaked in snake oil from these riverboat gamblers in the opposition.

These are the worst economic times since the 1930s. Eight of our 10 top trading partners are in recession and 30 banks have collapsed, been bailed out or been nationalised in the wake of the greatest financial collapse since the 1930s, since the Great Depression. Who can forget the line-up of depositors at Northern Rock bank in the United Kingdom, a bank that was later nationalised? Who can forget Bear Stearns collapsing and having to be bailed out? It was a completely unexpected thing in the American political system: a bank having to be bailed out. Lehman Brothers was tragically left to collapse, and we had the resulting share market collapse.

So we know that the challenges of today are very similar to the challenges of the 1930s. We also know of the mistakes that were made in the 1930s by the Hoover administration and the mistakes that were made in Australia by the Premiers' Plan, which cut wages and attempted to balance budgets at precisely the wrong time. Conservative governments at that time cut spending and raised taxes in order to balance budgets. That is what they tried to do. They cut awards by 10 per cent, and it took a decade for those awards to recover. They delayed and they blocked any stimulus response from the then Scullin government. Theodore, the Treasurer at the time, was way ahead of anybody in terms of Keynesian economics, but the opposition blocked and delayed as much as they could. All of this led to a collapse in demand, a collapse in revenue, multiple waves of bank failures, a decade of economic contraction and untold human misery. And it was all because of this attitude that the opposition exhibit today. That is why they are out there quoting Herbert Hoover. Could you believe that they were quoting Herbert Hoover? This is what Andrew Mellon, Hoover's Secretary of the Treasury, said at the time:

Liquidate labor, liquidate stocks, liquidate the farmers, liquidate real estate. Purge the rottenness from the system ...

That is what Andrew Mellon said in 1929. That is the attitude of conservatives today.

So you get the Leader of the Opposition in his speech on the Australian Business Investment Partnerships Bill saying:

So the fact of the matter is that, as asset prices go up and down for property, it does not affect employment at all.

What an extraordinary belief. This is the attitude of the opposition. They are prepared to let de-leveraging happen and they are prepared to let asset prices utterly collapse because they believe there is no effect on em-

ployment. What an extraordinary idea. The opposition believes in a contractionary response. Nothing has changed since the 1930s. They want to cut spending, they want to raise taxes, they want to attempt to balance the budget and they will kill demand in the process. That is what will happen. They will kill demand in the process and it will cost jobs, it will kill the economy and it will snuff out the recovery.

We know that they want to cut wages. The architect of Work Choices, the member for Mayo, is here. I was a bit unkind to him in a previous debate when I called him portly. I should only ever refer to him as the architect of Work Choices, the man who wrote it there in John Howard's office. The member for Mayo has not learnt the lessons of the 1930s. He is in denial. And even though we have this response from the opposition, it is their core belief—this is a core conservative approach: delay help, shrink government, contract demand, cut wages and conditions, suppress fixed incomes like pensions and oppose international cooperation.

Despite all the confused rhetoric from the Leader of the Opposition and from the member for North Sydney and despite all the deliberate confusion on figures—one minute it is \$25 billion, one minute it is no figure at all, one minute there is a surplus and one minute there is a deficit under the opposition—there are no details on taxes and no details on spending cuts. There is a kaleidoscope of views and spin and opportunism and snake oil from the Leader of the Opposition. That is what we get. But beneath it all is the core conservative belief: 'We will shrink the economy and we will contract the economy. This is our response to the greatest economic crisis since the 1930s.' This is the conservatives' core belief. They will oppose the stimulus payments; they will oppose capital spending on schools; they will oppose social housing; they will oppose nation-

building infrastructure; and they will oppose spending on skills and education. That is what they believe.

This government believes in a response which is designed to prevent unemployment, to prevent the collapse in demand and to make payments to pensioners, 15,000 of whom are in the member for Mayo's electorate. We have budget increases for pensioners of \$32.49 for single pensioners and \$10.14 for couples, an increase in the first home buyers grant, a 30 per cent tax break for small business—and it is heading to 50 per cent—the guarantee for bank deposits, the greatest school modernisation program in Australia's history, 20,000 new homes for social housing and lots of nation-building infrastructure, \$294 million of which will be spent electrifying the Gawler to Adelaide line. And this is on top of spending in my electorate, including \$600-odd million at the Edinburgh super base. Then there is the car plan, which has ensured that there will be investment in Holdens, and of course the Northern Expressway project, which is worth about \$564 million. All of these projects were begun in the term of this government, so this is a government that has protected jobs in retail and protected jobs in the main streets of Gawler and Clare. That is the feedback I get from shop owners in both those main streets. We have protected jobs in construction and in car and component manufacturing.

This is a government that is serious about protecting the economy from the economic peril that has been produced overseas. We believe in responsible borrowing.

Mr Briggs—You did not mention the O-Bahn.

Mr CHAMPION—The member for Mayo talks about the O-Bahn. His party supported and then opposed the tramline and it is one of the best pieces of public transport

infrastructure in South Australia's history. There is increased patronage and it is a good thing. It shows what happens when governments invest rather than contract. Name one piece of infrastructure the Howard government built in South Australia. Hmmm—the Adelaide to Darwin rail line; we will give you that. Just one piece of major infrastructure in 13 long years.

Mr Briggs—Adelaide Airport.

Mr CHAMPION—I liked the old Adelaide Airport; it had a Casablanca feel to it. We believe in responsible borrowing. Firstly, the borrowing is modest and affordable. We have a strategy for paying it. We are offsetting our new spending with savings measures. We have long-term discipline holding down expenditure and we will allow revenue and the tax base to recover normally as the economy grows in order to make up for the collapse in revenues that has occurred. That is what we will do. This approach halves the temporary deficit in three years and returns the budget to surplus in six years. Our debt will be much lower than that of any of the major advanced economies around the world. Our debt will be manageable by these standards.

There was a bit of talk about the member for Dawson's seat. In this budget, the seat of Dawson has received \$75.7 million. There is \$1.3 million for the Harrup Park Country Club for a new building with international standard changing rooms, media facilities, administration offices and improved amenities. There is \$3.3 million over four years for the National Mine Safety Framework to protect miners in the Bowen Basin, which is a good project. There are six nation-building projects worth \$62 million, including two new projects, \$30 million for maintenance work along the Bruce Highway, and \$10 million for safety enhancement work in known

accident zones. The member is delivering to Dawson. (*Time expired*)

Mr BRIGGS (Mayo) (4.59 pm)—I rise also to speak on this very important matter of public importance raised by the Leader of the Nationals—and I follow his very good remarks earlier—about the failure of this government to provide a credible plan to ensure Australia's economic recovery. What we have heard during question time over the last few days has been quite extraordinary. We hear it on the doors; it is all part of the *Hollowmen's* script that has been sent out by the Prime Minister's office on what they need to say this week leading to the Leader of the Opposition's speech in reply tonight. It has been about exactly what the debt number is and exactly what the spending cuts we, the opposition, would implement that the government of course could not.

The problem with that is that these guys have no credibility on election promises and they have no credibility on their detail. Remember, this was the Prime Minister who, when he was Leader of the Opposition, stood in front of a TV camera and said, 'I am an economic conservative.' What a joke! Within 18 months, he has turned around and written a 7,500-word diatribe about how he is a socialist. We are not going to sit here and listen to these people tell us what we should and should not do this evening. This budget is about this government making a very bad situation even worse. I could not describe the lack of planning to get out of this situation better than Michael Stutchbury from the *Australian* today. He said:

The first hint that Wayne Swan does not have a credible plan to return the budget to surplus came in what he didn't say. The Treasurer's budget speech did not mention he was delivering Australia's biggest budget deficit since World War II.

Of course he did not say that. He did not say the number—he cannot bring himself to say the number. I was interested to see the

member for Wakefield following his remarks and it was good to see, for once, that the member for Wakefield did not go into personal derogatory attacks. It was nice that he was able to focus on some issues for a short period of time. We are used to the Right of the Labor Party—the member for Kingston excepted—who always go for the personal attacks rather than focusing on the issues. I will just go off the topic for a second and mention the Right of the Labor Party in South Australia have been quiet recently. Their golden boy has had a few issues with speeding fines—but we have moved on from that.

In the last few days we have seen a government that has completely lost control of the budget. It is the biggest-spending government in the history of our nation, as the member of Aston quite rightly pointed out. It confirms that, because of Labor's reckless spending policies, we now face the biggest budget deficit in our history. It confirms that, within the space of the first term of this government, Australia will have a debt of over \$200 billion, even somewhere up around \$300 billion, although that seems to be fluctuating over the days as we go through the budget.

The budget does not propose a sensible or sustainable way to move out of debt and deficit. Let us step through what that has been. The Treasurer claims that, by mid-2015 or 2016, the budget will return to surplus based on two major things. The first is that in the out years, for six years, Australia's economic growth will reach 4.5 per cent. Knowing that we have never had more than two years in a row of economic growth of more than four per cent, the government says we are going to have six years of economic growth, even though it could not predict what the budget surplus and deficit would be in three months time and what the unemployment rate possibly would be in three

months time—yet we do know that, for six years out, in three years time it is going to be 4.5 per cent for six years! It is a joke. It is voodoo economics. It is casino economics, as the shadow Treasurer pointed out the other day.

The second issue which Michael Stutchbury went through very well in his article today and which the 7.30 *Report* host, Kerry O'Brien, raised last night with the Prime Minister is the second aspect of how this government plans to return to budget surplus. It is going to hold down public spending to two per cent, even though historically for the last 20 years it has averaged four per cent. There are no details where those cuts are going to come from. So, for all this hyped-up rhetoric about the government needing to know the details about where the opposition is going to cut the deficit, we hear nothing from the Treasurer or see from his documents about how the government is going to introduce these biggest cuts in 20 years. It is a joke! (*Time expired*)

Ms LIVERMORE (Capricornia) (5.04 pm)—What will we make of this matter of public importance topic: ‘The failure of the government to provide a credible plan to ensure Australia’s economic recovery’? There is a bit of a clue there in the fact that it was put up by the National Party. As the Minister for Agriculture, Fisheries and Forestry illustrated very well in question time today, it could be opportunism—that is one possible answer—or it could be yet another example of the Nationals just not being able to keep up with the game. I say that because, if you had just walked into this House for the first time and seen this matter of public importance topic, you might reasonably infer from the topic that the opposition has a plan, in contrast to the government.

What the National Party seems to forget is that we have been here this whole time; we

have been here for the last six months. We have been here while the opposition has voted against every element of the government’s stimulus packages that have been designed and put in place to protect Australia from the worst of the global economic recession. As we have heard from previous speakers, these are the worst economic circumstances we have seen in generations. The opposition have voted against projects to improve and modernise schools. They have voted against the boost of the first home owner grant, which supports thousands of jobs in the construction industry. They have voted against funding for roads and important safety improvements on our roads. They have voted against well-supported community projects.

How can we have a serious debate with them about charting a course to recovery when they have spent the last six months, first of all, failing to understand the nature of the problem, the scale and the causes of the global economic crisis and then the global recession that has followed? That was illustrated yet again in question time today with their line of questioning. These are economic circumstances that have flattened the economies of 22 out of the 23 most advanced economies in the world. Australia is not immune to that, and who could expect us to be? Secondly, in the last six months, the opposition have opportunistically and irresponsibly opposed every measure that we have put forward to boost activity in the economy, to protect jobs and to reverse the neglect of vital infrastructure that we saw under the previous government. Labor, on the other hand, is investing in infrastructure to prepare us for the upturn in the economy that we know will come.

The opposition talk about recovery, when all we have seen from them is a policy that would prolong and deepen the recession. Their shameful voting record in this House

made it abundantly clear that their policy is to do absolutely nothing in the face of this recession. They cling to their free market ideology in preference to acting to boost activity and protect jobs. I am proud to say that we would never do that to the Australian people. We in the Labor Party would not let the market rip if it meant hundreds of thousands more people out of work.

I will not go through all of the measures in the two stimulus packages and the budget that the government has fought for and has put forward to protect the Australian economy from the worst of the global economic recession. My colleagues know what all those measures are because we stood up here and supported them. We debated in favour of them and we voted for them. I do not have to go through them all for opposition members, because they know them too, because they, on the other hand, spoke against them and voted against them. But I will just give some examples of things that are happening in my electorate that show very clearly that, unlike the opposition, we get it. We, in the Labor Party, get it. We get what our communities need to support jobs in our cities and towns.

I will give you just one example—the community infrastructure grants to local governments. This started out at \$300 million and it is now \$800 million worth of projects. I was at the showgrounds in Rockhampton a couple of weeks ago where the council was given \$500,000 to install a full-scale commercial kitchen in one of the pavilions—an important asset for our community. I went to inspect it with the mayor and—I am not ashamed to say this in front of my colleagues—to get the obligatory photograph of what was happening and announce the funding. But—and this is my point—the real story was outside the pavilion where the building was going on. There were utes parked everywhere—local plasterers, painters, cabinet makers, plumbers, electricians. I

can say to those tradespeople: ‘Don’t pack away your tool boxes. Fill up your utes with diesel and get over to the nearest school because we are just about to roll out millions of dollars of funding in building the education revolution in my electorate.’ (*Time expired*)

The DEPUTY SPEAKER (Mr AJ Schultz)—Order! The discussion has concluded.

EMPLOYMENT AND WORKPLACE RELATIONS AMENDMENT BILL 2008

Consideration of Senate Message

Bill returned from the Senate with requested amendments.

Ordered that the requested amendments be considered immediately.

Senate’s requested amendments—

- (1) Clause 2, page 2 (table item 2), omit the table item, substitute:
 2. Schedule 1, 13 May 2008. 13 May 2008 items 3, 4 and 5
- (2) Schedule 1, item 6, page 6 (line 21), omit “at or after the commencement of this item”, substitute “on or after 13 May 2008”.
- (3) Schedule 1, item 7, page 6 (line 28), omit “at or after the commencement of this item”, substitute “on or after 13 May 2008”.

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (5.10 pm)—I move:

That the requested amendments be made.

Question agreed to.

**SOCIAL SECURITY AND FAMILY
ASSISTANCE LEGISLATION
AMENDMENT (2009 BUDGET
MEASURES) BILL 2009**

**FINANCIAL ASSISTANCE
LEGISLATION AMENDMENT
BILL 2009**

**CUSTOMS LEGISLATION
AMENDMENT (NAME CHANGE)
BILL 2009**

**CUSTOMS AMENDMENT (ENHANCED
BORDER CONTROLS AND OTHER
MEASURES) BILL 2008**

**TELECOMMUNICATIONS
INTERCEPTION LEGISLATION
AMENDMENT BILL (No. 2) 2008**

**TAX LAWS AMENDMENT (SMALL
BUSINESS AND GENERAL BUSINESS
TAX BREAK) BILL 2009**

Returned from the Senate

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

**CUSTOMS TARIFF VALIDATION
BILL 2009**

**EXCISE TARIFF VALIDATION
BILL 2009**

Assent

Message from the Governor-General reported informing the House of assent to the bills.

**SOCIAL SECURITY LEGISLATION
AMENDMENT (IMPROVED SUPPORT
FOR CARERS) BILL 2009**

Report from Main Committee

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

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (5.12 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**FUEL QUALITY STANDARDS
AMENDMENT BILL 2009**

Report from Main Committee

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

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water) (5.12 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**THERAPEUTIC GOODS AMENDMENT
(2009 MEASURES No. 1) BILL 2009**

Report from Main Committee

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

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support

and Parliamentary Secretary for Water) (5.15 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

COMMITTEES

Australian Commission for Law Enforcement Integrity Committee

Membership

The DEPUTY SPEAKER (Mr AJ Schultz)—Mr Speaker has received a message from the Senate informing the House of the appointment of Senator Fielding to the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity.

FAMILY ASSISTANCE AND OTHER LEGISLATION AMENDMENT (2008 BUDGET AND OTHER MEASURES) BILL 2009

Second Reading

Debate resumed.

Mr NEUMANN (Blair) (5.17 pm)—As I was saying earlier, the Family Assistance and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2009 deals with our response to the Northern Territory intervention. As at March 2009, just over 15,200 welfare payment recipients were under the IMR provisions in the Northern Territory and 30 people had IMR provisions applied following a request by the Queensland Family Responsibilities Commission. So you can see it is not a one-off or an isolated occurrence. Many people have been subject to the processes and the intervention, which has not been without contention and controversy but certainly has paid dividends in the lives of many young people in particular and women who have been freed from abuse, neglect and the scourge of alcoholism in their families and amongst their relatives.

The Rudd government announced a review of the NTER arrangements in June 2008. The review board presented its report on 30 September 2008. There were a number of recommendations. One related to the rights of appeal of an original decision made by a person in relation to Centrelink dealing with income and other support. Under the present law, if a person subject to these arrangements is unhappy, they go to the Centrelink authorised review officer—in other words, there is an internal review—and that is the end of the matter. There is no external merit review process at all, as is the case for non-Indigenous Australians not subject to these arrangements. That seems to be unfair in all the circumstances.

You are treating one group of people differently. Not giving them the same access to an independent, merit based review process is unfair and inequitable. I am pleased to say that this bill proposes to allow people who are subject to the IMR provisions in those areas in the Northern Territory to have the same rights of appeal as other Australians to the SSAT and then to the AAT. It is a fundamental right that a person has access to justice and that the person who hears his or her case hears it independent of the decision maker. It is the apparent transparency which is really important in these circumstances, and that protects the integrity of the whole process. I am very pleased the government has seen fit to make these changes in the circumstances.

As I said before, as at about the middle of March there were 15,200 customers being income managed and subject to the Northern Territory emergency response. There were a lot of changes as a result of the intervention. Many of them were good in the circumstances. There has been the licensing of community stores, work for the dole participation, alcohol signage, a school nutrition program, safe houses, new creches, and im-

proved child and family health. In the circumstances I think the Northern Territory intervention, in protecting children and women, has played a significant role in improving their lives.

We have seen also as a result of that intervention hundreds of new jobs created. On 4 April this year a joint media release by the Minister for Ageing and the Minister for Defence Science and Personnel indicated clearly that Indigenous workers now fill 319 jobs in the aged and community care sector through changes made to the Community Development Employment Projects program. There were other part-time and permanent jobs created as a result of the NTER. We saw, for example, 274 positions in HACC services and 45 positions in Aboriginal and Torres Strait Islander flexible aged-care services. This is about empowering people financially in their homes and in their families, as well as protecting them. Under the new NTER employment and welfare reform measures, 319 part-time jobs have been funded. So it is about real money going into communities.

The Rudd government are committed to improving the lives and the lot of our Indigenous people. Closing the gap between Indigenous and other Australians is a national priority. We started this parliament with the apology, a historic moment, in February 2008. Since the last election the Rudd government have poured billions of dollars into the project to close the gap between the lifestyles of Indigenous people and other Australians, which we believe is a moral challenge. We believe it is necessary in the circumstances to carry out the policies in relation to the Northern Territory intervention to protect children from abuse, neglect and family violence, to improve community safety in these rural communities and to build better lives and lifestyles for Indigenous people. Investing hundreds of millions

of dollars in education, economic development and health reform is crucial if we are going to provide a degree of equity between Australians whether they live in Darwin or the Dandenongs. It is important in the circumstances for all Australians to be uplifted financially and to benefit from the prosperity that we enjoy as a country.

The third aspect of the legislation that is before the House today deals with the CDEP program, which commenced in 1977. There are significant reforms and the minister outlined very clearly in her speech made on 18 March this year what these amendments will mean. I will quote it because I think it says it quite aptly:

The amendments will mean that new CDEP participants will not receive the CDEP Scheme Participant Supplement as such participants will be able to claim other additional benefits through the income support system. The amendments will allow continuing CDEP participants to receive CDEP wages from CDEP providers, and the CDEP Scheme Participant Supplement, until 30 June 2011, when continuing participants will transfer to income support.

People in my electorate have expressed their views to me in relation to the Northern Territory intervention. On this side of the House we believe that it is worthy to care for people regardless of whether they live in rural communities or cities. We believe it is important that whether you grow up in an Aboriginal community in the centre of Australia or in a rural community, like in my electorate of Blair in Queensland, you should have the same rights to a good education, to good maternal and child welfare, to health services and to the same employment participation and opportunity. We believe that the policies we are announcing and the measures taken in this bill go towards the achievement of those goals and aspirations and I commend the bill to the House.

Mr TUCKEY (O'Connor) (5.25 pm)—I am here, of course, to replace the member for Lyons, who was next listed to speak but is apparently not in the House this afternoon. One can only wonder why. I am very interested in the Family Assistance and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2009 and more particularly the reference at the end of minister's second reading speech in which she said:

Lastly, the bill makes amendments to implement part of the government's announced reforms to the Community Development Employment Projects (CDEP) program, which aim to improve employment participation for Indigenous Australians.

This particular project has been in place for quite a long time and, of course, was implemented for the purpose of giving Aboriginal people some status in society so that they would not be perceived as, to use a common phrase, dole bludgers. It was going to be an opportunity for them to have paid employment equivalent to the unemployment benefits they would otherwise receive. Of course in some very remote communities the tasks undertaken would have been the normal civic tasks of keeping their streets in good order and doing more or less local government jobs. The government have obviously recognised some of the difficulties with this particular scheme and are making some attempts to correct that, although it appears that that proposal is virtually to put new applicants back more or less on welfare payments after 30 June. But they are proposing to retain those who were previously under the CDEP in that scheme which, as I said, gives at least some sort of standing in the community.

But of course as the government discovered—and as the former coalition government must have been becoming aware—the scheme was not being treated properly. I have had Aboriginal people in my office in

Albany, particularly qualified young women who had a good education, who were dragged into CDEP and who then said: 'Where are you sending me? Give me a job to do. Give me a job to do helping out in Aboriginal activities.' They were told: 'No, you go up to the so-and-so hall and you sit there until lunchtime. Then you will have done your responsibility and you can go home.' They were devastated by this. They sincerely believed that they were getting into a government system that gave them some employment and some standing in the community. I want to draw the attention of the House—and I hope the officials present will see that their minister has an answer to this particular circumstance—to the fact that clearly the CDEP expected the participants to do some work.

In the town of Yalgoo, not far from my electorate, as it so happens, Mr Paul Valenzuela took over the local store and the management of the local CDEP program because in the town of Yalgoo nearly all the population are of Aboriginal descent and, in fact, number from 120 to 140 persons from time to time. When he took over the CDEP, the local Aboriginal people arrived on the usual day to collect their fortnightly cheques. Raul, who—as his name indicates—is from South America, asked them what they had done and on what account he should hand over taxpayers' money. Remember that, as the agent, he was appointed to protect the taxpayers' dollars. They all said, 'Oh, no, we never do anything; we just come around and collect the money and go off and play cards and have a few drinks.' He therefore refused to issue the cheques. This caused a bit of upset, but, when the same people came back a fortnight later, he made it very clear that there was a 'no work, no pay' policy. He was threatened et cetera, but he had probably seen worse parts of life than that, and he refused to pay them and suggested where work

was readily available in terms of community activities.

After two or three weeks, the local people came back and said that they were prepared to work for their money, as proposed within the CDEP. Raul formed a good relationship with the participants and they all became very willing to do whatever work was required. He gave them a list and away they went and did the work. Some of the work performed included community work within the school and general tidying up of the grounds, the clearing of weeds and litter around the town, cleaning the local nursing post, and painting, cleaning and repairing the local sporting complex. They also built and planted new garden beds for the shire and did any other odd jobs that arose. The majority of the people became content at doing this work, and I am sure they had a lot more pride in themselves accordingly—rather than sitting about with nothing to do—and were proud of what they had achieved. There were one or two who were disgruntled.

Raul worked closely with the local police, the headmistress, the nursing sister and the local town gardener—all of whom speak very highly of his work with the local Aboriginal people. Following the introduction of this program, running it in the proper way, Raul was proud to tell me that he was able to obtain long-term employment for about 10 people. The very epitome of Work for the Dole was to expose people to the workforce and give them a virtual CV so they were attractive to other employers. In a small community the size of Yalgoo, that was a good result. However, Raul's contract has not been renewed. The CDEP is run by MedAC in Mullewa, and FASHA is the organisation in Geraldton that distributes the funding. Raul asked why his contract was not renewed. He was protecting the Aussie dollar—taxpayers' dollars—he was undertaking to ensure that the Aboriginal participants did their work

properly and he was getting them paid employment so they were no longer a burden to society and had better standing in the community. He asked why, and the MedAC people and the FASHA people said, 'Oh, we've had a couple of complaints.' He said, 'Well, if they're in writing, can I please see them?' He was told, 'Oh, no, they're not in writing.' In other words, a couple of people who thought they had a right to be paid for no work have managed to cancel the contract of a top-class operator. And you wonder why CDEP does not work, when people who are prepared to ensure it is working on behalf of the Australian taxpayer are treated in this fashion.

I want to know what he did. There is no evidence that he stole money or did anything wrong. His sin was to make sure that the scheme was administered according to the laws carried in this parliament. I can only ask where else this has happened and why it is that the managers in my electorate—who, of course, are part of the Aboriginal elite—tell people to sit in a hall to qualify for their CDEP. It is an outrage and it is a matter that requires an answer from the minister today. The minister might also answer another question. I wrote to her to draw her attention to the circumstances of the operations of the Yamatji Land and Sea Council in Geraldton and the complaints I received from Aboriginal people about its operations, saying that something should be done about it. My letter was never promptly acknowledged, which is a fundamental courtesy, in my mind, and one I maintained for five years as a minister. I was required to wait, taking phone calls from the Aboriginal people concerned asking me, 'What are you doing about this, Member of Parliament?' I could give them no answer for months and then I got an answer which was a waste of time.

You ought to see some of the answers that we are getting to questions on notice from

other ministers that just virtually say: 'I'm not going to tell you.' If that is the way this parliament is going to proceed, it will be no different to when Paul Keating said, 'You can only ask me questions two times a week.' The principle of questions in writing, above all—it is a bit of theatre in this place—is that you can put a question in writing to a minister. You may get no answer or you may get misleading comments. You can ask a supplementary question—'Can you answer this; can you answer that?'—and the answer comes back: 'No, I can't. I don't know what the rest of the world is doing in high-voltage DC transmission.' That came from the Prime Minister's office. The Chinese are building a 2,000 kilometre HVDC system at the moment which is a real answer to global warming. I know that is not part of the bill, so I will not proceed on that. The issue I am really touching on is the behaviour of ministers, the arrogance of their answers and, more particularly, how the minister, when having the complaints of Aboriginal people drawn to her attention, gave me an answer which she clearly did not write herself. It was just an excuse for doing nothing. I talked about some of this in my earlier speech today on native title. The biggest problem with native title is administration and, of course, the dysfunctional land and sea councils that are considered representative bodies.

I have never been able to understand why they are the representative body. Why can't a group of traditional owners—being a small section of the larger area, for instance in the Kimberley—get their own representative and someone who will keep them informed? The reality is that when the INPEX people offered the Kimberley Land Council a billion dollars in association with the INPEX proposal, the traditional owners were not told, they were not given the opportunity to say no—and, of course, that was assisted by the

negligence of the then WA Labor government. We have seen all that change in a flash with the election of the Barnett government. He just said to them, 'You will comply with the law.'

The reality with INPEX is that, when the Japanese company wanted to build their LNG plant on two rocky vacant islands, the land council started flying people at taxpayers' expense out to those islands every day so that, if anyone flew over during the daylight hours, there were in occupation Aboriginal people who had never been there in 100 years. Why would you do that? Why would you deny a major project when even the local state member of parliament, an Aboriginal lady, had stood up and said, 'I've got 6,000 unemployed Aboriginal people in the Kimberley'—though she might have said 16,000; I will check that figure—'and why aren't they entitled to a job?' It was because a group of the Aboriginal elite were listening to other people and telling stories about it.

I want some answers, and I intend to pursue this matter, as to why someone who had cleaned up the CDEP in Yalgoo—and I would suggest that there was a substantial amount of taxpayers' money involved—has not had his contract continued. And they had better have some arguments that say that there was, for example, some corrupt activity—but that is not the answer he received. The answer he received was, 'A couple of people didn't like you; a couple of people objected to you making them do some work under the CDEP,' when that is exactly what this parliament intended. I will conclude my remarks on that basis, but I will be watching with great interest at the conclusion of this debate to see if the minister honours the parliament with a response. Importantly, she has time to contact the people in Mullewa and the people in Geraldton to find out the reason that they stopped someone who was doing their job properly.

Mr MARLES (Corio) (5.40 pm)—I rise to speak in support of the Family Assistance and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2009. This bill deals with three separate measures, the first being a component of the phase-out of the Community Development Employment Program; the second being the establishment of a review mechanism for administrative decisions made under the income management regime, which applies to those covered by the Northern Territory emergency response; and the third being a streamlining in the payment of the family tax benefit. I intend to deal with each of these provisions in that order.

I will start with the part of this bill which deals with the Community Development Employment Program. The Rudd government have committed to closing the gap on a range of social indicators between Indigenous and non-Indigenous Australians. We have established under that broad umbrella six specific targets, one of which is to halve the gap on employment outcomes between Indigenous and non-Indigenous Australians within the next decade. This is as important a target, as important a goal, as any of the gaps that we are trying to close in relation to Indigenous and non-Indigenous Australia.

Whether or not you have work has an enormous impact upon your prosperity. In Australia, work is the principal means by which we get a ticket to engagement in the prosperity of our society and all the things that a modern, developed economy has to offer. People who work have better health outcomes. People who work ultimately therefore have better life expectancy. So we cannot hope to close the gap in a range of areas if we do not first close this gap in employment outcomes. Right now, Indigenous unemployment runs at a rate of almost three times that of non-Indigenous unemployment. So there is a very significant gap to be

closed. At the heart of this is reforming the Community Development Employment Program—otherwise known as CDEP.

CDEP was introduced 30 years ago and its original aspiration was to provide a transition for Indigenous unemployed people from being unemployed to being in the open labour market and to full employment. Indeed, in many places there have been real success stories around CDEP. There have been important community projects which have been undertaken, work has been provided to people and there has been a source of income. In simple terms, the way in which CDEP operates is that participants forgo their entitlement to other mainstream income support payments and payments are made by the government to a CDEP provider and that provider then makes those payments to the participants. At the same time, as part of providing those payments, the provider has participants working on community projects. As I said, there are very good examples out there of very effective projects being undertaken and good work being done. I think that comment is particularly apposite to more remote communities in Australia.

If we take a step back, it is fair to say that CDEP has not met its original aspirations. At one end of the spectrum there are people undertaking activities under CDEP which really do not constitute real work. It may involve very little, if in fact any, work at all. At that end of the spectrum CDEP starts to look like welfare, and in some cases like passive welfare. At the other end of the spectrum there are people operating under CDEP who are doing real work, and work which is very much needed within a community. But, as a result of doing it under CDEP, they are being paid far less than what they would be paid if that work were being performed in the open labour market. In that sense the CDEP is preventing these people from earning the kind of wage they would earn if they were

doing that work in the mainstream labour market, and therefore denying them the prosperity and the range of other social benefits that come from being paid a proper amount for their work.

The unifying theme across that entire spectrum is that for far too many CDEP has stopped being a transition from unemployment into paid work and has in fact become a destination in itself. People go onto CDEP and they never leave. That is absolutely against the original aspiration of the CDEP. In terms of the programs that are offered by government, Indigenous job seekers ought to be afforded all the hopes and aspirations that are afforded to non-Indigenous job seekers. That is the way that government programs should approach Indigenous job seekers. But, given the entrenched disadvantage which exists in the rates of unemployment for Indigenous Australians compared with the rates for non-Indigenous Australians, it is necessary to have a particularly targeted program for Indigenous job seekers in applying a mainstream scheme. That is the way in which the Rudd government seeks to go.

That does mean the phasing out of the CDEP. Already the review board of the Northern Territory emergency response has commented that by virtue of the Commonwealth, the Northern Territory and a range of local governments in the Northern Territory fully funding various programs that they had previously undertaken through the CDEP, 1,536 jobs will be transferred from what would have been CDEP jobs to fully paid jobs—paid jobs the same as if they were being undertaken by anybody else. By June of last year, 1,300 of those jobs had already been taken up. That is a wonderful example of what can occur through the transition from CDEP into the open labour market.

In addition to that the Rudd government has implemented the Indigenous Employ-

ment Program, which sits in tandem with the mainstream income support programs but which is targeted to Indigenous job seekers. The Rudd government has committed \$779 million over the next five years to targeted assistance through the Indigenous Employment Program. The Indigenous Employment Program will establish two panels. One will be an employment panel, which will focus on providing customised training to Indigenous job seekers as well as providing support to employers about how to recruit Indigenous employees and how to retain Indigenous employees. The second panel will be an economic development and business support panel, which will provide business support—much-needed basic business skills—to small indigenous businesses which are attempting to establish, as well as developing economic strategies for communities. All of this is a very important transition from CDEP to a mainstream income support program which is supplemented by the Indigenous Employment Program.

This bill sets time lines for the phasing out of CDEP. Under this bill, from 1 July this year new CDEP participants will not be paid through CDEP, but will in fact be paid through the normal income support mechanisms with the IEP in place. But they will be able to access CDEP programs in terms of the work that they undertake. Existing CDEP participants will continue to have access to CDEP wages and programs under this bill until the end of June 2011 before transferring to mainstream income support supplemented by the Indigenous Employment Program. CDEP will be enhanced for those participants who continue over the next two years so that those who are not doing work under CDEP will also have access to training around life and foundation skills, English literacy and numeracy and basic work skills, and they will have their situation case managed. A community development stream will

also be put in place to fund community projects and local capacity under CDEP programs, which will be aligned to the existing local job opportunities within the particular community. That is to say that the projects that are undertaken by the CDEP over the next two years in these communities will be focused on skilling participants in that program with skills which are likely to be able to be used within those communities.

That is a very important measure in phasing out the Community Development Employment Program. What is important to understand is that young people and school leavers will immediately go onto the new regime of mainstream income support supplemented by the Indigenous Employment Program. They will not be caught in the CDEP trap. There is a period of transition for those who are working under CDEP, where those participants can prepare themselves for 1 July 2011 and the day on which they will then transfer to mainstream income support—of course, at that time also supplemented by the Indigenous Employment Program. Existing CDEP providers will be encouraged to become Indigenous Employment Program providers at that point as well.

During this transition there will be intensive support provided to both CDEP providers and CDEP participants. This is an intelligent, compassionate and gentle phase-out of the CDEP program and it is a much improved way of getting from where we are now to where we want to be than what was proposed by the Howard government. This phase-out is being done in the context of a much broader investment by this government in employment services for Indigenous job seekers, and so I very much commend that part of this bill to the House.

The second measure contained in this bill provides for the establishment of a review mechanism for administrative decisions

made under the income management regime which forms a part of the Northern Territory emergency response. I have seen in recent weeks the operation of the income management regime firsthand, I have seen how its operation has increased the purchasing in remote communities' stores of fresh fruit and vegetables, for example, and I have seen how it has been welcomed by many women in Indigenous communities. The way income management works is that people who are in receipt of welfare payments have a certain proportion of those payments deducted by Centrelink and placed into an income management account, which is dedicated to that person and is there to provide for priority needs such as food, housing, clothing and household items. The introduction of the income management regime was a function of the Northern Territory emergency response. As of March this year, 15,204 welfare recipients have their welfare managed under the IMR provisions in the Northern Territory and 30 people from the Queensland Family Responsibilities Commission.

When the Northern Territory emergency response was first put in place by the Howard government, there was no mechanism for appealing administrative decisions made in the management of the income management regime. The reason that was given at the time was the unique circumstances of the emergency response. In June last year the Rudd government put in place a review of the Northern Territory emergency response, and that review reported on 30 September last year. One of the key recommendations of that review was that all welfare recipients who have their welfare payments managed as part of the income management regime ought to have access to a merits review, ought to have access to appeals in relation to administrative decisions made in the course of administering the income management regime. That is an appropriate thing to do.

Decisions for these people in relation to the income management and the way that it applies to them have all of the significance, have all of the effect on their lives, as administrative decisions that are made for non-Indigenous Australians in relation to normal income support payments. So it is appropriate that there be the same rights of appeal in relation to those decisions that exist in other parts of the income support system. What this will do is put in place a right of appeal to the Social Security Appeals Tribunal and, after that, to the Administrative Appeals Tribunal. Again, I commend that part of this bill to the House.

The final measure that is contained in this bill is a streamlining of the payment of the family tax benefit. Currently the family tax benefit—both A and B—is paid on a fortnightly basis and that, in turn, is based on an estimated income, or the other option is to have the family tax benefit paid at the end of the year as a lump sum through Centrelink or Medicare, but also through the tax office based on a tax assessment, which of course is a self-assessment. Mr Deputy Speaker, 90 per cent of people who are in receipt of family tax benefits choose to receive them on a fortnightly basis, and it is fair to say that those people who choose to receive them as a lump sum are generally in the higher income bracket of those who are in receipt of the family tax benefit.

What this measure will do is say that, if you choose to receive your family tax benefit as a lump sum at the end of the year, then you will not be able to do that through the Australian Taxation Office. This does not remove the choice of the way in which you can receive it, because you can still receive the lump sum through the Medicare or Centrelink process; it just removes it being received through the tax office. Nor does it change the level of the benefits that you would receive.

But there are two important reasons why this measure is being put to the House tonight. The first is that the means by which eligibility for the family tax benefit is assessed is different through the Centrelink and Medicare process from how it is through the Australian Taxation Office process. Indeed, there is a more thorough assessment of the eligibility requirements done by Centrelink and Medicare, whereas the ATO uses a self-assessment process. So this provides some consistency in the way eligibility for this particular payment is assessed. The second reason, and perhaps just as significantly, is that by taking this function away from the Australian Taxation Office nearly \$20 million of public funds will be saved this year and that will rise to up to \$30 million a year within three years. That is a very simple measure that we can take which provides a very important saving for the public purse and for that reason I would also commend this part of the bill to the House.

Mrs MARKUS (Greenway) (5.59 pm)—The Family Assistance and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2009 legislation is an example of a work in progress. The purpose of this bill is to reform a number of legislative arrangements to deliver better outcomes for families and for individuals in the income management regime and the Community Development Employment Projects scheme. It is a sensible approach that will have important outcomes.

The first part of the legislation amends legislation that streamlines the family tax benefit payment arrangements and it is estimated that this measure will save the government \$101 million. Currently, eligible families claiming the family tax benefit A and family tax benefit B can elect to have their payments paid either fortnightly through Centrelink, or annually in a lump sum when they lodge a tax return with the

Australian Taxation Office. There was also the flexibility to receive fortnightly payments from Centrelink for part of the year, as well as a lump sum payment at the end of the year. This legislation will stop the annual claim with the Australian Taxation Office in their tax assessment at the end of the year. However, people will still be able to elect to receive a lump sum payable through Centrelink or the Medicare office.

Family tax benefit A and B were included in a suite of reforms of family assistance developed by the Howard government when introducing the goods and services tax in July 2000. The GST provided an opportunity to reform a number of payments. Family tax benefit A replaced, for example, the family allowance, family tax payment A and family tax assistance part A. Family tax benefit B was established to provide extra assistance to single parent families and to families with one main income. This meant one parent could stay at home, and it was especially helpful to families with small children or where there was a person in the household who was dependant because of illness. Family tax benefit B also replaced several income supplements and tax programs. Eligibility for either payment is subject to an income test using an adjusted taxable income.

Just as the changes brought about by family tax benefit A and B were a work in progress, replacing and streamlining the family payments system, so too are the proposed changes to the payment arrangement of these two payments. In the 2006-07 year, the breakdown of payment choices shows that 90 per cent of claimants chose to have their payments paid fortnightly through Centrelink, three per cent chose to have a lump sum paid through Centrelink and seven per cent chose to have a lump sum paid through the taxation system when lodging a tax return. Based on those figures, it is clear that families appreciate the regular payment system

rather than waiting for a lump sum payment at the end of the year. By the same token, 10 per cent of families liked the lump sum arrangement.

The legislation will transfer all of the responsibility for paying family tax benefit A and B to Centrelink. Recipients will still have the choice of fortnightly payments and still retain the capacity to claim a lump sum payable through Centrelink or Medicare offices. Family tax benefit recipients will face minimal change and the measure will simplify the payment arrangements, reduce duplication and save—as has already been mentioned—approximately \$101 million in administrative costs.

The second element of the legislation delivers equity to Indigenous individuals under an income management regime. The income management regime was introduced with the passing of the Social Security and Other Legislation Amendment (Welfare Payment Reform) Act 2007 and was included in the Northern Territory emergency response strategy introduced by the Howard government in 2007. Under the income management regime, a welfare recipient can be required to have their welfare payments paid into an account controlled by Centrelink and access to moneys from that account is provided to the individual for needs considered to be priority needs of the person and particularly of their dependants. This was particularly helpful for children where their parents may not have been ensuring that they received what was essential for their growth and development. As at March 2009, there were 15,204 welfare payment recipients under IMR provision in the Northern Territory.

When the IMR was introduced in 2007, there were provisions expressly excluding persons subject to these arrangements in the Northern Territory and residing in designated areas in the NT from appealing against the

application of the IMR provisions to the Social Security Administrative Tribunal. Time has moved forward. The reasoning at the time, it was suggested, was that the unique circumstances of the emergency response meant that the potential for appeals was large, given that people would no longer be directly receiving all of their welfare payments. We have since moved on and the amendment being introduced now is to enable the Social Security Appeals Tribunal to review a decision made under Part 3B of that act relating to a person who is subject to the Northern Territory IMR. As a consequence, the Administrative Appeals Tribunal will also be able to review such a decision. The appeals will not be retrospective. This will only apply to those who are newly income managed.

The third and final element of this proposed legislation reforms the payment arrangement under the Community Development Employment Projects scheme. The thrust of the reforms is to improve the employment participation of Indigenous Australians, something that both sides of the House are committed to. This will involve a gradual change to payment arrangements so that new starters of CDEP programs will receive income support payments and still be entitled to access CDEP programs. Continuing CDEP participants will continue to receive CDEP wages from CDEP providers up until 30 June 2011 and in some cases also receive the CDEP supplement. It needs to be said—and in this I agree with my colleague the member for Warringah—that the outcome that we want from any program provided by the federal government for people who are struggling to find employment is real employment.

These and other reforms, such as extra funding for services and support, will be introduced on 1 July 2009. Reforms that assist families and that give people a hand rather

than a handout so that they can live dignified and productive lives, contribute to their community and participate in the economy are to be supported. I support this bill and commend it to the House.

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children's Services and Parliamentary Secretary for Victorian Bushfire Reconstruction) (6.07 pm)—In the Family Assistance and Other Legislation Amendment (2008 Budget and Other Measures) Bill 2009 a measure on family tax benefit from the 2008 budget is introduced, along with two other measures from the Families, Housing, Community Services and Indigenous Affairs portfolio.

The 2008 budget will streamline the administration of family tax benefit by removing from 1 July 2009 the option of claiming payments through the tax system. Removing the tax system option for the delivery of family tax benefit payments will simplify the system and improve consistency for customers and will reduce duplication in the delivery of payments. Only around seven per cent of current family tax benefit customers claim through the Australian Taxation Office. Customers will still be able to choose between fortnightly payments, including end-of-year top-ups if applicable, and an annual lump sum by dealing with Centrelink and Medicare.

Importantly, payment rates will not change as a result of this adjustment in the delivery arrangements. The Australian Taxation Office and Centrelink will still exchange information as necessary to make sure entitlements are as accurate as possible. Adjusted taxable income will still be used for family tax benefit income testing and end-of-year reconciliation processes. Also, tax refunds will be available to offset family tax benefit debts and vice versa. In most of these administrative respects, customers should notice no

change in the arrangements that they are used to.

I note that in evidence to the recently completed Senate inquiry on this bill the Commonwealth Ombudsman welcomed these proposed arrangements, particularly that an individual's taxable income is more routinely verified to determine entitlement. From their experience:

... the differential processes resulted in inconsistencies and were particularly vulnerable to error, which often resulted in debts, especially in shared-care cases.

One of the non-budget measures in the bill was foreshadowed by the government in its announcement on 23 October 2008 in response to the recommendations of the Northern Territory Emergency Response Review Board. This measure will make sure that people who are subject to the Northern Territory income management regime are able to appeal to the Social Security Appeals Tribunal and the Administrative Appeals Tribunal in relation to their income support and family payments, just as all other Australians can. As was also announced in that response, further measures will be introduced in the 2009 spring sittings.

The last measure in this bill makes amendments to implement part of the government's announced reforms to the Community Development Employment Projects, CDEP, program. Those reforms are intended to improve employment participation for Indigenous Australians. This measure will give new CDEP participants on or after 1 July 2009 access to the CDEP program while they receive income support payments instead of CDEP wages from CDEP providers. Through these amendments new CDEP participants will receive the CDEP scheme participant supplement because these participants will be able to claim additional benefits through the income support system.

The amendments will, however, allow continuing CDEP participants to receive CDEP wages from CDEP providers. The CDEP scheme participant supplement will continue until 30 June 2011. At that point continuing participants will transfer to income support.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children's Services and Parliamentary Secretary for Victorian Bushfire Reconstruction) (6.12 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

BUSINESS

Rearrangement

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (6.12 pm)—I move:

That business intervening before order of the day No. 7, government business, be postponed until the next sitting.

Question agreed to.

Sitting suspended from 6.14 pm to 7.30 pm

**APPROPRIATION BILL (No. 1)
2009-2010**

Second Reading

Debate resumed from 12 May, on motion by **Mr Swan**:

That this bill be now read a second time.

Mr TURNBULL (Wentworth—Leader of the Opposition) (7.31 pm)—Australians are now paying the price for Labor's reckless

spending. The enterprise and the energy of Australians coupled with the richness of our resources mean that with the right leadership our greatest days, our most prosperous days, should be in front of us. But opportunities can be seized or they can be squandered. On Tuesday night we should have had a budget that laid out a foundation for recovery and for growth. We should have had a budget that marked a path out of this downturn, offering confidence and hope for a better future. Instead, what we were offered was a counsel of despair setting out no credible or convincing plan for economic recovery; a budget that just does not add up; a budget so unbelievable that the Prime Minister is already running away from it—racing to an early election so that he can get to the polls before the full consequences of his mismanagement are felt by the Australian people.

Last year, the Treasurer was filled with pride as he proclaimed a surplus built by others. This year, he was so ashamed that he could not bring himself, in a speech of 30 minutes, to even mention the \$58 billion deficit he had created himself. And he could not utter the words ‘\$188 billion of net debt—the highest in our history—double the record under Paul Keating’. That is \$9,000 for every man, woman and child in Australia. The Prime Minister will run up more than twice as much debt as Paul Keating did in less than half the time—quite an achievement.

He says that this colossal figure of \$188 billion is peak debt. It is only a foothill at the base of what will be the Prime Minister’s towering summit of debt. His budget papers boast for page after page of his National Broadband Network—\$43 billion, he says. But the massive borrowings it will demand are not taken into account. And who is to say that it will be \$43 billion? This Prime Minister went on television to say it would be commercially viable and called on mums and

dads to invest. He did so without any business plan or any financial analysis—any responsible or reasonable basis to support what he was saying. So what price the Prime Minister’s broadband dream? Nobody knows, least of all the Prime Minister. But we do know this: we will all pay for it and it will build that Labor mountain of debt.

And what about Ruddbank? It will require \$28 billion of government borrowings. That is not to be found in the peak debt calculations. And, if all that is not enough, consider this: the Prime Minister is asking us to believe that between now and his \$188 billion of ‘peak debt’ there will be no new spending initiatives from this spendthrift government. There will come a time when Australians will look wistfully at \$188 billion of debt and ask not when our debt will rise to that peak but when it will descend down from the summit to \$188 billion.

And every single Australian will pay the price. It took the coalition together with the Australian people 10 years to pay off \$96 billion of Keating Labor debt. How many years—how many decades—will it take us to pay off hundreds of billions of dollars of Rudd Labor debt? The Prime Minister’s reckless borrowing and spending today is guaranteed to deliver higher interest rates and higher taxes in the future, because, as we all know, debt has to be repaid, and with interest, whether it is a family’s credit card or the credit card of a nation.

Already, self-reliant Australians who take out private health insurance are being asked to pay more in order to offset Labor’s reckless spending. While the coalition welcome the government adopting our proposal for an increase to the single age pension, the news was not good for all seniors, particularly those self-reliant Australians who seek to put money away for their retirement. But that is the Labor way: making prudent and thrifty

Australians pay for reckless and spendthrift Labor governments.

Labor blames this ocean of red ink entirely on the global financial crisis. But let us not forget that in November 2007 this Prime Minister was dealt the best hand of economic cards of any Prime Minister in our history. All of Labor's debt had been repaid, there was \$45 billion of cash in the bank, the budget was strongly in surplus, unemployment was at historic lows and growth was strong. Since November 2007, this Labor government has chosen to increase spending—its decision—by \$124 billion. That is two-thirds of the \$188 billion of Labor debt that we will accumulate in just four years. And what have we got for it? The same old Labor cocktail of higher debt, higher unemployment and higher deficits.

As the global downturn worsened late last year, as it became more and more obvious that tax revenues were declining, the Rudd government embarked on the most profligate spending spree in our nation's history. The idea that a government faced with a worsening financial climate would borrow \$23 billion and give it away defies common sense. They did not spend it on roads, railways, bridges or ports—they gave it away. Most of it, naturally, was not spent; it was saved. So its impact on the economy was modest and short-lived.

In February, when Labor presented its \$42 billion stimulus package—so-called—we took the unpopular decision to oppose it and to offer a smaller and better targeted package that would have more effectively protected Australian jobs. Our advice was dismissed scornfully by a Prime Minister who always knows best, who claims repeatedly but untruthfully that it is his way or nothing. The truth is that it did not have to be this way. Australia did not have to embark on this irresponsible, dangerous course of high deficits,

high debt and high unemployment. There was a better way forward involving less debt and less risk, more discipline and more responsibility.

Our plan for recovery will be based on four key principles: the protection and creation of jobs for all Australians; government should not incur one dollar more in debt than absolutely necessary; spending should be targeted at creating jobs and building economic infrastructure; and private enterprise and small business must be supported because they are the drivers of economic growth. As we develop and expand this plan, we have been meeting with small business people around the nation, at nearly 50 Jobs for Australia forums. These enterprising men and women are the engine room, the drivers, of our economy. We have listened to the challenges faced by small business in these difficult times and we have developed, and will develop, policies that will meet their concerns and respond to their suggestions.

At every forum, whether it was in Darwin or Terrigal, Coffs Harbour or Burnie, we have heard concerns about the need for more effective incentives to take on and keep apprentices during these tough times. Right around the country we have heard complaints about the incredible burdens of red tape and compliance. At Cleveland, a young woman managing a small business told us of the elaborate five-hour accounting exercise she was legally obliged to go through to calculate a diesel rebate—worth \$27. At Coffs Harbour, in the vital tourism industry, another woman told us of the incredible rigmarole she had gone through to establish a bed and breakfast and hire one part-time housekeeper. At every meeting there were concerns about cash flow. The government's 30 per cent depreciation allowance for equipment purchases was noted, but many said it was not much good to you if you were short of cash or did not need any new equipment.

Tonight, drawing on what we have learned from thousands of small business people around Australia, we propose a number of practical measures to support jobs and businesses, especially small businesses. All of them have a modest cost, proving you do not need to borrow recklessly to do the right thing by small business. We propose a tax loss carry-back for business. If businesses make operating losses this year or next, they should be able to carry them back against previous years' profits and recover as a refund up to \$100,000 of taxes paid over the past three years. This tax refund would bolster cash flows in difficult times. Because the tax loss carried back could not be carried forward, the budgetary expense should be relatively neutral over the cycle.

We need fairer rules to deal with troubled businesses. Australia's insolvency laws do not encourage the reconstruction and rehabilitation of businesses that hit hard times. Too many jobs and too much value are lost when viable businesses are wound up or their assets sold in fire sales. We support a change to our laws which will emphasise reconstruction of these businesses. Reform in this area, in these times especially, could save thousands of jobs that would otherwise be lost.

The most consistent complaint we have heard from small businesses is excessive regulation and compliance. The coalition would reduce this burden to the lowest in the OECD and join state and local governments to deliver a one-stop online portal for all necessary filings. Many small businesses find the paperwork for government tendering overly complex and inconsistent between departments and governments. Part of our reform will be to standardise and streamline procurement contracts and similar processes.

We are taking up a suggestion that we heard from many employers of apprentices in traditional trades who came to our Jobs for

Australia forums. They told us that two of the biggest barriers to apprenticeships are small-business cash flow and wage costs. So we propose to direct a greater proportion of the existing incentives for those who take on an apprentice to the first two years of a traditional trade apprenticeship, meaning employers will receive this support when they need it the most. These measures are practical, pragmatic, job focused measures that would greatly assist the economy in this difficult period. They have been drawn from our firsthand and ongoing engagement with small business, whether it was from meetings in community halls around the country or from our Jobs for Australia website.

I now turn to budget honesty. The sheer magnitude of the deterioration in our nation's finances revealed by the Treasurer on Tuesday night raises a more serious and unsettling set of issues. Labor has no strategy to return the budget to surplus other than hoping that something will turn up—the 'something' in this case being an incredible six successive years of above-trend growth of 4½ per cent of GDP from 2011-12, a scarcely believable boom. We contrast that with the IMF's more sober growth forecast for Australia in 2010 of 1.1 per cent. Nobody believes that this best-of-all-possible-worlds scenario is credible. The recovery from this recession will not come in a rush. The days of cheap and easy credit that helped fuel the last boom are over—if not forever, for many years.

Australians deserve and are entitled to expect an honest, objective and upfront appraisal of the nation's circumstances, not to be buried beneath a daily avalanche of spin and manipulation in the media. So we will appoint an independent commission of sustainable finances to undertake a top-to-toe review of Commonwealth spending, after the next election, to determine what levels of expenditure are sustainable and consistent

with the need to address intergenerational equity. The alarming expansion of spending under Labor makes this vitally important. Annual spending is projected to rise from \$272 billion in 2007-08 to \$342 billion in 2010-11, the largest three-year increase since the 1970s. The commission's task will be to help the next coalition government to identify and cut the waste in that spending.

The coalition also believes that honesty in fiscal policy would be served by the creation of an Australian version of America's Congressional Budget Office, which has for many years provided the congress with objective and impartial advice and analysis on fiscal policy and the effects of new policies. We would establish a parliamentary budget office which would be chartered to provide parliament with independent, objective analysis of fiscal policy, including long-term projections of the impact of various measures on the economy—employment, real interest rates and debt levels. It would be responsible to the parliament rather than to the executive, much like the Auditor-General or the Commonwealth Ombudsman. It would be staffed with economic, accounting and actuarial experts and overseen by a director with an independent tenure. Governments never welcome greater scrutiny, so I am under no illusion that this proposal will be greeted with any great enthusiasm by the Prime Minister and the Treasurer. But such a body would contribute greatly to a better-informed debate about fiscal policy alternatives and the consequences of different choices and trade-offs. The parliamentary budget office will be an invaluable mechanism in seeking to ensure that the damage done to this economy in just 18 months by this inexperienced and incompetent government never happens again.

Turning to the budget measures themselves, the Prime Minister, in his desperate rush to find an excuse to go to an early elec-

tion, has called on the coalition to indicate how it will respond to the major savings measures in his budget, the decisions that increase government revenues or reduce government expenditures. Given the magnitude of the deficit these so-called major savings measures are hardly heroic. In 2009-10 they amount to \$1.5 billion—compared with a \$57.6 billion deficit. We in the coalition showed our commitment to fiscal discipline in February by proposing a much smaller stimulus package and, when that was rejected out of hand, by voting against the \$42 billion package and its \$14 billion cash splash. Only this side of the House has had the courage to take a tough decision to restrain this debt and deficit blow-out.

None of the savings measures in this budget will make, by themselves, a material difference to the deficit. We will consider them carefully and respond to them reasonably. This deficit is already too big, and we do not want to make it bigger. But there is one savings measure in this budget that we will oppose. The changes to the private health insurance rebate are just the latest phase in Labor's unrelenting war against private health insurance. Labor hates private health insurance. Labor hates it because it encourages self-reliance and because it offers choice. Australians know that. That is why, in the lead-up to the last election, the Prime Minister was asked time and time again whether he would change the private health insurance rebate. Again and again he and his shadow health minister said they would not. Never was an election promise given more emphatically and then broken so brazenly.

Every Australian knows that the cost of public health is growing, as are the waiting lists for public hospitals. Every Australian knows that, as our population ages, the need for more self-reliance in the provision of health services becomes greater. This broken promise will be a direct hit on the family

budget of at least 1.7 million Australians and indirectly will result in higher premiums for all Australians, including those on very low incomes. And it is just the beginning. This is the thin end of the wedge. As private health insurance goes up, more pressure is put on public hospitals. The Prime Minister claims to be concerned about public hospitals, and yet I see in his budget's infrastructure document that spending on health and hospital infrastructure receives less than 10 per cent of the amount allocated to his unplanned, unanalysed broadband network. So much for priorities.

The private health insurance broken promise contributes \$1.9 billion of savings over four years, when total revenues will exceed \$1,200 billion. That fact alone underlines the point that the Prime Minister's attack on private health insurance is based on ideology, not economics. There are plainly hundreds of opportunities for the Prime Minister to offset that saving if the measure is defeated. He could do worse than start with his own foreign affairs spendathon in support of his UN ambitions. But tonight I will make one suggestion of a suitable offset for the Prime Minister's consideration, one that would make for a healthier Australia and lessen the burden on public hospitals rather than increase it. The government could comfortably afford to retain the current private health insurance rebate, without any cost to the published budget outcome, by increasing the amount of excise collected on tobacco by 12½ per cent, or about 3c extra per cigarette. Tobacco is the single-most preventable cause of ill health and death in Australia. So there is a tough choice for a weak Prime Minister: either raise \$1.9 billion by making health more expensive and putting more pressure on the public hospital system or raise it by adding about 3c more to the price of a cigarette and taking pressure off the public health

system. You see, budgets are indeed about priorities.

History tells us that an addiction to debt and excess spending is in the DNA of the Labor Party. Too many times Labor governments both here in Canberra and in the states have taken us down that dead-end street of debt. This time we were told that it was all going to be different. Australians took on trust this Prime Minister and this Treasurer when they swore hand-on-heart at the last election that they were economic conservatives. Australians took them at their word. They hoped this government would govern wisely and prudently and they genuinely wanted the Prime Minister to succeed. They were prepared to give him every chance and yet today Australians see our national balance sheet drowning in red ink. They see our nation's future mortgaged for as far as the eye can see.

To repay the principal and interest on Labor's \$188 billion debt over the next 10 years would cost taxpayers \$25 billion a year. Our largest ever surplus—the coalition's last—was \$20 billion. And if the debt turns out to be higher—say, \$250 billion—then the repayments would be \$33 billion a year. Australians wonder how it could have come to this in only 18 months.

Now you might have expected a bit of humility, a bit of contrition, from a Prime Minister and a Treasurer who have failed this nation. Instead all we get are sanctimonious lectures about how the opposition should either lock in behind the government's failed strategies or, better yet, provide Labor with the policy alternatives, with the very map and compass that will get them out of the mess in which they find themselves.

Our job as political leaders is to build hope for the future. For the last 60 years our proudest boast as a nation has been that no generation of Australians will be left worse

off than their parents. That optimism—that confidence, that certainty in what the future promises—is central to the success of modern Australia as a safe and prosperous place to bring up a family, the anchor of our society. It is our responsibility—the members of this parliament—to ensure that whatever challenges we may confront we will do all we can to ensure that our children will have the opportunity to build an even better Australia than the one we know today.

Enterprise, opportunity, optimism—these are core Australian values. They are core values of mine and of the coalition. They are essential building blocks for Australia if it is to continue to fulfil its destiny as a strong and prosperous nation.

But tonight we cannot avoid the hard questions. Will we be the first generation of Australians to bequeath to our children a lower standard of living? To what extent are our actions today consigning the next generation of working Australians to higher taxes, higher interest rates and higher debt—a lesser opportunity to give their families what we ourselves enjoy in life today?

And when the time comes to answer to the Australian people for these failings who will be judged the guilty party? That day of reckoning is approaching for the Rudd Labor government. Its gross policy miscalculations have made much worse the impact of difficult global economic conditions. The Treasurer admits that it will be many years before Australians are as well-off as they were before this government came to power.

The Prime Minister has no idea how to fix the mess he has made. Just tonight we have seen the Labor Party advertising on television proudly claiming that Australia's debt is lower than other countries'. What they did not mention is what our debt was in 2007. They did not mention the starting point. The rapid deterioration of our fiscal position from

the very best in the world to being just another one in the line-up of heavily indebted nations has come about after 18 months—18 months only—a total transformation under the leadership or should I say lack of leadership of this Labor government. And the Prime Minister takes no responsibility. If he is not blaming the global financial crisis, he is blaming John Howard or Peter Costello—anyone but himself. He said once that he takes responsibility for the good news and the bad news. Well, he was half-right! He does take responsibility for the good news. The bad news he blames on anybody he can identify—the global situation, the previous government, the radical Liberals, free markets—and when he cannot do that he pushes the Treasurer out before the cameras.

The Prime Minister cannot even summon up the courage to try to fix this mess. His threat of a double dissolution and an early election proves to all of us what this budget is really about. It is not about protecting the jobs of Australians, least of all the one million Australians it says will soon be out of work; it is about the job security of one man and one man only. A Prime Minister frightened of the consequences of his mismanagement now wants to cut and run before he is found out.

History tells us that it has always been the job of the Liberal and National Party coalition to repair the damage done by Labor governments—to rescue Australia from Labor debt. Right around Australia at our Jobs for Australia forums people are saying, as they become more and more concerned about the growing level of debt and as they worry about the future for their children: 'Well, at least you blokes will be able to sort it out.'

The sad fact of life is this: this debt will be unprecedented. We talk about \$188 billion but, with Ruddbank, broadband and what-

ever the latest spending spree is going to be, that net debt could be \$250 billion or \$300 billion within three or four or five years. This is a government that has shown that it has absolutely no control. We heard in the budget and we heard today in the House ministers talking about the rules, the regulations and the practices. Infrastructure Australia was talked about and the thorough way it looks at infrastructure projects. We have a government that has committed us to \$43 billion of debt for a broadband project that did not even have a business plan. There was no analysis at all. We have a Ruddbank proposal that has no business plan and no financial analysis at all. We have a government that staggers from one media opportunity to another and as it does so it does not simply spin and mislead Australians; it adds mightily to that mountain of debt, that summit of debt, that we will have to reduce, chip away at and bring down when we return to government.

We know it will not be easy to repair the mess that this Prime Minister has created in such a short time. But on this side of the House we are ready to take up that challenge and to do so with the confidence and the determination that comes from knowing that the coalition has the experience and the expertise, the character and the commitment to get the job done.

It is only a coalition government—only the Liberal and National parties—that can and will restore this great nation to prosperity, because this nation needs leadership of conviction and it needs leaders who are prepared to take the tough decisions. We have a Prime Minister who is yet to make a tough decision, a Prime Minister who wants always to be Santa Claus, and we and our children and perhaps their children after them will be paying the bill for that for many years to come.

We will set it right. My colleagues and I assembled here in this parliament today will set it right with the support of the Australian people. And, when we do, Australia will have a government, a leadership and an economy that it deserves.

Debate adjourned.

House adjourned at 8.02 pm

NOTICES

The following notices were given:

Mr Danby to move:

That the House:

- (1) notes that 4 June 2009 is the 20th anniversary of the free elections in Poland, elections which were the beginning of the end of communist party rule not only in Poland but in all the countries of central and eastern Europe, and eventually also in the republics of the Soviet Union;
- (2) congratulates the people of Poland for their courageous struggle over more than 40 years to reclaim their independence and to restore democracy and freedom, and on the increasing security, prosperity and freedom which Poland has enjoyed since 1989;
- (3) recalls that it was the Solidarity free trade union which led the successful struggle of the Polish people to achieve independence and democracy in Poland;
- (4) notes that:
 - (a) 4 June 2009 is also the 20th anniversary of the Tiananmen Square massacre in Beijing, in which an estimated 2,000 to 3,000 peaceful protesters were killed by the Chinese armed forces under the direction of the Chinese Communist Party leaders;
 - (b) in the 20 years since Tiananmen Square the Chinese Communist Party has continued to deny the Chinese people a voice in their own government, and has continued to repress arbitrarily those calling for greater openness, democracy and freedom in China; and

- (c) China continues to deny Chinese workers the right to form free and independent trade unions, resulting in the continuing exploitation of Chinese workers and an unacceptably high rate of workplace deaths and injuries; and
- (5) calls on the Chinese Government to cease repression against political and religious dissidents and its citizens generally, and to announce a timetable for a transition to democratic government in China.

Mr Champion to move:

That the House:

- (1) notes with concern that the incidence of problem gambling has increased since the introduction of electronic gaming machines in communities around Australia, particularly due to the design and structural features of the electronic gaming machines;
- (2) recognises that the current legislation and regulation of electronic gaming machines do not provide adequate protection to consumers;
- (3) notes with deep concern that the availability of treatment services for problem gamblers is inadequate;
- (4) acknowledges that problem gambling associated with the use of electronic gaming machines causes financial and emotional damage to individual gamblers and their families; and
- (5) calls upon State governments and the gambling industry to work together to limit the harm caused to problem gamblers from electronic gaming machines.

Thursday, 14 May 2009

The **DEPUTY SPEAKER (Ms AE Burke)** took the chair at 9.30 am.

CONSTITUENCY STATEMENTS

Greenway Electorate: Eric Hausoul Sarcoma Foundation

Mrs MARKUS (Greenway) (9.30 am)—On 23 April, I had the privilege of officially launching the Eric Hausoul Sarcoma Foundation. Eric tragically lost his life in November 2008 after bravely fighting sarcoma disease. Sarcoma disease is a tumour—or tumours—that can target the bone, cartilage or muscle and affects predominantly adolescents and young adults aged between 12 years and 25 years. Sarcomas occur 50 per cent more frequently in males than females and are often dismissed as ‘growing pains’. The most common three types of sarcoma are osteosarcoma, which commonly affects teenagers during growth spurts and often affects long bones and those located close to the knee—it is also the most common type of bone cancer; Ewing’s sarcoma, which relates to the nerve cells and makes up between 10 to 15 per cent of all bone sarcomas; and chondroblastic sarcoma, which arises from a person’s cartilage. Misdiagnosis is commonly the cause of death and, unfortunately for Eric, this was the case for him. Currently, there is no effective way to identify or prevent sarcoma. Further research is what is required.

Eric was a true champion. He fought to the end and never gave up. Eric dreamed big, with plans to be a pilot with the Royal Australian Air Force. Eric was part of the Squadron 336 RAAF Cadets Richmond, with plans post high school to attend the Australian Defence Force Academy. Eric would have been extremely proud on the day of the launch. His family, friends, school colleagues, teachers and the community united to support this. I particularly acknowledge his parents and his sister for the work that they have done, and have been doing, in raising the awareness of sarcoma and for their commitment to raising funds for the future research aimed at finding solutions and answers that will prevent deaths like Eric’s.

There are too many young people in Australia and the world that, through no fault of their own, do battle with this unforgiving disease and, like Eric, lose the fight. It was an honour to be asked to launch this foundation. It is vital that money is raised so a cure can be found for this terrible disease. I encourage anyone who has the opportunity to support this foundation to do so. No donation is too small and every bit will contribute to a future for our young people.

Dr Jamal Rifi

Mr CLARE (Blaxland) (9.33 am)—I rise to pay tribute to a genuine local hero—a father raising five children into fine young Australians; a doctor who has served my community for decades; a community leader esteemed in Bankstown, Belmore and beyond; a man whose work deserves a place in the public record of the Australian parliament. This man is Dr Jamal Rifi. Dr Rifi migrated to Australia in 1984, learnt English, and completed his studies in medicine. He became a GP, set up his own practice and threw himself into the service of our community. He became a founding member of Australian Muslim Doctors against Violence and the Australian Christian-Muslim Friendship Society. He has been awarded a Human Rights Medal and has become the President of the Lakemba Sports and Recreation Club. In the wake of the Cronulla riots, he was the driving force behind the On the Same Wave program—a

community reconciliation program that enabled young Muslim women to become surf life-savers for the first time, wearing 'burkinis'.

Last week, the member for Cook and I traversed the Kokoda Trail with Dr Rifi, bringing together young people from the beaches of Cronulla and the suburbs of Bankstown. I think it is fair to say that we would never have got across the Owen Stanley Range without Dr Rifi—without his self-deprecating sense of humour, without his compassionate professionalism and without his leadership and encouragement.

We affectionately called him the 'Panther'. He would appear at camp every night in a new costume, a product of bush ingenuity and his razor sharp wit. One morning, Dr Rifi walked up to an older group of trekkers, resting at the top of a gruelling climb, and he asked them if it was seniors day and invited them to pull out their Medicare cards.

But he is not just a funny man; he is also a fine doctor. Our trek leader, Charlie Lynn, a member of the New South Wales Legislative Council, said that Dr Rifi was the best doctor he had seen in his 20 years on the trail. In difficult conditions he took his Hippocratic oath to new lengths. Physically exhausted himself, he not only looked after our team but also treated local guides and villagers. He told me that the highlight of the trek was the opportunity to treat a real hero, Faole Bokoi, one of the few surviving fuzzy wuzzy angels.

After eight days walking along the trail with Dr Rifi I now understand why he is held in such high esteem by so many. He is a trailblazer—a man committed to breaking down the barriers of ignorance and intolerance, a doctor helping to heal the body and the soul of our community and a community leader worth following. In January this year, Dr Rifi was named the New South Wales Local Hero of the Year as part of the Australia Day awards. It is a fitting tribute to a man who is a real hero to many people in our community, including me.

La Trobe Electorate: Berwick Lodge Primary School

Mr WOOD (La Trobe) (9.36 am)—I wish to talk about a school in my electorate, Berwick Lodge Primary School, which is doing a fantastic job out there under the guidance of principal Henryk Grosseck. I would like to thank all the school committees for all the great work they are doing in helping the students, and the teachers for providing the students at Berwick Lodge Primary School the best education possible. In my various and numerous visits to the school, I am always welcomed by the kids, who are doing a fantastic job out there.

You would think the school would be happy to receive \$3 million under the government's education revolution program. However, Berwick Lodge Primary School has little to smile about because, instead of having the opportunity of using this \$3 million for the construction of a new library and six classrooms, as planned, we have the crazy situation where the Department of Education and Early Childhood Development has told the school that it needs to use this funding to build a gymnasium. You may think that is fair enough, but the school already has a gymnasium and it does not want another one. It actually wants—and this is from the school council, the parents and the students—to have a library and it wants six additional classrooms.

Berwick Lodge Primary School opened in 1994—this is its 15th year—and it has 750 students. It already has a library, but over time it has become too small. I believe all colleagues would agree that a library is the basis for any good education at a school and it just seems absolutely bizarre and crazy that a school cannot get a library and, instead, is being told by the

education department that it must have another gymnasium. I can see the conversation now when the application was being looked at by the education department: 'Here is an application from Berwick Lodge Primary School: it actually wants a library and six classrooms,' and someone has the brainwave, 'No, why don't we just give them a gymnasium?' The school has said on numerous occasions that it does not want a gymnasium and it has been told, 'Well, why don't you just have a second one?' It is absolutely stupid and ridiculous.

The previous government allocated Berwick Lodge Primary School \$143,000 for a multi-media centre. The school got to say where this money was spent and it is a fantastic facility. I know it is being well used because during the last election campaign I was grilled by the students in that facility about some of my election promises. But, in all seriousness, this needs to change now. The school needs to get the funding it requires for a library. That is what the school wants. This government needs to get stuck into the state education department in Victoria to make sure the federal funding is used for what Berwick Lodge Primary School wants it to be used for. (*Time expired*)

Hindmarsh Electorate: Westlake Shopping Centre

Mr GEORGANAS (Hindmarsh) (9.39 am)—I rise to speak today on the proposal by Westfield to introduce boom gates and parking fees at their Westlake shopping centre in the electorate of Hindmarsh. The Charles Sturt Development Assessment Panel recently made the decision not to approve Westfield's proposal for the car park alterations. Despite this, Westfield has now appealed to the Environment, Resources and Development Court against last month's decision by the council and against the will of the people in the area.

The appeal against the council's decision has sparked protests from residents, retailers, staff and shoppers. Many constituents have contacted my office because they are extremely concerned about the proposed introduction of boom gates and parking fees at the West Lakes shopping centre. A group of about 30 people, including me, a number of Charles Sturt City councillors and the local member for the seat of Lee, Michael Wright, held a three-hour protest outside the shopping centre on 18 April and collected signatures. Julie Macdonald, from the group No Parking Fees for Westlake Shopping Centre, has obtained thousands of signatures on a petition from people who are against the proposal.

As well as being a convenient shopping location, the centre is home to the West Lakes Community Centre and a public library. It is a strongly utilised as a community hub. Many of the older residents in the area enjoy just walking through the shopping centre as an outing. Putting boom gates in will prevent them from their normal weekly outing if they cannot afford the parking fees.

It is also terrible timing by Westfield in the economic climate we now face. With the current economic situation, we need to encourage people to support local businesses to retain jobs in the community. Westfield also has a job to support the retailers, large and small, that are operating their businesses in the centre in tough economic times. Many of those retailers have contacted me. They are totally against the boom gates going up in the car park because they say customers will go and shop elsewhere. Boom gates and paid parking can only make things worse. Parking fees will encourage customers to shop elsewhere. I have written to Westfield but I am yet to receive a reply. I call on Westfield to reconsider its proposal to re-introduce boom gates and paid parking. Westfield has a duty not only to make money for its shareholders but also to be a good corporate citizen by ensuring that this shopping centre that

it operates, which is the largest shopping centre in the western suburbs, also acts as a community hub for the area. All the little shops around there have shut down. Once upon a time, people would have been able to go for a walk there and do some window shopping. But they cannot do it anymore. So Westfield has a duty to ensure that it is a community centre. (*Time expired*)

Gilmore Electorate: Heritage Estates

Mrs GASH (Gilmore) (9.42 am)—Apparently the jobs of 1,000 people in and around the township of Deniliquin are under threat as a consequence of a decision of this government. I am not referring to the new workplace legislation, although I could because I have certainly fielded many inquiries from concerned employers in my electorate of Gilmore. We are predominantly a tourist zone and have many seasonal workers. A decision to standardise awards means that costs will go up, especially for casuals. And we all know that, when labour costs go up, there are inevitably cost offsets as employers struggle to maintain profit levels.

The fact that jobs are created by employers seems to be lost on the other side of the House. It is all very well imposing costs on business but if the consequence is that it drives it offshore or simply strangles it then the motives driving such a decision should be stringently questioned. In fact, one local call centre employer has warned that he will only cope with this latest imposition by going offshore. Gilmore will lose another 30 jobs but still the government does not care.

The same sentiment that is jeopardising 1,000 jobs in Deniliquin drives the decision by the Minister for the Environment, Heritage and the Arts to stop forever the development of a patch of private land in the electorate of Gilmore. The land is the Heritage Estates, known as a 'linen estate'. People speculatively bought the land 20 or 30 years ago in the hope that approval would eventually be given for its statutory subdivision. That was the setting that brought Minister Garrett to Jervis Bay, where the Heritage Estates are located. Exercising his ministerial prerogative, he declared that no development would be allowed given the enormous environmental significance of the site. There was no discussion or meeting with the ratepayers or local council, yet he met with local environmentalists. So, immediately, his decision has effectively disenfranchised the owners of the land.

The commercial value of the land is now zero. Nobody wants to buy it because it is useless for anything. The Heritage Estates are a poisoned chalice. But the minister thinks that this scrubby land is so critically vital that it has to be protected. There has been no thought given to the money that has been lost by the many hundreds of people who have invested in these blocks and for many years paid council rates because they were obliged to do so. Yet the council was prepared to negotiate a lesser approval to come to a compromise. As far as I can tell, these people will probably still be liable for rates each year. Is this a fair outcome? I think not.

The shadow minister for the environment, Greg Hunt, visited my electorate shortly afterwards and he at least spoke with the many residents affected—unlike the minister, who seemed to have been entertained by his supporters. I was not even asked to come along despite the fact that I have been representing these people for so many years and possibly would have had something to contribute.

Mr Hunt made the very sensible observation that if the government were so serious about the value of this land, they should simply buy it from the landowners at a fair price. If the government have effectively sterilised the private use of heritage estates then I call on the government to do the proper thing and buy this land. If it is so pristine, gift it to the national parks for people to enjoy; do not just leave it there to be used as a rubbish dump and a place for feral animals to roam.

Fremantle Electorate: Fremantle Men's Community Shed

Ms PARKE (Fremantle) (9.45 am)—The Fremantle Men's Community Shed was the first of its kind in Western Australia and it is an example of how we can find and create new ways of building community spirit. Recently I had the pleasure of launching their shed open day and community garage sale. The Fremantle men's shed does a lot more than simply provide the tools and workshop space for tinkering with and building stuff. It is a place where men can talk and draw strength from one another's experiences and skills, where young men can learn from older men and older men can receive the great boon that comes from feeling connected, from being heard and respected.

The shed's members have assisted with the community projects, including building the roof for a greenhouse at South Fremantle Senior High School, conducting toy workshops for children and a computer skills course. The shed has recently completed a project in conjunction with the Fremantle Hospital mental health unit aimed at assisting men with clinically diagnosed mental health conditions. The shed is also working with the Hilton PCYC and youth at risk in the Fremantle area, targeting kids who have dropped out of school. Often when these kids make something at the men's shed, it is the first sense of achievement they have ever felt. It enhances their self-esteem and gives them some hope for the future. It is no wonder that on Australia Day this year, the Freo men's shed received the Premier's Active Citizenship Award.

As part of its operation, the shed has links with services and support structures that enhance men's health and wellbeing, and this is critical as health outcomes for men in Australia are significantly poorer than for women in a number of areas, not least life expectancy. Recent research shows the clear health benefits of providing men with social and support networks. Indeed, Freo men's shed members have told me of a number of suicides that have been prevented because of the shed. Just as women have benefited enormously from community health and social programs directed at the particular needs of women, it is also the case that men are responding very positively to the men's shed concept that caters specifically to the needs of men. For all these reasons, I am very pleased that the Fremantle men's shed received \$2,500 in the latest round of the Rudd government's community volunteer grants. I am hopeful, moreover, that, in view of the very real and practical role that community men's sheds play in advancing men's health and wellbeing, they will formally be incorporated into the government's health and social inclusion agenda.

I acknowledge the fantastic work of the volunteers who run the Freo men's shed, particularly Bill Johnstone, Alan Gowland, Alex Marshall, Paul Whitfield, Rob Hornbrook, Bob Fleming and Joe Gaffney. I have been happy to provide funds to assist some of the shed members to attend the Australian Men's Shed Association conference being held in Hobart in August this year. I commend the work of the Australian Men's Shed Association, which provides advice and assistance to nearly 300 men's sheds across Australia. A real sense of community is building at the Fremantle men's shed and I will be working to ensure that not only

the Fremantle men's shed but men's sheds across Australia receive the support they need to continue providing these valuable community and health outcomes, which I have been fortunate enough to see firsthand in Fremantle.

Gippsland Electorate: Lakes Entrance Surf Life Saving Club

Mr CHESTER (Gippsland) (9.48 am)—It gives me great pleasure to speak today in honour of the Lakes Entrance Surf Life Saving Club, which has been awarded the 2009 Surf Life Saving Australia club of the year. This is an outstanding achievement for a comparatively small regional club and all credit is due to past and present members. The surf life saving movement across Australia is one of our nation's most important community service organisations, providing a highly valued rescue service to keep our beaches safe throughout the year.

In my home town of Lakes Entrance, the surf life saving club plays a critical role in the social and economic life of the region. Ninety Mile Beach is prone to rips and large swells and, like all surf beaches, conditions can change quite quickly. Inexperienced swimmers can be caught unawares and it is essential that a patrolled beach is provided for the safety of local residents and also to attract tourists to our town. Tourism is a major industry in Lakes Entrance and I have no doubt that the existence of the surf life saving club and the countless hours of patrols that have been provided over the past 50 years add an enormous amount to the economic wellbeing of our community.

Perhaps the greatest service provided by the Lakes Entrance club and so many other surf life saving clubs around Australia is the role it plays in helping young people achieve their full potential. I am proud to say that three of my children are enrolled in the Lakes Entrance nippers program. In fact, more than 100 youngsters participated in the Lakes Entrance program over the past summer months. The nippers are trained in first aid and surf safety and also have the benefits of enjoying a healthy and active lifestyle.

None of this would be possible without the efforts of outstanding volunteers and parents, such as Rob Brown and David Richardson, who ran the nippers program over the summer months in Lakes Entrance. Similarly, the club's success as the Australian Club of the Year would not have been possible without dozens of volunteers over many years of service. The dedication and commitment of so many people has contributed to the club enjoying recognition this year. Great Australians like our former club leaders and local citizens of the year, Ian Shepherd, Ron Stott and Doc McKenzie; and the current leadership team of president, Trevor Dix; secretary, Kris Cordery, captain Cameron King; and treasurer Tony Carroll. I mention the treasurer last not just because he barracks for the Richmond Football Club but because Tony has the job of securing funding for the redevelopment of the clubhouse. The community has done a great job in building new facilities in recent times with volunteer fundraising and the assistance of some government funding, but they are still about \$400,000 short of their target to complete the next stage of the project.

The existing facilities are very well used and supported by the community not only in terms of their primary use as a surf life saving clubhouse but also as a venue for private functions. However, there is a shortage of storage space and there is a need for improved first aid treatment facilities and, most importantly, the existing building does not provide adequately for people with disabilities or reduced mobility.

I will be working with my colleagues at state level to pursue funding opportunities at both the state and the federal level on behalf of Lakes Entrance Surf Life Saving Club because Australia's best club deserves some of Australia's best facilities. Without wishing to pre-empt future announcements, the Lakes Entrance club is strongly tipped to host next year's Victorian junior and state titles. The club did a magnificent job of hosting the 2008 junior titles and is ready, willing and able to do it all again. It would top off the state titles if the new facilities were in place to cater for the thousands of surf lifesavers and their families who will descend on Lakes Entrance for the event.

Deakin Electorate: Roads

Mr SYMON (Deakin) (9.51 am)—Today I rise to speak about a particular funding initiative contained in the Rudd government's visionary 2009-10 nation-building budget. The \$80 million contribution to the Springvale and Whitehorse roads upgrade project by the federal government is now fully funded in this year's budget, with the allocation of \$76.5 million towards the project. Along with funding of \$60 million announced in the recent Victorian state budget this project will commence mid-year and be completed by early 2010. The Belgrave and Lilydale rail lines will be lowered and a new grade-separated road crossing will be built over the top, separating traffic and trains at this location forever. This is a great result for the residents and commuters in the federal electorate of Deakin and for the thousands of residents in the outer east in surrounding suburbs. These people know what it means to tackle that level crossing every day, to get to work or school or even to do the shopping. I know only too well how congested and frustrating it is at both peak and off-peak times.

With 50,000 vehicles using the level crossing per day, the Springvale boom gates come down repeatedly to allow the 218 scheduled daily train services to pass. For local residents of Nunawading, these problems are magnified. Traffic jams on Springvale Road are a daily occurrence that, in many ways, has the effect of splitting the suburb in two. There are even traffic jams there on a Sunday. Even pedestrians are delayed by this congestion when waiting to cross the rail lines whilst trains pass through, one after the other, keeping the crossing closed for several minutes at a time, especially in peak periods. The Springvale Road railway crossing in Nunawading has, for two years in a row, been rated by the RACV as Melbourne's No. 1 congestion red spot. The same crossing also won that rating in 2004.

This project will reduce traffic congestion along Springvale Road and through the intersection with Whitehorse Road and will improve safety for road users by removing the level crossing where there have been 50 crashes causing injury and a death over the last five years. Pedestrian safety will also be improved through the provision of an underpass to provide for the safe crossing of Springvale Road. Local business owners will also experience positive outcomes through the improved station facility, pedestrian movements, car parking and especially through a reduction in traffic congestion, which often prevents access to prospective customers.

A new railway station for Nunawading is a key part of this project and it will replace the old and outdated buildings that are used by thousands of commuters every day. There is also provision in the plans to allow increased capacity by possibly extending a third rail line. Residents in the outer east have been waiting a very long time for news that something is finally being done to fix Springvale Road. I would particularly like to thank the state member for

Mitcham, Tony Robinson MLA, and the state member for Forest Hill, Kirstie Marshall MLA, for their keen support, advice and advocacy to make this project a reality.

The DEPUTY SPEAKER (Ms AE Burke)—Hear, hear, says I who lives within spitting distance of the intersection!

Barker Electorate: Education

Mr SECKER (Barker) (9.55 am)—Earlier this year I expressed my delight in the great year 12 results which were achieved by students in my electorate of Barker. These were students who faced ongoing disadvantages of distance, drought and unreliable internet connections and yet achieved great success in gaining a high TER ranking—a TER ranking that saw these young achievers being offered places at universities in Adelaide and Melbourne, a TER ranking that should have seen this government pave the way for them to continue that academic success at university. Their success would make us all better off as they go on to be the teachers, doctors, lawyers, scientists and other professionals of the future. Not so under the Rudd Labor government budget of this week.

When the average Australian wage is \$1,148 a week it is unfathomable that parents whose total income is barely \$818 per week are considered by the Rudd government to be too well off to be given assistance for their student children. An amount of \$818 a week will barely house, clothe and feed a rural or regional family, and it certainly will not enable them to pay board or accommodation and travel costs for their student child to attend tertiary education up to 450 kilometres away. For the students in my electorate, there is no quick 80c bus ride into uni and back home for dinner that night with mum and dad. Our students have to pay for board in the city where the nearest university is located and then pay travel costs to return home periodically. A family on \$818 a week does not have spare change to afford this. For some students the only option has been to take a gap year or to work part time, and to work as long and hard as they possibly can, just to get the funds they need to set up accommodation far from home to study.

Unbelievably, these students will now be penalised. If they have earned over \$19,532 over 18 months—about \$6.50 an hour—or if they have worked part time over 18 months, the Rudd government has now decided that they will not qualify for independent youth allowance whereas before they did. The flow-on effect creates more disadvantages. Students who are denied youth allowance will not qualify for relocation scholarships to assist them with the cost of moving for study and, for many, this means an end to their goal of a tertiary education. We know the Rudd government's fiscal blundering will leave a huge debt to pay—\$200 billion in fact—but to claw it back from hardworking students striving for a tertiary qualification by denying them income support or relocation assistance is a disgrace.

Asylum Seekers

Mr DANBY (Melbourne Ports) (9.57 am)—The rhetoric coming from the opposition in relation to unauthorised boat arrivals and immigration detention has been somewhat surprising. Over the past 10 months I have been working closely on these issues with members of the opposition on the Joint Standing Committee on Migration, which I chair. In December last year the members of the committee, including the shadow minister for immigration, the member for Murray, Sharman Stone, signed off on a report which implicitly endorsed the government's changes to migration detention policy. The report made a variety of recommen-

dations on how the migration system can be more effective and just, including explicitly supporting the elimination of detention debt since it costs the Australian taxpayer almost as much to collect it as is collected. That did not take into consideration the inhumane consequences for low-income earners who have been granted Australian citizenship of having to pay back massive debts.

The claim that recent changes to the migration policy could increase the number of unauthorised boat arrivals is unfounded. It is external factors such as natural disaster and conflict that are pushing unauthorised boats towards our shores, and people smugglers are exploiting these people in vulnerable situations. There is no evidence to suggest that the previous government's detention policies were a deterrent to unlawful arrivals. The parliament's migration committee heard evidence which showed overwhelmingly that refugees fleeing their countries were doing so as a result of extreme situations. Rarely, if ever, did they consider or even know about the detention policy of the host country.

Temporary protection visas were introduced in 1999. There were 3,722 unauthorised boat arrivals in that year. During the next two years, there were 8,459 unauthorised boat arrivals, including 5,520 in 2001. These fluctuations were caused by external factors, not by changes in Australian law. As of 1 May 2009, there are 304 unauthorised boat arrivals in immigration detention. This is not a figure that 21 million Australians should think about when altering the balance of our immigration or refugee policy.

While there has been a lot of fuss following the arrival of several boats, the numbers involved should be put in a global context. Germany, Britain and France are receiving tens of thousands of these people. Most people who claim asylum in Australia actually come by plane, arriving on another type of visa and then applying for asylum. Australia receives only a small fraction of the asylum claims received globally. Australia's share of the global proportion of those seeking asylum has averaged about 1.5 per cent over the past two decades. The Rudd government was elected on a platform of maintaining strong border protection—reinforced in the budget—and upholding the integrity of our immigration system and ensuring that everyone who tries to enter Australia is processed quickly and treated fairly. That is what the government is doing, and I am confident the Australian people will continue to support this new and more humane, just, rational and effective policy. (*Time expired*)

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

FUEL QUALITY STANDARDS AMENDMENT BILL 2009

Second Reading

Debate resumed from 13 May, on motion by **Mr Garrett**:

That this bill be now read a second time.

Mr OAKESHOTT (Lyne) (10.01 am)—I am pleased this morning to support the Fuel Quality Standards Amendment Bill 2009 and to raise several related issues within the bill. In an area like the Mid-North Coast of New South Wales, petrol generally is a contentious issue at the best of times, particularly the pricing of retail fuel. On a more general basis, fuel quality is also a contentious area of public policy in regard to issues such as ethanol blends and various mandates that are or are not being implemented throughout states such as New South Wales.

The purpose of the bill is to amend the Fuel Quality Standards Act 2000 in order to implement the recommendations of the first statutory review of the act, conducted in 2004-05, and I note that that process was undertaken by the previous government. In particular, the bill will improve the process for granting approvals to vary fuel standards by providing for a wider range of conditions that the minister can apply to approvals, including the power to require that companies take certain action to minimise the effects of supplying substandard fuel, and will simplify the procedures when approval is required urgently to avoid a fuel supply shortage. As well, it provides for more effective and efficient monitoring and enforcement powers—and I will come back to that—including the introduction of a civil penalty regime and the establishment of an infringement notice system. Thirdly, it addresses a number of issues that have arisen from the practical application of the act and its subordinate legislation.

Going back to the issue of monitoring, in the short time that I have been in this place, I have had the opportunity to meet with the ACCC Petrol Commissioner, Joe Dimasi. He has confirmed that on the Mid-North Coast there are regional towns that are included in the daily monitoring that is done. There are 110 regional centres throughout Australia which are monitored daily by the ACCC. My response to him—and I hope that the ACCC consider it—is that on their website it is only prices in the capital cities that are posted on a daily basis, so for anyone who wants to follow what is happening in regional Australia the ACCC website at this stage is not relevant, despite the work being done on a daily basis by the ACCC's monitoring. So there is great contention in our area as to why petrol prices fluctuate so much and why there are large differentials between petrol prices in metropolitan areas and non-metropolitan areas such as the Mid-North Coast, and that debate will continue.

I seek from the ACCC that they be incredibly active in monitoring and from government that they resource the ACCC appropriately so that that monitoring can be as vigorous as possible. If discrepancies are picked up through that monitoring process then proper enforcement can be done by the regulatory authorities. There was a good example a couple of months ago. All the retail outlets in the Taree area received a letter from the ACCC. Either by design or by coincidence there was a reduction in the prices within that community at pretty well exactly the same time as those letters hit the letterboxes. If anyone is in any doubt as to whether monitoring and subsequent enforcement by government regulatory authorities—in this case the petrol commissioner—make a difference, there is a living and breathing example from the Taree community and the Manning Valley.

The second point I want to make on the bill is on fuel blends. That is an issue of contention. I think it is folly that the government is encouraging various mandates with regard to ethanol blends. I do think the science is not in. I have said previously in this House that for any *West Wing* fans there is a fantastic episode called 'The Pledge'. All the various candidates have to stand up and talk about how they love ethanol, when in the back rooms they are sitting with their advisers and their staff talking about why on earth they are being forced in the public arena to stick up for the ethanol industry and ethanol blend in fuel. I would encourage everyone in this place to watch that episode when they are considering this topic.

The parliament of New South Wales recently debated the issue and following that will mandate a 10 per cent ethanol blend by 1 July 2011. I think there were four people in the parliament who opposed that, and they were four of my Independent colleagues. I think that says something about the claws of the vested interests digging deeply into the political process. I

know there are many members of both political parties who question privately the issue of ethanol blends in fuels. Neither the environmental outcomes nor the impacts on farmers are necessarily good. Many farmers argue they are bad. In fact, the Australian Lot Feeders Association is on record saying that it is concerned about feed grain prices. The Australian dairy committee has expressed concerns about impacts on prices and the ultimate impact on consumers when you go down the food-for-fuel path. I hope all of us as members of parliament feel a moral obligation to our neighbouring countries. The general issue of turning food into fuel when we have a world food crisis emerging should prick the consciousness of everyone within the public policy arena in Australia.

One aspect of the Fuel Quality Standards Amendment Bill 2009 is proper labelling of various blends, including ethanol blends. I throw it to the minister to put a label on those E10 blended fuels that says, 'Don't buy,' or, 'It's furphy fuel.' It is a questionable product being pushed by public policymakers to the detriment ultimately of consumers. I would ask this government to consider the actions that the various states are taking with regard to this and where within the authority and the jurisdiction of the Commonwealth action can be taken. I would hope that, whether through this or similar legislation, it can be considered. I do not oppose this bill, but I flag that fuel is a continuously contentious issue in my community. It is contentious because of the pricing at the retail bowser, because of the emerging issue of fuel quality and because public policymakers are prioritising vested interests at the expense of consumers. I hope both of those issues are considered by this place in future policy.

Ms RISHWORTH (Kingston) (10.10 am)—I rise today to speak in favour of the measures that ensure fuel standards around the country. The purpose of the Fuel Quality Standards Amendment Bill 2009 is to amend the Fuel Quality Standards Act 2000 in order to implement the recommendations of the first statutory review of the act, conducted in 2004-05 and released in 2005. I note that there will be another review, which will be undertaken at the end of this year, and I hope that it will allow for some reflection on the new provisions before us today.

The most important new provisions are the improvements to the process of granting approval to vary fuel standards, particularly because the bill simplifies procedures when an approval is required to urgently avoid a possible fuel supply shortage. The bill also provides more effective and efficient monitoring and enforcement powers by introducing a civil penalty regime and an infringement notice system. The act currently allows the minister to approve the variation of fuel standards and impose conditions on the approval. Currently, those conditions must relate directly to the supply of fuel. This bill broadens the scope for imposing conditions. This increased scope means that negative impacts of the supply of substandard fuel can be offset by other actions of the corporation applying for a variation of the standard. Such flexibility allows for a holistic determination of the effects of an approval on human health and the environment. Offsetting projects could include paying for the monitoring project or other investments that ensure that emissions from such fuel are not dangerously harmful.

The bill also allows the minister to consider the circumstances in which fuel is supplied as one of the matters that constitute a fuel standard. The provision will assist in addressing issues related to the complexity of defining fuels used for different purposes and the management of blends—for example, diesel blended with biodiesel. Beyond improving the process for ap-

provals in regular circumstances, the bill also establishes a streamlined process for an emergency situation and, under these new provisions, an emergency approval to avoid a potential fuel supply shortfall as exceptional circumstances are provided for. In addition, the minister will now be able to grant an emergency approval for a maximum period of 14 days and is required to notify the decision to rather than consult the Fuel Standards Consultative Committee. This measure expedites the process without risking an abuse of power in this area.

Finally, as a reform to the approval process under the act, the bill allows for the minister to delegate the power to grant approvals to the secretary or the SES officer, except in relation to emergency approvals, which the minister may delegate only to the secretary. This is an important efficiency measure that will allow the more routine approvals, such as those relating to racing fuels, to be handled by the department. It will also provide some flexibility for the department in those situations where an emergency approval is required to address a potential fuel supply threat and the minister is unable to make an immediate determination for some reason.

The bill also provides for important changes to the monitoring and enforcement regime of fuel standards. Under the act currently, inspectors are required to obtain the consent of a fuel retailer before exercising monitoring powers which are quite broad. This limits the efficacy of some monitoring activities, and the changes in the bill address this and will allow inspectors to enter the public area of a business premises to exercise a limited range of monitoring powers without either the consent of the retailer or a warrant. Importantly, the retailer's right to refuse to allow an inspector to enter or remain on the premises, as is the case with any member of the public, will not be affected. This measure simply makes monitoring more effective and will also mean a better outcome for everyone.

The bill also introduces a more comprehensive range of enforcement measures to our national fuel standards regime. To complement the current criminal provisions in the act, this bill, as I have mentioned before, does include a civil penalties regime so that there will be for each offence an equivalent civil penalty provision. Other enforcement measures include the ability to issue an infringement notice and, if appropriate, accept an enforceable undertaking. The regulations may make further provision in relation to infringement notices. We all know that having this civil penalty provision will allow for more expedient penalties to be imposed for those retailers that do the wrong thing. These measures will ensure that appropriate action can be taken in respect of breaches of the act. There is also one new offence introduced in the bill. New section 65D provides that the secretary can require a person, other than the person who is suspected of contravening a civil penalty provision, who may have information relevant to an application for a civil penalty order, to provide all reasonable assistance in connection with the application. An offence applies for failure to give assistance as required. While this offence is a new offence under the act, it is a procedural offence common to other Commonwealth legislation.

The bill before the House today reflects a common-sense approach to Australia's fuel standards regime. The bill introduces several new elements to the act, which has, for the most part, served the nation well. With the bill the government is ensuring that the process of granting approvals to vary fuel standards is simplified and made more effective, particularly for emergency situations. The government is also strengthening and monitoring an enforcement

provision to consolidate the integrity of the fuel standards regime. Therefore, I commend the bill to the House.

Ms MARINO (Forrest) (10.16 am)—The Fuel Quality Standards Amendment Bill 2009 standardises the quality and improvements of fuel being distributed in Australia in order to regulate fuel quality for environmental improvement, the adoption of better engine and emission control technologies and more effective engine operation. The Fuel Quality Standards Act 2000 was introduced by the coalition to provide a national framework for controlling and improving fuel quality. The act established for the first time in Australia a national regulatory regime for fuel quality that was backed up by a comprehensive monitoring and enforcement program. In 2003 the coalition successfully implemented amendments to the act that were necessary to enable the Commonwealth to impose requirements for labelling of fuels at the point of sale and to make a number of existing offences under the act strict liability offences.

In 2004-05 an independent statutory review of the Fuel Quality Standards Act 2000 was undertaken by the Fuel Quality Standards Act Review Panel with assistance from Economic Associates Australia Pty Ltd and SWB Consulting Ltd. It concluded that the overall policy objectives of the act were being met and should not be altered. Minor recommendations revolving around three areas were made to ensure nationally consistent standards; improvements to monitoring, compliance and enforcement; and improvements to the administration of the act.

This bill aims to make administrative amendments and implement the recommendations of an independent statutory review, conducted under the coalition, which found that these objectives are being met. The coalition supports the minor administrative amendments to improve the bill by amending the process for granting approvals to vary fuel standards by wielding the conditions that the minister can apply to approvals, by simplifying the approval procedures when a decision is urgently required to avoid a fuel supply shortfall and by enhancing monitoring and enforcement powers, including the introduction of a civil penalty regime and the establishment of an infringement notice system.

Amendments to the bill will improve the efficiency and effectiveness of the Fuel Quality Standards Act. In particular the amendments will improve the development and enforcement of fuel standards, which will benefit the public and the environment through cleaner fuels and reduced vehicle emissions. Through this bill the government will impose a new petrol tax under the ETS within one year for commercial transport and within an electoral cycle for passenger vehicles. This will be a new tax law and a new tax for motorists and all fuel users.

Further concerns I have relate to the Rudd government's emissions trading scheme. There is no doubt that the government's proposed legislation is seriously and fundamentally flawed. To use one example, it assumes that Western Australian energy production is connected to the national grid. We all know that Western Australia is basically an energy island. With the planned introduction of the government's Carbon Pollution Reduction Scheme, I am concerned about the impacts a future emissions trading scheme will have on Australian industry across the board. It will impact on the transport sector, the mining sector and the farming, agriculture and forestry industries, and there will be a cost to every Australian community, individual and family. Fuel is and will continue to be a very important component in Australia's productivity and commercial ventures, as well as an ongoing component of our energy balance.

I have mentioned many times in this chamber that my electorate of Forrest not only is the south-west food bowl of Western Australia but also contains major mining and resource activities. Transport and fuel are integral components of these industries. The transport industry itself has faced major cost increases recently. Fuel is also a major operating cost for forestry contractors. Most are small businesses and most are concerned that this government will exclude them from compensation arrangements for extra fuel costs under the proposed CPRS. It has been estimated that the result will be a cost of \$14,000 a year for additional fuel charges, and most contractors are already on very narrow margins and will not be able to absorb these increases. In my electorate, this is on the back of the impact of the Varanus gas explosion. The log haulers were parked up almost immediately. We have lost contractors, and some of the remaining operators have had to sell assets just to survive.

We have seen the failed introduction of Fuelwatch, which was supposed to put competition into fuel prices. But the days of real fuel competition have been compromised by the strong position of supermarket chains in the petrol market. Consumers cannot necessarily plan ahead, as they are expected to with Fuelwatch, as to where the cheapest fuel is supposed to be, particularly in regional areas. Generally all they can do is watch the prices remain high.

According to the CSIRO's June 2008 report entitled *Fuel for thought*, Australia is more vulnerable to changing market circumstances than other countries due to its relatively high vehicle use, the relatively high fuel consumption by vehicles, the almost 97 per cent reliance on oil based fuels for transport and the declining domestic reserves of conventional oil. About 41 per cent of final energy consumption is used in the transport sector, and demand has grown by 2.4 per cent per year. The vast majority of domestic passenger and freight trips are undertaken in road vehicles, which account for 75 per cent of transport fuel use. Air transport is the second highest user, at 16 per cent, then water, at four per cent, and rail transport, at two per cent. The high level of car ownership in Australia means that transport accounts for 14 per cent of Australian's total national greenhouse gas emissions, which is roughly equivalent to the emissions from agriculture.

There is no doubt that the price of fuel will increase under the emissions trading scheme. Those with low incomes will be most vulnerable to rising fuel costs, as spending on fuel represents a greater proportion of disposable income. In addition, there is a tendency for this group to own less fuel efficient vehicles and have fewer resources to invest in alternative fuel or more efficient vehicles. Regional communities and those located on the urban fringes will also be disproportionately impacted upon, owing to their higher fuel use and fewer options for reduced motor vehicle travel or public transport.

The increased cost of oil based fuels will filter through the economy, increasing the costs of all goods and services. The mining and metal-manufacturing sectors are amongst the highest users of transport as an input to production. According to the 2005 ABS report, the transport of food to retail outlets accounts for between one and six per cent of the cost of grocery items. The impact of the ETS on local and regional producers getting their products to markets will result in higher cost increases both to the producer at the farm gate and, through the food supply and value chain, to the consumer. An emissions trading scheme that does not include international emitters will represent a serious threat to food security and to our home-grown regional food producers, food manufacturers and exporters.

The DEPUTY SPEAKER (Ms AE Burke)—The member for Forrest is talking about fuel quality. She has strayed quite a lot on the ETS, and I have allowed it, but I think we would like to get back to the actual bill before us.

Ms MARINO—As I said, I support the bill and recommend it to the House.

Ms HALL (Shortland) (10.25 am)—It is with great pleasure that I rise to speak on the Fuel Quality Standards Amendment Bill 2009. This legislation implements the recommendations of the first statutory review of the Fuel Standards Act 2000. The bill also addresses a number of administrative issues and provides an independent review of its operation every five years. The next review is due to commence late this year. The amendments to the act will improve development and enforcement of the fuel standards, which in turn benefit the public and the environment through cleaner fuels and reduced emissions.

I have noted what a number of members making contributions to this debate have said. The member for Lyne raised a number of valid issues. Members on the other side tended in their contributions to stray—as you pointed out, Madam Deputy Speaker—from the actual ambit of the legislation. I support this legislation. With those few words, I hand over to the Parliamentary Secretary for Regional Development and Northern Australia to sum up.

Mr GRAY (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (10.27 am)—I acknowledge the excellent contributions of all speakers in this debate and rise to sum up. The Fuel Quality Standards Amendment Bill 2009 will improve the efficiency and effectiveness of the Fuel Quality Standards Act 2000. In particular, these amendments are needed to improve the development and enforcement of fuel standards, which in turn benefit the public and the environment through cleaner fuels and reduced vehicle emissions. The measures contained in this bill will help the government stamp out unscrupulous dealers who illegally supply substandard fuels to Australian motorists, in breach of national fuel quality standards. The act currently allows for approval of the variation of fuel standards and the imposition of conditions on the approval. However, such conditions must relate to the supply of fuel. The bill will broaden the scope of the conditions that can be applied to approvals to vary fuel standards. This will allow for a company that has just been granted an approval to be required to take measures to offset the adverse impacts of any supply of substandard fuel.

The approvals process has also been streamlined in relation to variations of a minor nature and for the addition to the approval of other suppliers, who are referred to as ‘regulated persons’ under the act. The bill will allow for these sorts of minor decisions to be made by senior departmental officers. A key feature of the bill is the introduction of the power to grant approvals in emergency situations to avoid a potential fuel supply shortfall without having to consult the Fuel Standards Consultative Committee. In these circumstances, where time is very limited before the threat of the fuel supply shortfall is realised, the committee need only be notified of the decision. An emergency approval can only apply for 14 days, after which the committee must be consulted on any proposed extension of the approval. The bill will also allow the circumstances in which fuel is supplied to be included as part of the fuel standard. This provision will allow the inclusion or exclusion of certain end uses, where appropriate, from the application of fuel standards, and it will assist in addressing issues relating to the complexity of defining fuels used for different purposes and the management of blends. This is particularly important for biofuels, where different blend ratios with petroleum fuels will

have implications for vehicles. This change will allow for fuel standards to be set for fuels blended with biofuels such as biodiesel and ethanol at different percentages and for clarification in the blend standard of the types of vehicles the fuel is suitable for.

The bill will introduce a more comprehensive range of enforcement measures, including a civil penalties regime, so that there will be for each criminal offence currently in the act an equivalent civil penalty provision. Other enforcement measures include the ability to issue an infringement notice and, if appropriate, accept an enforceable undertaking. These measures will ensure that appropriate action can be taken in respect of breaches of the act. The bill will allow inspectors to enter the public area of business premises during normal hours of operation and exercise a limited range of monitoring powers without the consent of the retailer or without a warrant. Entry to other areas of a business premises or entry outside normal business hours will, as currently applies, require the consent of the retailer or a warrant. The bill will expand current information-sharing powers to allow the secretary to share information obtained under the act to assist in the administration or enforcement of various laws—for example, the Energy Grants (Cleaner Fuels) Scheme Act 2004 and the state and territory fair trading laws. This will facilitate communication with other regulators to increase the intelligence base on potential offenders. It will also assist in addressing gaps in the act's coverage of the industry.

There is only one new offence in the bill. As a consequence of the addition of a civil penalties regime in the act, a new section 65D provides that the secretary can require a person, other than the person who is suspected of contravening a civil penalty provision, who may have information relevant to an application for a civil penalty order to provide all reasonable assistance in connection with the application. An offence applies for failure to give assistance as required.

The act, as currently written, is difficult to enforce. This bill will make the legislation much more robust to ensure that the quality of fuel supplied in Australia is of the high standard required for new advanced engine technology in vehicles. This will be important to enable us to respond to new fuels and vehicle technologies as they emerge. In closing, let me make clear that this bill will help to stamp out dodgy dealers who supply substandard petrol to consumers and will give Australian motorists confidence that the fuel they are paying for is of the high standard they expect. I commend the bill.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

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

THERAPEUTIC GOODS AMENDMENT (2009 MEASURES No. 1) BILL 2009

Second Reading

Debate resumed from 19 March, on motion by **Mrs Elliot**:

That this bill be now read a second time.

Mr OAKESHOTT (Lyne) (10.33 am)—The purpose of the Therapeutic Goods Amendment (2009 Measures No. 1) Bill 2009 is to amend the Therapeutic Goods Act. Certainly I am not opposing this legislation. In fact, I think it is timely and well overdue for a number of rea-

sons. The amendment allows certain goods on the register to be suspended in certain circumstances—and I will come back to that. It amends the manufacturing licences. It amends monitoring powers to allow the taking of samples of therapeutic goods—and I will also come back to that. It amends arrangements for complementary medicines. It enables the making of lists of permitted and prohibited ingredients in listed medicines, clarifies arrangements for conditions of listing goods and makes some technical corrections to references to reflect changes in terminology.

I make just three very brief points. The first is that I hope this bill reflects some growing interest from the government in the growing desire of community members to explore a range of options with regard to treatment of their own health and wellness. I am noticing at home that, whilst there is certainly a commitment to traditional Western medicines, there is a growing interest and desire to complement those Western techniques with a whole variety of options for personal treatment regarding wellness. Whether they are Eastern medicines, the various complementary medicines or the homeopathic options, a whole range of desires and considerations are becoming more and more prominent. For the government to respond to that—and I hope this bill is part of a response to that—I think is a positive thing in reflecting the needs and wants of the broader community.

I hope this bill also starts to capture the hawking of the snake oil—for want of a better term—that we see far too often in communities such as mine. I am sure that every local member has experienced various products coming into their local communities being sold in various pyramid schemes. One person wins substantially out of the marketing and selling of that product, claiming that it is going to improve the health and wellbeing of everyone in that community, and within a year they are out of town. They might have got a new car, and a lot of people are left with a lot of debt in the community for the longer term. We have experienced that on the mid-North Coast on several occasions. Hopefully, if this bill is reflecting the government wanting to start to capture, monitor and control that process in a better way, and really define the boundaries of what is acceptable and what is not acceptable as a product on the market, then good work has been done by the government in putting this bill forward.

Thirdly, and probably at the sexier end of the spectrum, in the hawking of product and snake oil, there has been standout debate about various billboards in various communities as to what products can and cannot deliver. Once again, I hope this bill starts to shape some of those debates in a more controlled, managed and sensible way. It might also help in some community advertising standards being reached which reflect the wants and needs of the community better and reflect the wants and needs of government better. There are some pretty confronting billboards. I am no prude, but I think we can do better than having snake oil promoted on billboards, regardless of the product, challenging community standards in the way things are marketed in the marketplace.

I support the bill. I think I am the only speaker on this side, so we can assume the opposition generally supports this bill. I certainly hope this bill, by being put before the House, does the work that is desired and I hope it does what it is trying to achieve.

Ms HALL (Shortland) (10.38 am)—In my contribution on the Therapeutic Goods Amendment (2009 Measures No. 1) Bill 2009 I would like to start where the previous member, the member for Lyne, finished on the matter of billboards—and I think I know the billboards that he is referring to. They relate to the treatment of impotence. The House of Repre-

sentatives Standing Committee on Health and Ageing will actually be looking at the claims surrounding that issue in a short and sharp inquiry that is going to take place in the very near future. I thought the member might be interested to know that, because it has been an issue of great concern to a number of members on that committee. The committee has had a presentation given to it. I have actually written to the New South Wales Minister for Health, who has advised me that the Health Care Complaints Commission conducted an inquiry into the matter in 1998 and it is currently with the Office of Fair Trading in New South Wales. As the member rightly pointed out, we need a whole-of-Australia approach to the issue, not just in New South Wales. I thought I would just put that on the record as a matter of interest. Madam Deputy Speaker, I apologise for straying from the legislation that we are debating today, but I feel that to be vitally important. In effect, it does refer to this legislation because, like the previous speaker, I hope that it is captured by this legislation.

The bill amends the Therapeutic Goods Act 1989 to provide for medicines to be suspended from the register. It amends manufacturing licence arrangements and enables variation and transfer of licenses. It enhances monitoring powers, establishes a framework for the regulation of homoeopathic medicines and enables the minister to determine lists of permitted and prohibited ingredients. It clarifies that instruments in the act come under the Legislative Instruments Act 2003 and it makes other amendments to improve and clarify the operation of the act. Currently medicines are treated differently from therapeutic goods. Therapeutic goods can be suspended from the list, but this legislation enables medicines to be suspended. As I mentioned, medical devices can be suspended already. This bill amends the manufacturing licences, enables variation and transfer of licences and enhances monitoring.

The previous speaker mentioned an issue that relates to homeopathic and alternative medicines. Back in 2003 there was a very newsworthy investigation into some of the practices. At that time there was a rethink about the way these goods were handled. This legislation has been prepared in consultation with the industry, but I hope it will pick up on some of those goods being sold with claims that misrepresent what they can and cannot do. I have had quite a bit of contact with people within my community on this. The member for Paterson, who I see has joined me, may have had some contact with people in the Hunter, too, in relation to some of the treatments and remedies that have been promoted within our community.

This legislation, I believe, will put in place some control and will enable the suspension of those medications promoted as being able to treat a certain illness or deliver some remedy that they in fact cannot. It is also important to note that at the moment it is very, very difficult to have medicines removed from the list. This legislation will enable that to happen very quickly. It will streamline the process and overall it will ensure that goods—both homeopathic medicines and medicines generally—that are presented for sale within our communities are safe and deliver what it is said they will deliver. As has been noted by all speakers on this legislation, it is non-controversial. There would not be a member in this parliament who would not support it, and I have great pleasure in supporting it. I was pleased to be able to provide that extra information on impotence treatments.

Ms McKEW (Bennelong—Parliamentary Secretary for Early Childhood Education and Childcare) (10.45 am)—In summing up, as mentioned in the second reading speech, the Therapeutic Goods Amendment (2009 Measures No. 1) Bill 2009 amends the Therapeutic Goods Act 1989 in a number of ways. Firstly, it incorporates into the act provisions allowing

medicines to be suspended from the Australian Register of Therapeutic Goods where there are safety concerns but where it is expected that these can be corrected in a short period of time. The suspension provisions are based on similar provisions allowing medical devices to be suspended which were added to the act in 2002. For the duration of the suspension, the medicine cannot be supplied. If the concerns about the medicine's safety extend to batches that may have already been supplied to the public, these will be able to be recalled under the new provisions. Currently, where there are safety concerns with the medicine, the only option available is to cancel the medicine from the register and then, once the safety concerns have been addressed, the sponsor must apply to have the medicine relisted or to re-register and pay the relevant fees. This clearly is inefficient and costly. The amendments in schedule 1 will address this.

The second set of changes relate to manufacturing licences. Presently, a licence can be issued to cover more than one site, and the name of the licence holder, the manufacturing steps approved to be undertaken and the sites covered are not specified on the licence. Further, licences cannot be varied or transferred to another manufacturer. Schedule 2 will address these issues by providing that licences can only cover one site except in limited circumstances, which are to be set out in guidelines. Such circumstances would include where two sites are located adjacent to each other and are jointly involved in the manufacture of the same therapeutic good. The amendments in this schedule will also require that manufacturing licences specify the details of the licence holder and what is approved by the licence. This schedule will also enable licence holders to apply to vary their manufacturing licence and will provide for regulations to be made setting out a process for transferring a licence to another manufacturer.

The bill also enhances existing monitoring powers in the act for authorised officers to enter and inspect premises and to take samples to assess the safety and quality of therapeutic goods and the processes in manufacturing and dealing with these goods. The powers currently do not enable samples to be taken of related material such as ingredients used in manufacturing medicine, although the quality of these ingredients is directly related to the quality of the final product. The powers are also limited to inspecting those therapeutic goods expected to be on the premises—for example, those that the site is licensed to manufacture—although other potentially unauthorised therapeutic goods may be found on premises. Currently, the act does not enable authorised officers to take samples of these other goods. So the amendments in this schedule address these problems to ensure monitoring for safety and quality can occur in full at all sites handling therapeutic goods. Further to this, the amendments will update the references in the act to replace references to still images or sketches with references to still or moving images or recordings, to allow, for example, video recording of manufacturing equipment in operation.

Schedule 4 of the bill includes a new framework for the regulation of homoeopathic and anthroposophic medicines. Currently, many of these medicines are exempt from the requirements of the act to be included in the register and meet manufacturing requirements. The bill now provides a framework for the regulation of these medicines and, in doing so, it implements the 2003 recommendations of the Expert Committee on Complementary Medicines in the Health System that these products be regulated.

The framework in the bill will provide for standards to be set by reference to the relevant pharmacopoeia. The new framework will commence in July 2011 to allow time for this industry sector to prepare to comply with the requirements and to ensure further consultation can occur to inform the necessary changes to the regulations to give effect to the details of the framework.

Schedule 5 of the bill enables the minister to determine in a legislative instrument the ingredients that are permitted and those that are prohibited from being included in listed medicines. Applications to list a new medicine for supply in Australia must certify that the medicine contains only permitted ingredients and no prohibited ingredients while the secretary, in considering an application to list a medicine for export, must have regard to its compliance with the lists.

A person can apply for an ingredient to be included in the permitted ingredients list and the minister must consider the application. All decisions regarding the ingredients to be included on the lists will be made by the minister based upon advice from the TGA, the Therapeutic Goods Administration, and its expert advisory committees.

Schedule 6 makes amendments to references in the act to orders published in the *Gazette* and to disallowable instruments to clarify that these are legislative instruments for the purposes of the Legislative Instruments Act 2003.

Finally, schedule 7 makes a number of miscellaneous amendments to improve and clarify the operation of the act. Most significantly, this schedule provides for new, more transparent arrangements for the setting of conditions on therapeutic goods. The amendments will enable the minister to determine by legislative instrument the standard conditions that are to apply to categories of medicines. Alongside these standard conditions the secretary will continue to be able to set specific conditions on particular medicines included in the register.

The amendments also establish in the act two specific conditions that will be applicable to all registered and listed medicines. These are to require that medicines not be exported or supplied after the expiry date for the medicine and that medicines cannot be advertised for any purpose other than that which was accepted for the registration or listing of the medicine.

The final schedule also clarifies that decisions of the secretary, such as for applications to list medicines and low-level medical devices, can be made by computer software. The secretary will retain the power to substitute a decision of her own within 60 days of the computer program decision.

The bill also strengthens safety and quality scrutiny for listed medicines manufactured overseas. Although the act requires sponsors seeking listing of a medicine that is manufactured overseas to receive confirmation from the secretary that the manufacturing processes are acceptable, similar certification requirements have not been required for medicines whose manufacturer has been moved from a previously approved Australian or overseas manufacturer to an overseas manufacturer.

Although sponsors of these medicines must advise the TGA of the manufacturing move once it has occurred, and the TGA then reviews the quality of the overseas manufacturer, prior certification is not currently required under the act. So the amendments in schedule 7 will address this discrepancy and require that, as a condition of listing medicines that are manufactured overseas, the sponsor must receive certification from the secretary that the manufactur-

ing and quality control procedures are acceptable before the medicine's manufacturer can be moved. This will ensure that the quality and safety of those medicines are maintained.

The government intends to make further amendments to the regulatory regime for therapeutic goods later in the year. In particular, the changes will provide for a new framework for the regulation of human cellular and tissue based therapy products, also known as biologicals, which have to be implemented under the joint Australia New Zealand Therapeutic Products Authority. New arrangements for the separate scheduling of medicines and poisons will also be introduced.

Finally, Australia has been well served by the TGA, and it is important that the regulatory regime that the TGA implements is kept up to date so that the authority and the industry it regulates can operate as efficiently as possible and so that, most importantly, Australian consumers can continue to have timely access to safe and effective therapeutic goods.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

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

DEFENCE LEGISLATION AMENDMENT BILL (No. 1) 2009

Second Reading

Debate resumed from 18 March, on motion by **Mr Snowdon**:

That this bill be now read a second time.

Mr BALDWIN (Paterson) (10.54 am)—I rise today to speak on the Defence Legislation Amendment Bill (No. 1) 2009. This bill is in two parts. The first part concentrates on the establishment of a discretionary tactical payment scheme, and it is critically important, as our troops operate in the Middle East environment and indeed in other areas, that we move away from an act of grace payment to empowering people actually at the battle face to be able to make compensatory payments to people where damage has occurred. One of the simple lessons in life, which goes back to time immemorial in engaging with the enemy, is that there will often be collateral damage to assets, to individuals and to livestock. If we are to win this offensive against terrorism in Afghanistan, or indeed in other areas that may or may not eventuate out of our engagement when addressing terrorism, we need to empower people on the ground to take immediate action to address losses.

This bill is long overdue. In America they operate under two systems of payments. Firstly, they have a condolence payment, which is an expression of sympathy for death, injury or property damage caused by coalition or US forces generally during combat. In addition, at the commander's discretion, payments may be made to civilians who are harmed by enemy action when working with the US forces. But, importantly, payment is not an admission of legal liability or fault. Secondly, a solatia payment, which is a token or nominal payment for death, injury or property damage caused by coalition or US forces during combat, is made in accordance with local custom as an expression of remorse or sympathy towards a victim or his or her family. Again, payment is not an admission of legal liability or fault.

Perhaps the key and critical argument in establishing this tactical payment system is that we address the issue in rapid time. This means that payment can be authorised by the minister

through delegated approval to the Secretary of the Department of Defence, the Chief of Defence Force, a military officer in command of an activity of the Defence Force outside Australia, and that officer in command of a deployed force will vary depending on the size of the operation—that officer may be a lieutenant colonel or equivalent or higher—or an APS employee who holds or performs the duties of an APS6 or higher, and is intended for those who have been deployed on an overseas operation as the policy officer to the officer in command of an activity outside Australia.

The reality is that in Afghanistan at the moment, and in some of the offensives we are taking against terrorism in protecting freedoms and democracies and getting rid of this scourge on the earth, collateral damage is occurring. Sometimes that collateral damage is to a building or it could be to animals and livestock. Sadly, and unfortunately, it could also relate to an individual's life. The ability to immediately make a compensation payment to that person can address a lot of the grieving, particularly when a household farm, equipment or livestock have been damaged. We are not talking about massive amounts of money. This legislation will set in place a payment with a set limit of \$250,000. Normally, in areas of operation through the Middle East, I am informed these payments would max out generally around \$1,500. We are not talking about large sums of money being carried around by soldiers buying their way out of trouble; we are talking about a genuine attempt to mitigate the damage at a local level, to try to keep a semblance of peace, so we are engaged against the terrorist enemy and not against the people who have suffered collateral damage. I think that is critically important.

I know the US military have a very different system from that which we have in Australia, but we can take from their experiences. Their US forces manual, through the United States Government Accountability Office, is quoted in the *Bills Digest* as follows:

The new U.S. Army Field Manual on Counterinsurgency greatly stresses the importance of winning civilians' hearts and minds. To win hearts and minds, militaries must take a holistic approach to rebuilding a nation after war by providing infrastructure, governance, safety and well-being. Failure in these components may prevent lasting victory.

It goes on to say:

... positive treatment of civilians becomes imperative to strategic military interests. While building a school or hospital may help the military "win over" a community, providing individual monetary assistance to a family who lost a breadwinner during a firefight can "win over" a family and a neighborhood.

What I am saying is that the opposition will support this initiative by the government because we see it as a way of winning the war, particularly in Afghanistan. There have been many, from the Russians through to Alexander the Great, who have tried to establish authority in Afghanistan. Each has had varying degrees of success and some have had massive failure. But it is true that the only way to win this war on terrorism is to win the hearts and minds of the people of Afghanistan. You cannot do that if you take away their breadwinner accidentally; you cannot do that if you destroy their livestock without some form of compensation. This goes a way towards addressing that.

What is key but is also missing in this is that, previously, acts of grace payments have been reported as part of the Defence annual report in a quantum. I am foreshadowing that the coalition will be moving an amendment in the Senate that will see a reporting structure to the Joint Standing Committee on Intelligence and Security and will require a full list of tactical pay-

ments made in the preceding year. We see that as one way of achieving transparency in order to understand the quantum of the payments.

The other thing that I note in the explanatory memorandum is that it says there will be no financial impact from this bill. There is not much point in having a tactical payment system whereby you are going to make remediation for damage that has occurred or loss of life if you are not going to pay out money—introducing this scheme and establishing such a structure that is not going to be used. The whole idea of establishing this tactical payment scheme is to take away from the onerous reporting and paperwork in relation to the acts of grace payment scheme and expedite it. So what we see is that there will be a financial impact. If it brings about a closer resolution to the war on terrorism by taking the people of Afghanistan on the journey with us—which is an often used term—then there will be an impact. But that is not the issue. It is just that in the explanatory memorandum there is the claim that there will be no financial impact from this bill, and that is quite misleading. We will be moving that amendment in the Senate. The government now has the opportunity to think through how it will report back and perhaps cooperate with the opposition. The government, as proven by having to have amendment bills, particularly for the home ownership scheme, has shown they are not the oracle of knowledge when it comes to all things good and great. Some of these things are reached by consensus and exploring each other's ideas on the way to address situations.

As I said, we support this tactical payment system because we have our men and women on the ground defending freedoms and democracies. In fact, tomorrow in Townsville, at 3rd Brigade, Lavarack Barracks, the Mentoring and Reconstruction Task Force will be deploying to Middle East areas of operations. Our prayers and wishes go with them—first and foremost, to look after their safety, but also to wish them well on their missions in re-establishing the community, working with the community and working with the Afghan nationals in developing their strength so that they can address the issues in relation to terrorism and start to take control of their own destiny. People need to live freely. Freedom and democracy is perhaps one of the most valuable and most cherished things that we have in this world that we live in.

I would also say to the House that we need to make sure that in allowing the tactical payment system to go ahead we have checks and balances in place—that it is not *carte blanche*. I respect our officers on the ground that will actually be making these decisions and I hope that they do not get too caught up in paperwork that it delays the process.

As I said right at the very beginning, the key effectiveness of this measure is the immediacy of resolution—that a person in a patrol has the financial ability and the delegated authority to address this issue, make the compensatory repayment and thus take most of the heat out of the problem. Of course, in the case of the loss of a loved one, as we know in our own lives, healing takes a long time. But when it is something like a barn, a tractor, some pigs, sheep, cattle, goats or other livestock, whatever it may be, they can be bought down at the market with the financial compensation package.

The second part of this bill addresses issues in relation to the Defence Home Ownership Assistance Scheme. It was last year that this bill was brought to the parliament, and it arose from coalition policy as a means of increasing retention in defence. It came into effect on 1 July 2008, so it has been in operation for not quite a year, and we do not yet know the full effectiveness of the measure as a retention scheme. We do know that listed in the budget papers this week are some facts and figures, and I note that in the net costs of providing the sub-

sidy, after expenses and revenues, the amount apportioned for 2009-10 is \$28,929,000 and that in the forward estimates for 2010-11 it is expected to be \$45,336,000; for 2011-12 it is expected to be \$43,972,000; and for 2012-13 it is expected to be \$63,123,000. I do foreshadow for the minister that we will be putting questions on notice to determine how many loans have been provided; to look at its effects, whether there is a correlation with the retention benefit; but also, importantly, to find out what the level of interest rate subsidy on an individual basis has been for that year.

The key measure in all of this is to provide an effective means of support to the men and women of our defence forces, but there are unintentional anomalies in this scheme, and that is what this amendment seeks to address. I think that ‘unintentional anomalies’ is political code for ‘I didn’t think through the legislation properly in the first place.’ The aim of this amendment is to address the period of break in service and make sure that it is actually utilised as a retention bonus. There is a lock-off period of five years—so, if you leave the Defence Force for more than five years and then come back, your service preceding those five years does not count towards achieving this home loan subsidy. That is important at a time when we need to keep critical skills and trades in the Defence Force. Whilst it is good at times for people to move out into other areas of industry to gain new skills or further enhance their skills and education, people being away for more than five years is actually a massive loss to defence because when they come back they need to get reoriented.

As the explanatory memorandum states, the purposes of this bill are to:

- remove an unintended windfall gain in the eligibility and entitlement of members who rejoined the ADF after a break in service prior to 1 July 2008;
- provide greater reliability of the subsidy certificate as evidence to a home loan provider that subsidy is payable to a member by making the issue of a subsidy certificate conditional on a member having a service credit in the scheme;
- ensure that only serving members who are buying a home for the first time have access to the subsidy lump sum payment option;
- require that for lump sum subsidy to become payable in respect of an interest in land, the property must have been purchased subsequent to the giving of the subsidy certificate that is the basis for the lump sum requested;
- clarify that subsidy may be payable either as a monthly payment or as a lump sum payment and monthly payment, and ensure that members who access the subsidy lump sum payment option retain sufficient service credit in the scheme to support on-going monthly subsidy payments;
- ensure that the entitlement of subsidised borrowers who enter into a joint mortgage with a person who is not defined as a partner in the Act, is proportional to the subsidised borrowers’ liability;
- clarify the entitlements of subsidised borrowers who are partners and who are both parties in respect of the same loan, in order to provide for a consistent framework for shared liability ...

This scheme was well thought out in the essence of its proposal, and there was an extended period for the establishment of the legislation. There was a period for a tender process where financial institutions put forward their best cases. Thinking back to when this bill was first debated last year, I was reading it and going over some points and I went back to the *Hansard* of my contribution to the original second reading debate on the Defence Home Ownership Assistance Scheme Bill 2008 and its consequential amendments bill. At the time, I highlighted how the government had sat on the bill for some time and then sought to introduce

that bill in a great flurry prior to 1 July 2008 so the time for the scrutiny and proper examination of the bill was very much truncated. I had a bit to say on the bill and I would like to go back to what I said in *Hansard*, which proved that the minister had rushed it. I said:

The government have been tardy in their management of this legislation's process. I note, for example, a letter addressed to me from the Minister for Defence Science and Personnel seeking the coalition's consent for the signing of contracts to allow the successful tenderers at least eight weeks to transition prior to the 1 July 2008 implementation date. This letter was dated 21 April. The final paragraph of that correspondence says:

Should you have any comment on the proposal I would be grateful if you could provide it to me by 17th April 2008 as Defence needs to sign the contracts in the week commencing 21st April 2008.

That letter was not even stamped or posted to me until after the contracts had to be signed. So in these great rushes we are seeing unintended consequences, and one of them is being addressed today.

I also note that basically three loan providers were successful in providing these loans: the National Australia Bank, the Australian Defence Credit Union and the Defence Force Credit Union. They are doing a good job. They are supporting our service men and women, and that is critical. But, as I said, we need to ascertain the total effectiveness of this package in relation to retention, which is what it was initially all about, because prior to this there was just the defence home loan. It was not competitive in modern times. It did not provide great incentives, but we believe this does. But it also must remain current and it must look to variations in the cost of mortgages, fluctuations in interest rates and how they affect people—whether people are locked in at an interest rate or whether they have a variable rate. It must address all of those concerns.

I dare say that in the coming 12 months we will probably see more amendments to this act, but I hope they are amendments based on need and not based on unintended consequences and a lack of forensic examination by the government of its own bills that it puts forward. As I said, we will be supporting this bill, with the exception that in the Senate we will be moving an amendment to make sure in particular that part of the tactical payment system is referred to the Parliamentary Joint Committee on Intelligence and Security for forensic examination by that committee. I commend this bill to the House.

Mr NEUMANN (Blair) (11.14 am)—I rise to speak in support of the Defence Legislation Amendment Bill (No. 1) 2009. This bill has two parts. The first part deals with unfortunate happenings overseas in places like Iraq, Afghanistan and Timor in which our men and women in the military might be involved and other spheres of military activity Australia may engage in in the future. The second aspect deals with defence home ownership and assistance given to men and women who served in the military, in the reserves and in the permanent forces. As someone whose electorate contains the RAAF base at Amberley, I am keenly interested in issues of defence and particularly in how we can help the men and women who serve our country both overseas and domestically and protect our shores—whether in the air, on land or by sea. The RAAF base at Amberley has 9FSB as well, an Army battalion, but also is getting another construction battalion as the base continues to expand. These types of things are very important to my constituents, and that is why I am pleased to speak on them.

The first aspect of the bill deals with the Defence Act 1903 and introduces a discretionary tactical payment scheme, TPS, to provide a new mechanism for making timely or expeditious

no-liability payments to persons adversely affected by Australian Defence Force operations outside of Australia. We have, in Australian law systems of no liability, compensation in WorkCover and workers compensation and ex gratia payments in circumstances where people have been victims of crime. So it is common in Australian law for people to receive payments where they suffer injury, illness or damage in circumstances where there is no actual liability admitted or agreed to in the circumstances. The concept of a no-liability payment is not at all foreign to Australian law. As someone who has practised as a litigation lawyer, particularly in areas of personal injuries and crime, I am familiar with these types of compensation. Many times I have stood before medical tribunals on workers compensation matters and argued cases in relation to matters where people were injured at work. I am familiar with that.

I am very pleased the government has done this. Our men and women in Afghanistan and other places are fighting to protect our rights and our liberties. The challenges our forces face against Islamic fascism in places like Afghanistan are incalculable; the challenges are dreadful and they put their lives on the line all the time. We saw 20 million Russians killed in World War II. Many were civilians who were innocent of any involvement in communism, fascism or any kind of activity at all. They were killed in those circumstances. In Vietnam many men and women were injured through no fault of their own; they were entirely innocent of the events. There are things that happen which are totally unintended. They are tragic to the families. They might destroy an individual's livelihood; they might destroy the capacity of an individual to live the kind of functional life that we accept as normal. Particularly in Third World countries, damage to property or injury where there is not a compensation scheme and not the medical treatment and help that we in a First World country think is appropriate is devastating to the lives of families. In a lot of cultures there is an expectation that there be some form of compensation, and I think that is appropriate in the circumstances.

If you want to build relationships with local communities, you really need to ensure that there is safety and security for our ADF personnel, and we need to make sure that we build those relationships by acting in an honourable, dignified and fair and just way. Making small, timely and expeditious capped payments is a good way in the circumstances to ensure there is trust and amity between our forces overseas and the residents of those countries. Relying on act of grace payments is not the way to go, and in the past there have been criticisms of Australia's position on this matter. We have not made the kinds of condolence and other ex gratia payments that the Americans have, and I know comments on this matter have been made by very senior members of the military and other interested parties.

We have relied on section 33 of the Financial Management and Accountability Act 1997, which provides a legislative basis for an act of grace payment where the finance minister considers it appropriate to do so because of special circumstances. In 2007-08, three act of grace payments were made totalling just over \$81,000. The amount for the previous year totalled nearly \$200,000, when 14 payments were made. It really beggars belief that there were not other circumstances where people should have been compensated. The capacity to determine who should receive payments on the ground and at a lower level would be the way to go, and I am pleased that we are doing this. But we need to have some degree of consistency in the decision making. In the area of compensation, if you injure your arm or your leg or acquire some sort of illness or injury, there is a degree of jurisprudence or commonality in how much is paid, because it is set out in regulations. Every case is different—every case for every indi-

vidual and every circumstance is different; every culture in every country is different. I would like to think that we could have some degree of consistency so that, if it was a particularly poor country, we would provide the people in that country with a fair and equitable payment in the circumstances.

The Minister for Defence Science and Personnel, the Hon. Warren Snowdon, in his second reading speech on 18 March 2009 said:

In many areas in which the ADF operates, the expectation of financial compensation for collateral damage to property, injury or loss of life is often a common aspect of local cultures.

... ..

... experience in East Timor, Iraq and Afghanistan has shown that the administrative requirements involved in making an act of grace claim make that system unsuitable for use in operational environments.

I say amen to that—he is absolutely correct in the circumstances. Anyone who does not receive payment in a timely way can suffer aggravated injury, illness or loss of property. Someone's livelihood could depend on a certain tractor, implement or shop or whatever. If that was damaged and the person did not receive a payment, their economic loss might be aggravated. This is good legislation and I think it will help our men and women serving overseas. I think it is the right and honourable thing to do as a country, in the circumstances, to provide for our neighbours. If we are to be good Samaritans, if we are to care for our fellow human beings who inhabit this planet, we have to do the right thing by them as well. I think in the circumstances we need to do this, and I am pleased the government have chosen to do so.

The second aspect of this bill deals with the men and women who serve in the military, particularly in the bases across Australia, whether in Townsville, Darwin, Ipswich or wherever. In my electorate, the Defence Home Ownership Assistance Scheme has been warmly welcomed by the men and women who serve at RAAF Base Amberley. I spoke to many of them when I did my parliamentary service last year at Amberley—I spoke to hundreds of them at that time. Many of them shop in places like the Yamanto shopping centre, where I have a mobile office on a regular basis. Many of them live in Flinders View, a suburb of Ipswich, where I live. Providing household assistance is really important.

These people live in what I would describe as middle-class suburbs in Ipswich. We have provided better housing for them. It is tragic that in decades past they were provided with what I would describe as appalling kinds of residences. They were not treated with the respect I think they deserved. Some of the women to whom I have spoken who followed their husbands and partners around Australia had to live in appalling accommodation. Governments of both sides have tried to show a degree of concern for the families of defence personnel, and I think that is good. I think it is the right thing to do in all the circumstances. In my electorate, we are providing tremendous housing for our military families. For example, as part of the defence housing initiative in the recent Nation Building and Jobs Plan, 133 new houses have been built in Ipswich at a cost of \$36.3 million. That is tremendous for the local people. Many of these houses are not far from where I live.

I was talking to the men and women of RAAF Base Amberley, and they commended the government for the home loan subsidy scheme for eligible ADF members. It is a major initiative of the Rudd government to recruit new people and retain our men and women in the military. I had the privilege, on the first day I was doing the parliamentary program last year, to

meet a fellow who told me, as we were in the back of a C17 plane, that in fact that was the reason he was staying in the military—to get the assistance, because it helped him with the house he owned in Ipswich. I thought it was fantastic that, on the first day I was there, I spoke to someone who said that to me.

The assistance is quite considerable. The subsidy at tier 1 is up to \$203 a month, going up to a maximum subsidy of \$406 a month at tier 3. That is a lot of money in anyone's language. Certainly that goes a long way to helping the men and women of our military to provide suitable accommodation for themselves and their families, particularly their children. We know that, if our children do not grow up in an environment where they feel that they can honour the property in which they live, they tend to not respect it. We see that commonly in our society. So this is a good way to treat our military families with respect and dignity.

But there have been some unintended consequences. The legislation here seeks to remove a windfall gain and assist in the promotion of retention and recruitment. The Minister for Defence Science and Personnel said in his speech on 18 March 2009 that the take-up in relation to the defence housing initiative of the Rudd government has been quite extraordinary. As at 28 February 2009, the scheme administrator, the Department of Veterans' Affairs, had issued 11,255 subsidy certificates to eligible ADF members. Of these ADF members, 5,197 had commenced receipt of the subsidy assistance in taking up a mortgage provided by a member of the home loan provider panel. The ADF member feedback indicates the scheme is having a positive influence on retention. Certainly anecdotally in Ipswich that has been my experience as well.

Some changes were needed to improve the eligibility and entitlement of members who rejoined the ADF after a break in service prior to 1 July 2008. The measure will ensure that members who rejoined the ADF prior to 1 July 2008 are provided with the same eligibility and entitlement as those who rejoin after that date. The member for Paterson went through these changes in detail and, in the circumstances, I do not wish to go through them again. He has already adequately outlined them. I do say this: it is important to get this thing right so that only those who are eligible are entitled and so that this measure really acts as a stimulus, a catalyst, for recruitment and retention. I commend the minister for fixing this anomaly.

This help for our military people in Blair is a consequence of our commitment to their families as well. Financial assistance is important. The kind of environment they have at home should be replicated in the kind of environment they work in every day. So I am pleased that the government has taken positive steps to respond to the white paper. We are receiving assistance in terms of new planes at RAAF Base Amberley. The Hornets are coming. We announced that last year. The F111s are retiring, after 40 years of service. They are nicknamed the 'flying pigs' and are much loved by the people in my electorate. It is sad they are going, but they have served our country well, and the personnel there have been part of our community for decades. We look forward to the Super Hornets coming to Amberley, of course.

Defence was a big winner, and the people in Blair will likely receive considerable assistance. The RAAF base at Amberley, which I have mentioned before, is the workplace for the people who use the Defence Home Ownership Assistance Scheme, and we are seeing a major upgrade as a result of the budget announcements. We saw announced in Queensland \$536.7 million in defence infrastructure. We announced \$60 million in my electorate for work on the \$331.5 million RAAF Base Amberley Redevelopment Stage 3 project, and I am very pleased

about that. It will provide trainee facilities, live-in accommodation, medical and working accommodation, maintenance facilities, a fuel farm and upgraded base security. Key facilities will be completed progressively from 2010 to 2011. That is where the people who enjoy the benefits of this scheme will work.

I see the member for Herbert is here. The RAAF base at Amberley will be the biggest base in the country as a result of the redevelopment, but Townsville will also receive money. I am pleased to say the Rudd government has provided assistance to Townsville. I will outline that to him in case he wants to know. There will be \$18 million in 2009-10 for the RAAF base at Amberley and RAAF Base Townsville for the \$268.2 million Heavy Airlift Capability Permanent Facilities project. We are providing assistance across the whole country, regardless of the electorate in which the military base is located, because we think this is necessary to provide infrastructure to places like Townsville, Edinburgh, Darwin, Pearce and others. In the circumstances, the government is strongly committed to the military. We have guaranteed defence spending in the future. We believe strongly that our defence challenges are significant. We live in an area where there is substantial instability.

The defence white paper delivered recently gave us a great challenge and a great reminder of the need to fund the military adequately and appropriately and also the need to look at savings across the decade. It is important that we deliver about \$20 billion in savings across that time, and we need to reinvest our thinking and our funding into defence programs and capability acquisitions that will enhance our capacity as an island continent. Certainly the Navy will be the big winner as a result of the white paper and our government's response, but the aircraft that we are going to deliver to our RAAF bases and personnel will also make a big difference to our defence capability.

We spend enormous amounts of money on the military, and so we should in the circumstances. We are a middle power. Our men and women should have the kind of equipment that will enable them to do their tasks well and efficiently wherever they are assigned by the government of the day, and their families at home should be looked after in terms of defence housing, ownership, financial support and medical support. In all those circumstances, I commend these initiatives to the House, and I thank the government for their commitment to the defence of Australia, both nationally and locally in my electorate of Blair in South-East Queensland.

Mr LINDSAY (Herbert) (11.34 am)—Before the member for Blair leaves, I think I need to put some things on the public record which both he and I will agree on. Both of us are very proud of the men and women of the Australian Defence Force in our electorate. We both have very significant defence installations in our electorates. Both of us have both Army and Air Force elements in our electorate, but the ratio in Townsville is the reverse of Ipswich. In relation to the scale of things, Amberley is quite small compared to Townsville. There may be something in the order of 2½ thousand people at Amberley—perhaps a few more—but there are 6,000 in Townsville. Townsville will remain the pre-eminent military base in the country, and long may that be the case—particularly as we are about to grow even bigger with the arrival of the 3rd Battalion, Royal Australian Regiment, which is being transferred from Holsworthy up to 3rd Brigade in Townsville. They are already commanded by 3rd Brigade, but they will now be co-located with 3rd Brigade headquarters in the city. That will mean even more defence homes, which the Rudd government has funded in Townsville. These would

have been funded under a coalition government, because all of that was locked in. It will also mean a further upgrade of the RAAF base.

Of course, we are also upgrading the port. In the budget this year there is an amount of about \$30 million to upgrade the Townsville port so that we can have the new LHD ships dock in Townsville. They are just humongous ships. Of course, their customer is the 3rd Brigade, so when 3rd Brigade deploys in the marine environment it will go on the LHDs when they are built. I should also advise the parliament that tomorrow there will be a major parade in Townsville. Nine hundred and ten soldiers will be on parade. Just being a bit parochial, I do not think RAAF Amberley could put 910 airmen on parade in one go. Certainly in Townsville we can put 910 soldiers on parade. The Minister for Defence and I will be attending that parade tomorrow to honour our soldiers who are being deployed to Afghanistan.

Of course, that introduces the connection to the Defence Legislation Amendment Bill (No. 1) 2009 before the parliament today: the soldiers who go to Afghanistan will face the issue that part of this bill seeks to address, which is the tactical payments scheme. For example, we look at Afghanistan and ask: 'What is the solution to that ugly war? What is going to solve it?' The answer in the long term is winning over the hearts and minds of the Afghans. It is not whether your gun is bigger than somebody else's gun or whether you can kill more people than somebody else; it is whether you carry the people of the country with you. There are a whole range of mechanisms by which you can address that particular issue. Our Mentoring and Reconstruction Task Force is very important in addressing that issue. Our training teams are very important in looking after the Afghans. Of course, our special forces are very important in making sure that the bad guys are effectively dealt with.

But in some of those operations there are unintended consequences. People's homes and businesses can be affected by the war. It may be accidental. The lives of civilians can be lost; families can lose a loved one. Interestingly, in a place like Afghanistan, losing an animal may, in fact, be more devastating than losing a relative. Camels can have a higher value than a human in some of these places. But the point is that, if the ADF is empowered to immediately be able to redress those kinds of issues, we do not lose the hearts and minds of the local population. Yes, it is traumatic if they lose their home through demolition by a bomb blast, a rocket that does not go in the right direction or for whatever reason. Yes, it is traumatic if they lose a loved one. But in part we can compensate for that, and the quicker we can do it the better. That is why the coalition certainly supports the government's initiative to empower people of lieutenant colonel rank and above to authorise the payment of compensation in theatre, on the ground and immediately. It is a good outcome.

However, something that has concerned us—and I think it has concerned the government because we have been talking about it, and I believe that the government will support the coalition—is the reporting to the parliament on the operation of this amendment. We think it is important that there be a mechanism where you can report to the parliament who was compensated, what the amount was and in what circumstances. We think there should be an accountability mechanism. I think there may well be an amendment moved to this bill in the Senate in due course—and I think it will be moved with the support of the government—requiring Defence, perhaps on an annual basis, to report back to the Parliamentary Joint Committee on Security and Intelligence in summary form on the number of incidents, who was compensated and why they were compensated. In that way, the parliament can keep a

supervisory eye on what is happening and pick up if there are any difficulties with, or consequences of, the operation of this legislation. This is a way to keep the respect of the people who are affected by war activities, and I think we will all support it.

The amendment to the Defence Homeownership Assistance Scheme Act was originally introduced by the former government and is supported by the Rudd government, because we want to make sure that our people are properly looked after and we want to make sure that this can be used as a retention initiative. The member for Blair was quite correct when he indicated that it is certainly working as a retention initiative. It is very generous. I myself think that the panel of providers should be expanded, but that is a debate for another forum. The coalition, in principle, believes that no member of the Defence Force should be disadvantaged in any area because of their service in the Defence Force. Addressing that is a really big picture item because you can look at employment, you can look at education issues and you can look at homeownership issues. That is why, with the way we post people around the country and the way they continually move, they need to have a home they can call their own. Because of the special circumstances of Defence, they need assistance through the Defence Homeownership Assistance Scheme. That is why it is important, if any inconsistencies are found, or any unintended consequences are found, that they in fact be addressed.

That is what this particular amendment does. They are technical amendments, but members of the Defence Force will of course warmly appreciate that this is being done. Tomorrow, I will certainly tell the soldiers what has been discussed here in the parliament today, and they will know, understand and appreciate the effort that both sides of the parliament are putting into supporting the men and women of the Australian Defence Force. I certainly associate myself with this legislation and indicate my strong support.

Mr PERRETT (Moreton) (11.44 am)—I thank the member for Lindsay for his contribution. I know that he cares passionately about both his constituents and defence matters. Those two matters often intersect. I also am pleased to speak in support of the Defence Legislation Amendment Bill (No. 1) 2009. Before I do so, I just want to digress and say a special thank-you to the hosts who looked after me out at Amberley Air Base as part of the parliamentary placement program, particularly Air Commodore Sowade and all of his staff who looked after me and took me on a wonderful flight that was especially enjoyable in a C-17 on the last day. They put me through lots of wonderful experiences and I just want to pass on my thanks to them.

The DEPUTY SPEAKER (Mr S Sidebottom)—Are you still looking white?

Mr PERRETT—They certainly took me on an interesting flight—that is for sure. I did not realise that a plane so big could fly so low to the ground or so spectacularly. But I return to the legislation before us. The purpose of this bill is twofold. Firstly, it is to introduce a tactical payment scheme for people adversely affected by the Australian Defence Force operations overseas and, secondly, it is to improve the Defence Home Ownership Assistance Scheme. I will discuss the new tactical payment scheme first. This new scheme will compensate people who are injured or affected by ADF operations outside Australia. According to international law and for the sake of human decency, Australia observes an absolute prohibition on the intentional targeting of civilians in armed conflict. As a party to the Geneva convention and additional protocol 1, Australia makes every effort to avoid military operations that are likely to result in incidental civilian casualties. However, we know that, while every effort is made to

avoid it, tragically civilians do sometimes unfortunately suffer harm and death and damage is done to property in the course of military operations. That is one of the tragic costs of war and armed conflicts.

While a number of act of grace payments have been made to civilians following loss and damage, Australia has no formal compensation scheme in place. Instead, payments have been considered more on a case by case basis and require the approval of both the defence and the finance minister. The administrative requirements for these payments are cumbersome and not suitable to the immediate needs on the ground in conflict situations abroad. They are much too laborious. I am advised that \$266,000 has been paid to Iraqi civilians in act of grace payments and that last financial year alone Defence paid out \$81,000 in act of grace payments. But this process is time consuming, ad hoc and inconsistent.

Our defence forces have learned from East Timor, Iraq and Afghanistan that civilians generally expect to be compensated for damage to property, injury or loss of life. When this does not happen or when there are significant delays in providing payment, it can have a negative impact on the ADF's relationship with local communities, which in turn can place their defence personnel at greater risk. When our armed forces are serving overseas, they are there to bring security and stability to a region or community, to help build capacity and to protect the most vulnerable. This bill ensures that when there are adverse outcomes for civilians they will be compensated. The tactical payments scheme will enable Defence to quickly respond to damage or loss by making payments to civilians who have suffered personal or property damage. Payments will be capped at \$250,000 and the scheme will not completely replace act of grace payments, which will still be an option.

This scheme will help further the reputation of Australian defence personnel working overseas. It already has a wonderful reputation, but this will enhance that reputation. The last thing we want is for civilian losses to be written off as collateral damage and forgotten. While we strive to avoid civilian loss and damage, Australia must do what it can to support and protect the local communities which we have become a part of through military operations. As several of the previous speakers mentioned, it is by winning the hearts and minds of these people that we will actually win these military operations.

This bill also amends the Defence Home Ownership Assistance Scheme Bill 2008. The Defence Home Ownership Assistance Scheme was set up in July last year to help serving ADF members to buy their first home. The scheme is a carrot for young recruits and also a retention tool to encourage members to stay with the ADF, as they receive greater assistance the longer they serve. And it has been successful, with more than 11,000 already approved for subsidies. Successful members are provided with a subsidy certificate as evidence to the bank when applying for a loan. It is very practical assistance. However, the amendments in this bill are about eliminating a number of unintended outcomes. For example, it makes minor amendments to the service eligibility for the loan subsidy. Some members were able to claim more than intended under the scheme if they rejoined the ADF after a break in service prior to 1 July 2008. The amendments ensure that members are subsidised the same whether they rejoined the ADF before or after 1 July 2008.

Further, the bill makes certain that a subsidy certificate is conditional on a member having service credit, thereby providing greater proof to a home loan provider that a subsidy is payable. This bill clarifies that only those members who are buying a home for the first time,

while a member of the ADF, have access to the subsidy lump sum payment option. It also clarifies that the subsidy may be payable monthly or as a lump sum payment. The bill ensures that the entitlement of subsidised borrowers who enter into a joint mortgage with a person who is not defined as a partner in the act is proportional to the subsidised borrower's liability—common sense.

As I mentioned previously, this scheme is a shot in the arm for Defence Force recruitment, with more than 11,000 members signing up for the loan subsidy already. It is not uncommon for schemes like this to require some tweaking around the edges as some of the technicalities are worked out in practice. The amendments before the House are important because they will help ensure this scheme remains a viable and effective recruitment and retention tool for the ADF into the future. I commend the bill to the House.

Mr TUCKEY (O'Connor) (11.50 am)—The Defence Legislation Amendment Bill (No. 1) 2009 is important legislation as it adds opportunities and gives encouragement, if you like, to our defence forces in a couple of important areas. In reference to the Defence Home Ownership Assistance Scheme in particular, I did serve a period as shadow minister for defence personnel and the issue arose of persons regularly on transfer and their consequent inability to purchase a home. Let me say that, of all the issues that one must look at in a person's retirement, the ownership of a home is fundamental. For those who have not acquired a home before they have retired, for whatever reason, we know that their future is much constrained in terms of a fair and reasonable retirement—notwithstanding rental assistance and other matters. Defence Force personnel, by the simple nature of their employment, frequently missed out on a home. Of course, the Defence Home Ownership Assistance Scheme has contributed substantially to their overcoming that particular disadvantage. These good measures, which finetune that process, are to be welcomed.

The other matter in which I have a very great interest, as I constantly read in the media of our involvement in these particular nations, is where we are dealing with insurgents, where we are dealing with people who do not wear a uniform. I have read that the job of the lady who was arrested was to have women raped so that they would be so embarrassed and cast aside, as unfortunately they do in the culture of these people—if you get raped it was your fault—that, in their disillusioned sense, they would put on an explosive belt and go and blow people up. For that one woman, who has now been arrested, that was her job. I think they said at the time that 40 or so women had been conscripted and had lost their lives in this fashion.

So it is not a war like the ones for which many of our defence forces in the past were trained for. You could easily identify your opponent. I remember well that in the Second World War I thought the Germans were obliged to wear that funny helmet because that identified them so that we could shoot them. The fact was that it was a much more efficient type of helmet. In fact, as a little kid I thought 'German' was a bad word. I thought they actually called themselves 'Australians' because that was a good word. Many of you did not experience the publicity and the way it was all fed to us at that time, but the point I make is that we did at least know our enemy. I support this administrative measure that accommodates an aspect of Middle East culture where, if you shoot someone, you pay them for it. That is part of their culture. It is a questionable practice, but if it allows for the eventual democratisation and a better life for the people of Afghanistan and Iraq—and it now appears the people of Paki-

stan—then it is good policy. And the world has apparently learned that you can buy someone's life.

My purpose for speaking in this debate is to express my grave fears about constant press references to pursuing some of our defence force personnel who apparently shoot an 'innocent' person. Again, we are going to persecute some of our defence personnel. If a member of a defence force—and examples have been given of others, not our people—enters a premise for the purpose of raping the women in that particular household and then shoots them so they cannot tell the story, that is a crime by any standard and should be punished accordingly. But there appears to be a fine line in this regard with the shooting of a 12-year-old. Why is that, Chair? He was holding a hand grenade and was just about to chuck it at our people. If that had been a false hand grenade, was it the responsibility of our soldiers to find that out first? I do not think so. I think it is a very significant issue of morality that we have to decide those things.

I get angry when we persecute people who volunteer and are sent to very hostile and very difficult environments and who have to decide who they shoot a rocket at, which house they have to blow up and who might be inside the house. There is criticism that quite often the party shooting at them is in a house but that women and children are also in the house—they might be there very reluctantly. This is common practice apparently. What are our defence force people to do? Do they say, 'We'll just stand up and let them shoot us because we can't do anything about it.' I know the rules of engagement are supposed to cover such matters, but the media in particular want to engage in what I call the flagellation of our defence forces.

While this bill deals specifically with an aspect of that—insurgents and circumstances where property or lives are lost; apparently in some cultures things can always be settled with money, and there may be sense in that—are we going to continue to persecute our own people in these circumstances? These issues are very hard to define. In a split second they have to decide whether the 12-year-old kid is carrying a real grenade. I always come down on the side of the soldier and with the members of our defence forces. I do not think we should put them in uniform and send them to very difficult areas and then persecute them in these circumstances.

This sort of thing started in Vietnam. It is the same thing: know your enemy. Since we have been involved in these sorts of civil wars and in areas of insurgency, it has become extremely difficult for our people. I am sure much of the mental trauma visited upon our defence force personnel in this day and age is relevant to that: knowing your enemy, knowing where you can go, knowing where you can socialise. These are very serious issues. I think we have to be terribly careful that we do not let an excessive moral position override the great difficulty our people face. They cannot say: 'Sorry we made a mistake. Let's shake hands.' They are dealing with matters that involve their own lives. It may be a 12-year-old sitting there with a mobile phone waiting for you to walk past a roadside bomb. It may be a house—and such a case has involved great controversy—next to a roadside bomb, yet the occupants were considered innocent. They might have been frightened but they were not innocent. Someone must have come along with a shovel and been seen by people on the side of the road digging a hole in the ground for what was a substantially sized device. A group of soldiers drove past—I think they were Americans—and some were blown up. They turned to that house as the probable point of detonation and shot some people. Of course they are all to go to jail for that.

Excuse me! I do not know how you make those judgments, but I do not think members of the Defence Force should be found responsible for mistakes of that nature. I can differentiate between a deliberate attack—shooting people to hide a disgraceful act maybe—and when you are on patrol and you are confronted by a 12-year-old kid with something in his hand which turns out to be a grenade. I think you have got to be excused for the action you take thereafter in that sort of case. I give that one as an example. I do not think that will become an issue because the kid did have a grenade. One might wonder what we would be trying to do to our people at this stage if it had been a toy. If the House has not considered that particular point, I hope it will do so in the future.

It is very difficult, but it is totally wrong to send people overseas and say, ‘It’ll be all your fault if you get it wrong, mate.’ I cannot believe that we parliamentarians, as the responsible parties, should ever take that view. We have got to err on the side of our own people because of the circumstances they are in and the pressure they are under. Otherwise, Mr Chairman, I think this is sensible legislation. It is interesting that we have now virtually legitimised money in a brown paper bag, but there is a requirement that we have a more efficient administrative arrangement to do something we are doing already. I guess that to say to the average Afghan, ‘We will get you an act of grace payment and all you have to do is fill in 55 forms,’ would not impress them at the time of their personal loss.

This is pragmatic and sensible but, more importantly, the bill also deals with a very positive component. In my state we have got submarines on the beach because it is no longer attractive for people to take that job at that wage. As I mentioned earlier, in my time as the shadow minister women told me that they were virtually forcing their husbands to go into the submariner class because the cheapest place to buy a house in Australia at the time was down near the Stirling base in the southern suburbs of Perth. A brand-new house and land under \$200,000 was commonplace. That was partly because of a man called Len Buckeridge, who is hated by the CFMEU and who is the biggest home builder in Australia. He has made home building efficient and has now vertically integrated his construction business—we have just assisted him in getting a brickworks. He now makes just about everything he puts into a house and he has kept the price competitively low in WA, even in the present environment. People were going there for that purpose and there has been some balance in that but, above all, people who are in the permanent defence forces must acquire a home, they must have the right to rent it when they get transferred and they must be assisted in that matter. They have got to be able to retire with a place they can live in, and it should be debt free at that time. This is a good measure as it intends to improve that.

The DEPUTY SPEAKER (Mr S Sidebottom)—Thank you. I just point out that we have had a strict budget, but we are still the Speaker’s panel, not the Chair’s panel. I am a member of the Speaker’s panel, not a chairperson.

Mr TUCKEY—So I will say, ‘Thank you, Mr Member of the Speaker’s panel.’

The DEPUTY SPEAKER—Thank you. The chair recognises the member for Wakefield.

Mr CHAMPION (Wakefield) (12.04 pm)—Thank you, Deputy Chair.

The DEPUTY SPEAKER (Mr S Sidebottom)—Deputy Speaker!

Mr CHAMPION—If I may be so bold as to offer the member for O’Connor some advice about reading material: he should read Philip Zimbardo’s *The Lucifer Effect*, which talks a bit

about people's brain functions when they are placed in extreme situations. It is a very interesting book and you may find it informing.

Mr Tuckey—I ran a pub for years, and I was in that situation every evening!

Mr CHAMPION—I rise to speak in favour of the Defence Legislation Amendment Bill (No. 1) 2009, which introduces amendments with two commendable policy objectives. The first is to ensure the safety and security of our Defence Force in the field. The second involves provisions for their access to housing back home in Australia. Both are important administrative amendments which will have a big impact on the lives of our ADF personnel.

The first amendment introduced by this bill involves the Tactical Payment Scheme, or TPS. This scheme will provide new, efficient and effective means for making quick, no-liability payments to persons who have suffered damage, injury or loss due to the activities of the ADF abroad. The necessity for such a scheme reflects Australia's approach to treating all people with common decency as well as respecting the customs of the local communities we are operating within. The TPS acknowledges that, where the ADF causes damage to property or injury to local people, we have a responsibility to offer some form of compensation. Often that compensation will be financial. This is not just the right thing to do; it also benefits the security of our forces. Recognising the unintended damage that ADF actions can sometimes cause will ensure that relationships with local communities remain intact. You cannot fight an insurgency or a guerrilla war or provide security in civil conflicts unless you have the consent of the community you are operating within. That has been proven in many different wars over the last 100 years. Strong relationships with local communities enhance the safety of ADF personnel and provide possible strategic advantages in operating in those conflicts.

The current arrangements for offering this type of compensation are covered by the act of grace provisions under the Financial Management and Accountability Act 1997, and that provides for a payment to be made where the government has no legal liability but accepts responsibility for some damage caused. As the Minister for Defence Science and Personnel explained in his second reading speech, the TPS was developed in response to lessons learned in operations in Iraq, Afghanistan and East Timor. Our recent experiences in these conflict zones showed that the current administrative arrangements for making act of grace payments were inappropriate, given the time pressures that exist in operational environments. We cannot expect people to go through lengthy processes—processes that they would be completely unfamiliar with. Obviously, this is especially true where the payment costs are small—particularly from our perspective—but where the damage is perceived in the local community as being great. Small delays in making such payments have immediate negative impacts on our relationship with the local community. Small delays aid our enemies in these climates, who use such incidents to undermine our consent to operate within the community. They undermine all the previous good work we may have done. So a delay in redress for damage done obviously affects the security of our personnel and undermines our operational objectives.

To counter this, the TPS will operate independently from the act of grace payment provisions as a separate discretionary mechanism, managed and operated by the Department of Defence. There will be a cap on payments under this scheme. A range of criteria will be considered, including the prevailing culture and society of the area in which the compensation is required. As payments under this scheme have been capped, the ADF will continue to have recourse to the act of grace provisions if a particularly large or unusual payment is required.

Importantly for the people affected by these actions, their acceptance of TPS or the act of grace compensation will not necessarily preclude future legal action if they have a case to make in that circumstance.

The introduction of the TPS is a simple administrative amendment that will improve our relationship with communities in which our forces serve. It will simultaneously improve the safety and security of our Defence men and women. Finally, it will assist our operational objectives in these conflicts.

The second important measure in this bill amends the Defence Home Ownership Assistance Scheme Act 2008, which provides a legislative basis for the operation of the Defence Home Ownership Assistance Scheme. This scheme was introduced last year to encourage the retention of ADF personnel. DHOAS provides eligible ADF members with home ownership assistance and is responsive to changes in the housing market. It recognises the difficulties that ADF members may have in purchasing a home due to the nature of their career in the military and it provides increased assistance to those people. The scheme provides flexibility and choice to ADF members through a panel of home loan providers. As of February this year, the scheme has over 5,000 ADF members receiving subsidy assistance.

While the scheme has been tremendously successful, and I know many of my constituents have taken advantage of the scheme, I guess there were some unintended outcomes in that original bill. This administrative act removes windfall gains in the eligibility and entitlement for members who rejoined the ADF after a break in service prior to 1 July 2008. This measure will ensure that members who rejoin the ADF, no matter when they rejoin, have the same access and the same rights and benefits. The bill also clarifies that if ADF service personnel take a break in their service that is greater than five years then their previous service is not eligible for consideration as part of that person's proof of their right of access to DHOAS. The same test will apply to reserve service personnel but with a two-year break constituting the test for consideration of previous service. This reinforces the aim of the program, which is to encourage retention of Defence personnel. It would be unfair to make such arrangements retrospective, and that means that any member who currently receives access to the subsidy based on the previous provision will not have that benefit removed. I think that is a fair and reasonable approach by the government.

The bill also makes amendments to focus the benefit to those who need it the most. Access to lump sum payments is an enormous benefit when organising the purchase of a new property, especially for a first-time buyer. That is why under this bill only ADF members who are buying a home for the first time will have access to the subsidy lump sum payment option. And in recognition of the reality that many personnel want to buy a house with their partner, the bill also changes the treatment of the shared liability for a loan. The entitlement of a subsidised borrower who enters into a joint loan with a person who is not defined as a partner in the Defence Home Ownership Assistance Scheme Act 2008 is calculated as proportional to the subsidised borrower's liability. The amendments will also clarify the entitlements where both partners are Defence Force members and so both are entitled to a subsidised loan. This clarification includes entitlements on the death of one of the partners, allowing partners together to maximise the amount of subsidy payable in respect of a loan to which they are both parties. These changes bring the legislative scheme in line with the original policy intent of

the DHOAS scheme and establish a consistent framework for the calculation of the subsidy where there is more than one party to the loan.

I have come in contact with many defence force families since I was elected. One of the things that becomes really apparent is that many of the families echo the commitment, service and sacrifice of ADF personnel. I think these families give a great deal to the service of the nation. ADF members may be volunteers but the families, in many ways, are conscripted to the cause as well. They support the ADF, the personnel and the ethos of the service. That said, I do not think that that commitment is always matched by the attitude of the defence hierarchy, which is not as family friendly as it could be or should be. I think bills of this nature do help with retention of personnel and help families, but so much of the way families are treated is administrative and decisions are made by particular people. I think the more family friendly the ADF becomes, the more likely it is to retain valuable and longstanding personnel.

The member for O'Connor talked about submarine staff. I think the greatest pressure for submariners is that they are away for six months and they are uncontactable for that time. In those situations it is a pretty tough thing for the partners, the wives and the families of those ADF personnel. I think the more help we give the family, the more likely we are to retain the personnel in active service. If we care for the family, we are much more likely to retain the soldier, the airman and the sailor in service to this country.

This bill contains two very different but two very valuable policy objectives. The first area reaffirms our common decency in responding to the unintended damage caused by our forces in these very complex situations, these very dynamic theatres of war and civil conflict. The second area of the bill focuses on the defence home ownership scheme, which is not only an incredibly important policy in retention terms but also a great benefit to defence force personnel. I think those objectives have really good short-term, medium-term and long-term impacts on the safety, the security and the size of our defence forces, and I commend the bill to the House.

Mr OAKESHOTT (Lyne) (12.17 pm)—I will be brief in my contribution to the debate on the Defence Legislation Amendment Bill (No. 1) 2009 and will not talk at all about the Defence Home Ownership Assistance Scheme because I think it has general support in this chamber. For anyone who knows parliamentary history, having two so distinct aspects of legislative reform in the one bill is almost borderline tacking. Certainly, as far as the home ownership scheme is concerned, it looks to be a sensible reform.

I want to speak on this legislation in relation to the tactical payment scheme. Whilst not opposing it through this chamber, it certainly raises several questions in my mind. The first is these broad and sweeping references to the problems with the act of grace. I would love to hear from the minister, in reply, in detail as to exactly what those problems are and with regard to the slowness of payment and the inappropriateness of that scheme in meeting the needs of operational matters for Defence. To me, it looks odd to be setting up a parallel scheme which is discretionary and which, by the look of it, removes any civilian transparency in this process and treats payments as matters of an operational nature rather than of a management nature. In my view, it should have a civilian element attached to it, and that civilian element is a minister with those discretionary powers.

This is the question I would like the minister, or whoever is going to respond on behalf of government, to respond to: exactly what, in detail, are the problems with the act of grace

process for these issues that have been put in this bill and exactly why, in detail, can't that act of grace process be tightened up so that it does meet the cultural or community interests of the various Australian operational forces, wherever they are located? For me, that is the first question that jumps out.

The second is the reporting and transparency issues. They do reflect on that. I know it is an ongoing debate, and tension goes on between civilian and non-civilian masters within Defence regardless of who is in government, but it has already been picked up by one speaker—I think it was the member for O'Connor—who used the reference about brown paper bags being formalised. There is a danger in not having very strict and clear guidelines and very strict, clear and transparent parameters, because if any of us in this place or any member of the community wanted to know exactly who got which payments, or where and why, then those questions could not be very easily answered by Defence, by the minister and by the parliament.

It seems odd that that is not included in this bill and in this legislative process. We are being asked in good faith to rely on guidelines being put in place in the future by the Department of Defence, which look—and I may have missed it—as though they remove the discretionary authority of a minister in the chair. I think that has inherent dangers attached to it that have already been expressed by one speaker with the colloquialism of 'brown paper bags being formalised'. I hope that will be considered and will be responded to by the minister—or whoever is responding—as to what exactly the guidelines are, what the reporting processes are and how transparent this is going to be. Will we now see these acts of grace being removed from ministerial discretion and shifted from a management role to an operational role? I would be deeply concerned if that is happening, because going along with that will be a lack of transparency and accountability to the community.

Whilst I do not oppose this legislation, and certainly I understand the reasons given in the briefs, there are some red flags and red lights going off in regard to the reporting, the management and the accountability trail. I hope I am wrong, and I await a response from government to confirm that I am wrong. If not, this has problems attached to it. I have heard from previous speakers here who are flying the freedom and peace flag. From my point of view, you get freedom and peace by being as transparent and as accountable as possible. That is the safe port for all of us in a western, free democracy. If this is an exercise in denying information to the broader community then it has inherent problems attached to it.

Mr SULLIVAN (Longman) (12.23 pm)—In rising to support the legislation that is before us today, the Defence Legislation Amendment Bill (No. 1) 2009, I want to make a few comments and particularly comment on the tactical payment scheme that forms part of the discussion. What is being introduced here is, I believe, a much more transparent system than the one that has existed up until this point in time whereby any compensation we have been paying is via an act of grace. We have seen many instances of Defence Force personnel and government ministers actually obfuscating about the quantum and to whom these payments have been made, on the grounds that to do so could place people in danger or establish a market for compensation payments. I recall from one newspaper clipping, which I have not brought with me today, that the former government actually declared that these payments were not compensation but that they were payments that it was morally obliged to make. That newspaper article was dealing with the payment made to the family of an individual who had been shot

dead by Australian troops for not heeding their call to pay attention. I understand the troops feared that the individual was preparing to attack their quarters. Further on in that article is some discussion about payments made to people who had been wounded by actions taken by Australian troops.

The reality is that the tactical payment scheme is going to be small payments—I think a cap has been mentioned of a sum that most people would not consider small, but in the circumstances they are small payments—that are able to be made quickly. Members of this place who have lived in countries where there is a culture of compensation for harm that has been done to people will understand that that expeditious nature, that timely nature, of making a compensation payment is particularly vital in retaining the respect and the goodwill of the people who are being compensated.

These condolence payments or property payments that we will be making are going to be very important in the context of what we now see as modern warfare. Long gone are the days where there were battlefields. Long gone are the days when the kings would sit on the hill and watch their armies approach each other in the valley. At the end of the day there would be a winner decided and the kings would depart back to their castles to lick their wounds or pat themselves on the back for having a wonderful day. Those days are no longer with us. Today the warlike experiences that our troops are facing are much more akin to guerrilla activity—house skirmishes. Who knows where the guerrilla activity is going to come from? Our troops cannot select the theatre in which they have to engage with an enemy.

We are now in a situation where, unlike in previous eras' wars, there is not a country-versus-country situation. Not all of the citizens of Iraq, where we have been until recently, or Afghanistan, where we are currently, oppose our presence there. In fact, we are increasingly engaging in what could be termed civil wars. We need the support, our troops need the support, of the civilian population in the areas where they are. And by being able to retain their respect and their goodwill through payments such as we are talking about, we will be able to ensure their safety as best we can. That retention of goodwill is important.

I have just a few moments left. I would like to mention the changes that are being made in this legislation to defence housing. There are two aspects to this legislation, as you would understand, Mr Deputy Speaker: the compensation style payments and the defence housing. Having spent my youth as a member of a family of a banker who transferred quite frequently from place to place, I understand the situation for military families who have postings in different areas and the fact that it is very difficult for them to be able to purchase a house anywhere. The provisions of the defence housing subsidy scheme, as we see it now, are excellent. The changes that we are making remove some unintended consequences of the introduction of the scheme last year and clarify some aspects of it. It is my understanding that all of these are beneficial to members of the defence forces and it is worthy and proper that we should reward them in this particular way.

Debate (on motion by **Mr Melham**) adjourned.

ADJOURNMENT

Mr MELHAM (Banks) (12.30 pm)—I move:

That the Main Committee do now adjourn.

Budget

Mrs MARKUS (Greenway) (12.30 pm)—The Rudd Labor government's nation-wrecking budget has let this nation down very badly. The wrecking ball of reckless spending has diverted funds into headline-grabbing multimillion dollar infrastructure projects—described by a spin addicted Labor government as 'nation-building'—and there is little left for badly needed road upgrades in local electorates.

Local people, local needs and local roads have been ignored by Mr Rudd and Mr Swan. Instead of spending money at the local level, this desperate duo try to claw back some credibility from their dismal trifecta—record spending, 29 per cent of GDP; record deficit, five per cent of GDP; and a further severe increase in the jobless rate to 8.5 per cent—by focusing on big projects. A number of these projects were already costed, funded and ready to go.

My colleague Warren Truss has caught Labor out. He said the \$8.4 billion worth of projects announced on budget night are a mixture of Labor finally catching up with coalition commitments and other projects in urban passenger transport which bail out failed state Labor governments. This is so true of the Pacific Highway project. This project was on a fifty-fifty basis with the New South Wales state government and the announcement has given them a get-out-of-jail card, with the Commonwealth now funding it all. But there is nothing for local roads. There is nothing for local roads like Richmond Road and Bells Line of Road; nothing for roads like Scheyville Road, Freemans Reach Road, Comleroy Road, Terrace Road, Grace Vale Road, Sackville Road and East Kurrajong Road—and there are many others.

Recently I attended an event, with my New South Wales Liberal colleagues and local mayors, to announce funding for a roundabout on Boundary Road at Oakville. This came through, finally, after months of lobbying and public meetings. I want to thank the local people, especially Vicky Vella, a driving force in galvanising local support for my efforts and those of the New South Wales member for Hawkesbury, Ray Williams; the Mayor of Hawkesbury, Bart Bassett; and the Mayor of Hills Shire Council, Larry Bolitho. Together, they have delivered on the needs of local people. The roundabout had claimed the lives of many people, injured many more and, I am sure, left an indelible impression of danger on people involved in near misses. When the coalition were in government, we had successful Roads to Recovery, Black Spot and general road funding programs delivered through local government to address local needs. When Labor came into government, funding for local projects slowed right down.

We also had the AusLink program where, traditionally, the state governments would share the cost. In the basket case that is New South Wales, Mr Rudd and Mr Swan have come to the rescue of their Labor mates and let state Labor off the hook of paying their share of funding for the Pacific Highway. While I am not opposed to the bypass project, I raise the issue to make the point that this is just one example of how Labor mismanages the economy. Instead of helping a failed Labor government, that money—and it is a significant amount—should have been spent in local communities to make their roads safer. And there is no end in sight.

It took the coalition and the Australian people more than a decade to pay off the previous debt left behind by federal Labor. It will take years for the economy to recover from Labor's reckless spending. Any expectation that local roads will get the funding they need in the foreseeable future is unlikely to be met. If we look beyond the spin, the truth is that Labor will actually spend less money on road and rail over the next five years than was committed by the previous coalition government. Labor have lost control of the public finances and they have

no plan for economic recovery. That has let local people down badly and those people will continue to suffer poor roads and increased risk to life and property. They have every right to ask: 'Where is our roads money?'

Indigenous Communities

Mr RAGUSE (Forde) (12.34 pm)—I will talk today about some encouraging and practical aspects of the apology that was given in this House to the Indigenous people just over 12 months ago. I have spoken previously in the House about the apology and what it meant to the people in my community, the constituents of Forde. On 1 April this year I was invited to a local school in my electorate, the Trinity Catholic College, in the spirit of the reconciliation and to mark the formal apology made in this House on 13 February 2008. The student representative council at that school decided to commemorate this event by building a garden that recognises the Indigenous history of the region. The student representative council launched a competition and invited all students and community members connected to the college to design a garden where students and Indigenous and non-Indigenous people would be able to reflect on the past, present and future. This will be a very special place at Trinity Catholic College where students will be able to learn and further their understanding of their cultural heritage and what the formal apology means to our nation.

I was only seven years old when the Indigenous people were finally recognised through the referendum in 1967. This was a time in history when there was an overwhelming agreement that Indigenous people should be considered part of Australian society. From that period of time to where we are today, we have increased our understanding not only of our Indigenous past but also of the multicultural nature of our community. I continue to listen to many discussions and arguments from different groups inside this House and outside this House, and they often talk of what the apology actually signified for us as a nation. I encourage the debate. It assists the community to better understand the background of the apology and to awaken an understanding of our Indigenous history.

I want to mention people who assisted with the opening of this Indigenous garden at the Trinity Catholic College. The principal is Mr John Lamb, who certainly understood what the apology meant and what it intended to do as we provided comfort, relief and a recognition of our past. Mr Lamb, who is a very well-known educator in our region, gave some insight into what we can do as a community to come together and in a practical way understand the concerns of our community and commemorate our apology to the Indigenous people. I also especially mention the Indigenous elders within the community, which is covered by an area known as the Yugambeh nation. The people of that particular history and culture include two renowned elders, Aunties Eileen and Robyn Williams, who represent that Indigenous history very well. Their welcome to country is always an inspiring talk about the history and, as they put it, those 'millions of feet' that traversed that country before us. Another two people in our community are Lucy and David Banu. Lucy is an Aboriginal woman and David is a Torres Strait Island man, and they work very closely with the Indigenous communities in our community to give an understanding that within our Indigenous culture there are many differences—many languages and many different cultural aspects of these different groups. Both Lucy and David will quite often perform certain events and some of the dances of their particular cultural backgrounds for young people and the wider community.

I also recognise the Aboriginal artist who put together the concepts for the garden, Mrs Janelle McQueen. It is a fabulous piece of work, and I encourage other members, if they have an interest in practical ways of commemorating the apology, to look at what the Trinity Catholic College in my electorate has put together. I thank people like Janelle McQueen, Lucy and David Banu, Aunty Eileen and Aunty Robyn for their involvement, and I recognise and acknowledge the student representative council of Trinity Catholic College for their insight and for bringing in a practical way an understanding of what that important apology meant for this country. The apology itself was the statement made by this House and our Prime Minister, but in a practical way we in our communities can recognise the significance of that event and the significance and importance of our Indigenous history within this country.

Member for Bendigo

Mr JOHNSON (Ryan) (12.39 pm)—The budget that was delivered by the federal Treasurer on Tuesday evening made reference to the government seeking to increase the age pension for tens of thousands of our fellow Australians, and I want to put on the record that that is one initiative that I support, and that I believe the coalition supports, very strongly and very genuinely. Many pensioners in my electorate will welcome this initiative, and I want to place on the record and remind the people of Ryan that the inspiration and the driver of this policy was not in fact the Rudd government but was the former Leader of the Opposition Dr Brendan Nelson, a man who enjoys enormous respect in this parliament, a man of great popularity on both sides of the chamber.

I want to talk about this in the context of compassion. In the parliament yesterday one of the members of the government, the member for Bendigo, spoke about compassion, and I, as an individual citizen of this country and as a member of this federal parliament since 2001, want to place on the record the deep offence that I took at his remarks which associated me, as a member of the coalition, and my colleagues in this parliament with the Third Reich of Adolf Hitler in Nazi Germany. I want to place on the record the words that the member for Bendigo spoke, because I know that the constituents of Ryan will find them absurd, offensive and absolutely inappropriate. He associated the opposition's compassion and our views on the age pension with the Third Reich.

In fact, it was the former Leader of the Opposition Dr Brendan Nelson, and the opposition, that pushed the Rudd Labor government into taking this initiative on board; it was not of their own doing. For him to allege lack of compassion on the coalition side of the chamber and associate the coalition with the Third Reich is terribly offensive. I know that all those of Jewish faith, in particular, and supporters not only of my party but of the government will find this remarkable—and that is being generous—but, more likely, terribly offensive.

The state of Israel is the only democratic nation in the Middle East, and its people sometimes still have to persuade others in the world, even some people who hold positions of significant influence, that the Holocaust, one of the darkest chapters in the history of humanity, took place. That millions of Jews were slaughtered and butchered and murdered is something that we all need to remember. We need to stand side by side with the state of Israel, the government of Israel and the people of Israel. During World War II, Adolf Hitler controlled Germany as a plaything of his own megalomania. That is something that today, in 2009, and in the 21st century, we must not forget, because if we as a people forget, and the world forgets, then we are sure to revisit it in the future.

I want to place on the record that for a member of the Australian parliament to make remarks in the House of Representatives that associate a political party with the Third Reich of Adolf Hitler is something that is totally offensive to me as an individual and to all of my colleagues in the federal opposition. It is absolutely appropriate for any political party in this parliament to engage in vigorous, robust and indeed passionate debate, but for that debate to be extended to the association of an individual of any political party in the parliament with dictators and governments of evil such as we can only imagine is something that should stand condemned. I will certainly be making it very clear to the people of Ryan that this took place and that it was way out of line.

National Volunteer Week

Ms NEAL (Robertson) (12.45 pm)—I rise today to inform members of some of the activities and achievements of volunteers in my electorate of Robertson. As members are aware, it is National Volunteer Week. This is the time when we recognise and applaud the work of the volunteers in our community. Volunteer Week was launched by Senator Ursula Stephens, the Parliamentary Secretary for Social Inclusion and for the Voluntary Sector. I want to put on the record her great commitment in this policy area. I get very positive feedback from all sections of the community, particularly from volunteer organisations, about how much she has achieved and what great work she has done.

This year's theme—'Everyday people, extraordinary contribution'—sums up the invaluable contribution that volunteers make to communities across Australia. One in three Australians is a volunteer. Together the nation's five million volunteers give more than 700 million hours per year to helping others. The picture on the Central Coast, where the electorate of Robertson is located, is no different and it certainly reflects the national scene. Volunteering has been integral in maintaining the social and community fabric of the Central Coast for generations. Organisations such as the Royal Life Saving Society and the Rural Fire Service form much of the backbone of our coastal communities.

Today I want to make special mention of a number of volunteers in my electorate who will be receiving certificates of appreciation to mark Volunteer Week. These seven people were nominated by community groups across the coast. They are among the unsung heroes of my region. I thank them all personally for their tireless contribution to making the coast a better place to live, work and bring up the next generation of children.

Thea Brayshaw from Phegans Bay is the Secretary of The Bays Community Group. She runs the local community breakfasts, the kids discos and the bush dances. I, of course, cannot mention her without mentioning the president of that group, Bob Puffett. He does endless work in the community. He distributes the newsletter, works for the university and even mows the lawns that the council forgets in its rounds. He is certainly an amazing fellow and works closely with Thea.

Bruce Bennett of Empire Bay and James Kennedy of Umina Beach are volunteers committed to helping the youth of the peninsula through the highly regarded Web Youth Service at Umina. Bruce and James work together as handymen at the youth centre—putting up shelves, getting rid of graffiti and generally keeping the place functioning.

Ann March of Ettalong dedicates three days every week to cooking healthy afternoon teas for the children in Woy Woy before- and after-school care. Gary Rohr of Saratoga is also rec-

ognised for his practical commitment to the Woy Woy before- and after-school care group. He commits two days each week to help maintain the cottage and the grounds.

Peter Little has been well known in commercial radio on the Central Coast for many years. He now uses his expertise to help out at Youth Connections Radio. Joan Victory is also a long-time volunteer with Youth Connections Radio and Radio Five-O-Plus. She works tirelessly as a producer, writer and presenter.

The selfless efforts of these people add a tremendous amount to the social good of the Central Coast. They make invaluable contributions to assisting our children, youth and seniors. They give their time and experience to community groups and resident associations. Their efforts are focused not on promoting their own interests but on the interests and wellbeing of others and on the betterment of the Central Coast. They certainly make our world a better place to live in.

Budget

Mr BILLSON (Dunkley) (12.49 pm)—In the few minutes available to me I would like to focus on some of the infrastructure undertakings and debate that have resulted from this week's budget. I spoke earlier in the parliament about the funds that were being removed from the education innovation fund and put towards the Clean Energy Initiative. On the surface, the Clean Energy Initiative seems as if it is heading in the right direction, but few details are available. The irony I pointed to earlier in this parliamentary sitting week was that just a year ago we were told the education innovation fund would be the engine room for economic growth and recovery. It highlighted just how much seems to have changed in the rhetoric and the positioning of the Rudd government on just what will be the engine room of economic growth into the future. It clearly points to a lack of coherence, certainty and clarity about a strategy and clearly evidences a lack of strategy by the Rudd government about what their plan is to see a turnaround in our economy and the way forward.

Often infrastructure is discussed. In this week's budget, Treasurer Swan made much effort to talk about infrastructure investments. In fact, he overlooked the point I raised in the parliament earlier in the week—that, in terms of road and rail, the new nation-building program and the rebadging of the former Howard government's AusLink agenda, there is actually a reduction in infrastructure effort under the name of AusLink, now to be renamed 'nation building'. We saw \$31 billion over five years committed by the former Howard government being replaced with \$26 billion over six years by the Rudd government. That reduction in effort is being masked by an effort to rebadge AusLink projects with new Labor branding just to make sure that the Australian public is not aware that this is actually a government that is reducing infrastructure effort in the areas of roads, ports and rail. On those areas there were a number of announcements in the budget.

I reflect on the work of Infrastructure Australia. This organisation, with many able people contributing to its work, was going to be the vehicle through which all investment in infrastructure would be evidence based, transparently arrived at and objectively assessed. When you look at the budget allocation against the role of Infrastructure Australia, you wonder whether the actions actually live up to the rhetoric. Infrastructure Australia has made its recommendations to government. What is not clear—and where no explanation, no transparency and no openness have been provided—is why the budget differs from what was recommended by Infrastructure Australia. It was very interesting to see that for some projects, such as rail

projects in Sydney, Infrastructure Australia, through its work, and the government, to its credit, recognised that a glossy is not enough to secure a multibillion-dollar grant. They have sent a little bit of money back to the New South Wales government to get its act together. In an example in my home state of Victoria, a more developed, highly tuned and comprehensive proposal that received the support of Infrastructure Australia was treated as if it were some second-rate proposition. It was sent back with some further planning money but no commitment to the project itself. In my own area, the peninsula bypass, which was recommended for funding, did not even crack a mention.

In today's paper there are accounts of some of these projects even coming as a surprise to people who were supposed to have been their proponents. In South Australia, the state Treasurer was able to deflect a question on radio about \$61 million to extend the O-Bahn guided bus way when it had not even been recommended. It was not even on the list but it got funded. Sadly, though, the transport minister was not as adept as Treasurer Foley in handling this question and could not, when asked by the media, offer any detail about such a plan—nothing concrete, nothing specific—yet that has been funded. There might be a perfectly good reason for it but let's hear it. Where is the openness and transparency? We are sensing wafts of political pork-barrelling already. The Rudd government will point to organisations like Infrastructure Australia, the credibility of its work and the competence of its membership, and say, 'Look, they've done the work,' but, when you actually look at the funding that is allocated, it does not bear a whole lot of resemblance to the work that Labor will use as its cover. We need some openness and transparency about why these decisions end up looking quite different from the analytical, objective, evidence based work of Infrastructure Australia to ensure that these kinds of media commentary, suggesting a whiff of pork-barrelling, do not guide these decisions. On budget night, Treasurer Swan said we need to steel ourselves for the future. I just hope the Rudd government is not stealing our future with these very spurious decisions on resource allocation. (*Time expired*)

Victorian Bushfires

Ms RISHWORTH (Kingston) (12.54 pm)—I rise today to reflect on the devastating loss suffered by the Australian community, and especially the Victorian communities, during the Victorian bushfires this summer. This disaster touched all Australians, no matter where we live, and our hearts went out to the families who were directly affected by it. It was this response, this reaching out, that for me was so quintessentially Australian. The Australian people did not forget about their fellow citizens. Australians both young and old banded together and volunteered their time to raise money to help those who had lost their homes or their loved ones. I believe the sentiment we saw during this time, and continue to see, is a great testament to the Australian spirit and the character of the Australian people.

This spirit was vibrant amongst the people I know in my local community in the southern suburbs of Adelaide. They did a lot to raise money through their schools, through individual contributions and through local community groups. I want to put on the record today the names of a number of community groups that deserve a mention for their dedication in helping to raise funds.

The Rotary Club of Hallett Cove held a quiz night, which raised \$1,550. They do a lot of work in my electorate. They are involved with the local high school. They prepare students

for interviews and to go out into the world. The club's president, John Myers, and his team did a great job in raising money for the victims of the Victorian bushfires.

The Reynella Business and Tourism Association raised \$3,000 by holding a sausage sizzle in front of the Old Reynella Horse Changing Station on Saturday, 14 February. I went down to the event but I left the cooking of the sausages to someone more capable than I am. I collected money instead. The association did a great job. They are normally focused on helping local businesses to sell their products, but on this day they gave something back to the community.

The Happy Valley CFS also came to the event. They had been responding to a grassfire the night before, but they came down to the event at nine o'clock in the morning to raise donations. Also helping out at that barbecue were the Old Reynella Town Bakery, Old Town Reynella Quality Meats, Vale Signs and Romeo's Foodland Old Reynella. They all deserve a big thank you. Also deserving a thank you are Geoff King, who organised the event, and all the other volunteers who came to help out on that day.

I would also like to recognise a gentleman by the name of John Bowman. He is not with a particular community group but he believed that he needed to stand up and organise a fund-raising concert in the area to raise money. We all know that the hardware stores raised a whole lot of money. I went down to the barbecue at my local Bunnings store in Noarlunga. I want to pay particular tribute to the employees who worked on that barbecue, because they were not being paid. It was not their shift; they spent extra time, outside their shift, to stand there and cook those sausages. In many cases this was after a very long shift. I think the employees of the Bunnings store at Noarlunga who spent their time doing that really need to be recognised.

I would also like to recognise the communities of Willunga, McLaren Vale and McLaren Flat and all the residents of the Fleurieu Peninsula in South Australia. Kim Pagon was one of the victims of the Willunga fire in the summer of 2008. Although she did not lose her house in that fire, her house was particularly damaged by it. Kim and her local community of 1,000 residents donated goods and money which were sent to help the communities affected by the Victorian bushfires. So there is a great community spirit there. The Victorian bushfires were a tragedy, but the one positive thing that came out of them was that they allowed the Australian people to display their best side when they contributed to those communities in need.

Main Committee adjourned at 1 pm.

QUESTIONS IN WRITING**Enroute Charges Rebate Scheme****(Question No. 556)**

Mr Truss asked the Minister for Infrastructure, Transport, Regional Development and Local Government, in writing, on 3 February 2009:

In respect of the Enroute Charges Rebate Scheme: (a) has the Government decided to axe the Scheme from June 2012; (b) will the Scheme only apply to existing routes and service frequencies from 1 July 2008; (c) will the Scheme be available to (i) an operator resuming a service suspended for a time due to factors like pilot shortage, (ii) an operator running an existing route but with reduced frequencies, and (iii) a new operator taking up a service withdrawn by another that was previously in receipt of the Scheme; and (d) what studies have been conducted by the Government to assess the impact upon regional air services of the decision to cut the Scheme.

Mr Albanese—The answer to the honourable member's question is as follows:

- (a) The Government decided as part of the 2008-09 Budget, that this transitional scheme which commenced in 2001 will terminate on 30 June 2012 except for aeromedical operators.
- (b) As part of this decision, assistance for Regular Public Transport (RPT) operators is limited to the existing RPT routes and services frequencies provided by Scheme recipients as at 13 May 2008.
- (c) Assistance is limited to the existing RPT routes and services frequencies provided by operators and supported under the Scheme as at 13 May 2008.
- (d) The Government continues to monitor the state of the regional aviation industry and is considering future policy directions as part of the development of the Aviation White Paper.

Second Sydney Airport: Kurnell**(Question No. 569)**

Mr Morrison asked the Minister for Infrastructure, Transport, Regional Development and Local Government, in writing, on 3 February 2009:

Will he rule out the construction of a second Sydney Airport at Kurnell, on the basis that a second airport has been ruled out for Badgerys Creek.

Mr Albanese—The answer to the honourable member's question is as follows:

A process to identify additional capacity for the Sydney region will be initiated after I have considered Sydney Airport Corporation Limited's draft Master Plan for Sydney Airport. As I indicated when launching the National Aviation Policy Green Paper on 2 December 2008, I do not intend to speculate on possible sites for a second Sydney airport.

Iraq: Wheat**(Question No. 636)**

Mr Forrest asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 10 March 2009:

Further to his answer to question No. 377 (*Hansard*, 3 February 2009, page 74) in respect of an undertaking by Iraq between 2011 and 2028, to repay the remaining 20 per cent of Australian Wheat Board (AWB) debt for Australian wheat exported to Iraq between 1987 and 1990—

- (1) Does the Government have records of wheat growers who sold wheat to Iraq between 1987 and 1990; if not, does the Government intend to establish such records to ensure growers or their beneficiaries receive the money owed.
- (2) Does the Government guarantee that wheat growers who lost 20 per cent of the value of their wheat, or their beneficiaries, will receive the balance owed between 2011 and 2028.
- (3) Will the money owed be paid direct to the growers or their beneficiaries, rather than to AWB Limited.
- (4) Can growers activate a claim prior to 2011 to recover the money owed to them.
- (5) Will the amount owed to wheat growers attract compounded interest over the more than 20 years since Iraq's default.
- (6) Does he accept that the amount owed is badly needed by Australian wheat growers in their current dire financial circumstances.

Mr Burke—The answer to the honourable member's question is as follows:

- (1) No. Australian Wheat Board (AWB) was responsible for dealings with individual wheat growers and AWB then entered into insurance contracts with Export Finance Insurance Corporation for the sale of wheat to Iraq.
- (2) No. The government paid up to 80 per cent (on average) under the insurance contracts, thus discharging its financial obligation. Receipt of the balance owed to growers will be dependent on Iraq meeting its commitments under the terms of the repayment agreement.
- (3) The money owed will be paid directly to AWB as it was the counterparty on the insurance contracts.
- (4) No.
- (5) Yes.
- (6) The government is committed to helping farmers and rural communities still experiencing one of the worst droughts in Australian history. Since 2001 the government has provided more than \$3.4 billion in exceptional circumstances assistance to farmers and small business operators. Farmers have also been offered immediate financial assistance under the government's \$42 billion Nation Building and Job plan. The \$950 Farmer's Hardship Payment will be paid automatically by Centrelink from 24 March 2009 and will benefit around 21 000 farmers who receive exceptional circumstances drought relief or income support payments.

Australia: Regent
(Question No. 646)

Mr Melham asked the Prime Minister, in writing, on 12 March 2009:

In the event that a person is appointed as regent in the United Kingdom under the *Regency Act 1937*, will that person also serve as regent in Australia and the Australian States.

Mr Rudd—The answer to the honourable member's question is as follows:

It would not be appropriate for the Australian Government to speculate about a hypothetical situation involving the roles of the Queen in Australia and the United Kingdom. .