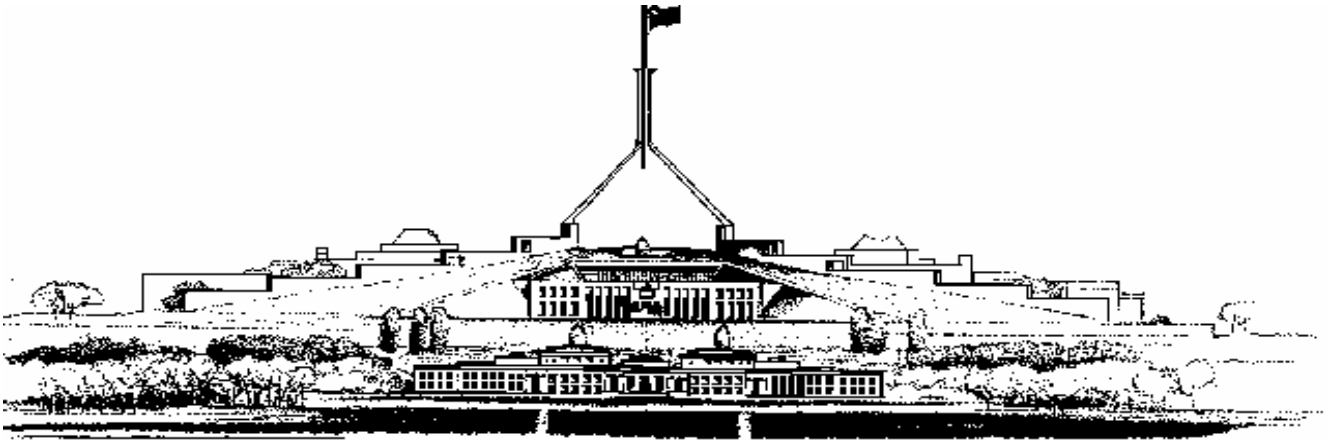




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 13, 2006

Thursday, 14 September 2006

FORTY-FIRST PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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SITTING DAYS—2006

Month	Date
February	7, 8, 9, 13, 14, 15, 16, 27, 28
March	1, 2, 27, 28, 29, 30
May	9, 10, 11, 22, 23, 24, 25, 29, 30, 31
June	1, 13, 14, 15, 19, 20, 21, 22
August	8, 9, 10, 14, 15, 16, 17
September	4, 5, 6, 7, 11, 12, 13, 14
October	9, 10, 11, 12, 16, 17, 18, 19, 30, 31
November	1, 2, 27, 28, 29, 30
December	4, 5, 6, 7

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**FORTY-FIRST PARLIAMENT
FIRST SESSION—SEVENTH PERIOD**

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Deputy Leader—The Hon. Peter Howard Costello MP

Chief Government Whip—Mr Kerry Joseph Bartlett MP

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The Nationals

Leader—The Hon. Mark Anthony James Vaile MP

Deputy Leader—The Hon. Warren Errol Truss MP

Chief Whip—Mrs Kay Elizabeth Hull MP

Whip—Mr Paul Christopher Neville MP

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Opposition Whips—Mr Michael David Danby MP and Ms Jill Griffiths Hall MP

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Hunt, Hon. Gregory Andrew	Flinders, Vic	LP
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Markus, Louise Elizabeth	Greenway, NSW	LP
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McArthur, Fergus Stewart	Corangamite, Vic	LP
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O'Connor, Brendan Patrick John	Gorton, Vic	ALP
O'Connor, Gavan Michael	Corio, Vic	ALP
Owens, Julie Ann	Parramatta, NSW	ALP
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Smith, 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
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Tanner, Lindsay James	Melbourne, Vic	ALP
Thompson, Cameron Paul	Blair, Qld	LP
Thomson, Kelvin John	Wills, Vic	ALP
Ticehurst, Kenneth Vincent	Dobell, NSW	LP
Tollner, David William	Solomon, NT	CLP
Truss, Hon. Warren Errol	Wide Bay, Qld	Nats
Tuckey, Hon. Charles Wilson	O'Connor, WA	LP
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Vaile, Hon. Mark Anthony James	Lyne, NSW	Nats
Vale, Hon. Danna Sue	Hughes, NSW	LP

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Member	Division	Party
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Vasta, Ross Xavier	Bonner, Qld	LP
Wakelin, Barry Hugh	Grey, SA	LP
Washer, Malcolm James	Moore, WA	LP
Wilkie, Kim William	Swan, WA	ALP
Windsor, Antony Harold Curties	New England, NSW	Ind
Wood, Jason Peter	La Trobe, Vic	LP

PARTY ABBREVIATIONS

ALP—Australian Labor Party; LP—Liberal Party of Australia; Nats—The Nationals;
Ind—Independent; CLP—Country Liberal Party; AG—Australian Greens

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Clerk of the House of Representatives—I C Harris

Secretary, Department of Parliamentary Services—H R Penfold QC

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Minister for Defence	The Hon. Dr Brendan John Nelson MP
Minister for Foreign Affairs	The Hon. Alexander John Gosse Downer MP
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Attorney-General	The Hon. Philip Maxwell Ruddock MP
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Minister for Immigration and Multicultural Affairs	Senator the Hon. Amanda Eloise Vanstone
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Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs	The Hon. Malcolm Thomas Brough MP
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Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service	The Hon. Kevin James Andrews MP
Minister for Communications, Information Technology and the Arts and Deputy Leader of the Government in the Senate	Senator the Hon. Helen Lloyd Coonan
Minister for the Environment and Heritage	Senator the Hon. Ian Gordon Campbell

(The above ministers constitute the cabinet)

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Minister for the Arts and Sport	Senator the Hon. Charles Roderick Kemp
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Parliamentary Secretary to the Minister for Defence	Senator the Hon. John Alexander Lindsay (Sandy) Macdonald
Parliamentary Secretary (Trade)	The Hon. De-Anne Margaret Kelly MP
Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs	The Hon. Andrew John Robb MP
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Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry	The Hon. Sussan Penelope Ley MP
Parliamentary Secretary to the Minister for Education, Science and Training	The Hon. Patrick Francis Farmer MP
Parliamentary Secretary (Foreign Affairs)	The Hon. Teresa Gambaro MP

SHADOW MINISTRY

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Leader of the Opposition in the Senate, Shadow Minister for Indigenous Affairs and Shadow Minister for Family and Community Services	Senator Christopher Vaughan Evans
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Shadow Attorney-General	Nicola Louise Roxon MP
Shadow Minister for Industry, Infrastructure and Industrial Relations	Stephen Francis Smith MP
Shadow Minister for Foreign Affairs and Trade and Shadow Minister for International Security	Kevin Michael Rudd MP
Shadow Minister for Defence	Robert Bruce McClelland MP
Shadow Minister for Regional Development	The Hon. Simon Findlay Crean MP
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Shadow Minister for Housing, Shadow Minister for Urban Development and Shadow Minister for Local Government and Territories	Senator Kim John Carr
Shadow Minister for Public Accountability and Shadow Minister for Human Services	Kelvin John Thomson MP
Shadow Minister for Finance	Lindsay James Tanner MP
Shadow Minister for Superannuation and Intergenerational Finance and Shadow Minister for Banking and Financial Services	Senator the Hon. Nicholas John Sherry
Shadow Minister for Child Care, Shadow Minister for Youth and Shadow Minister for Women	Tanya Joan Plibersek MP
Shadow Minister for Employment and Workforce Participation and Shadow Minister for Corporate Governance and Responsibility	Senator Penelope Ying Yen Wong

(The above are shadow cabinet ministers)

SHADOW MINISTRY—*continued*

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Shadow Minister for Agriculture and Fisheries	Gavan Michael O'Connor MP
Shadow Assistant Treasurer, Shadow Minister for Revenue and Shadow Minister for Small Business and Competition	Joel Andrew Fitzgibbon MP
Shadow Minister for Transport	Senator Kerry Williams Kelso O'Brien
Shadow Minister for Sport and Recreation	Senator Kate Alexandra Lundy
Shadow Minister for Homeland Security and Shadow Minister for Aviation and Transport Security	The Hon. Archibald Ronald Bevis MP
Shadow Minister for Veterans' Affairs and Shadow Special Minister of State	Alan Peter Griffin MP
Shadow Minister for Defence Industry, Procurement and Personnel	Senator Thomas Mark Bishop
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Shadow Parliamentary Secretary for Environment and Heritage	Jennie George MP
Shadow Parliamentary Secretary for Industry, Infrastructure and Industrial Relations	Bernard Fernando Ripoll MP
Shadow Parliamentary Secretary for Immigration	Ann Kathleen Corcoran MP
Shadow Parliamentary Secretary for Treasury	Catherine Fiona King MP
Shadow Parliamentary Secretary for Science and Water	Senator Ursula Mary Stephens
Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs	The Hon. Warren Edward Snowdon MP

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Thursday, 14 September 2006

The SPEAKER (Hon. David Hawker) took the chair at 9.00 am and read prayers.

**CHILD SUPPORT LEGISLATION
AMENDMENT (REFORM OF THE
CHILD SUPPORT SCHEME—NEW
FORMULA AND OTHER MEASURES)
BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (9.01 am)—I move:

That this bill be now read a second time.

This bill delivers the legislation for the remaining two stages of the government's major overhaul of the Child Support Scheme, flowing from the recommendations of the Ministerial Taskforce on Child Support, chaired by Professor Patrick Parkinson. These reforms are to ensure the scheme works in the best interests of children, while balancing the interests of parents and reflecting community expectations.

This comprehensive legislation follows the first stage of the reforms enacted earlier this year, and builds on the complementary reform of the family law system aimed at encouraging shared parenting and reducing conflict, with a commitment of nearly \$400 million over four years to establish a network of family relationship centres and related services in the community.

The task force found that the Child Support Scheme needed to be updated in light of substantial change in Australian society, and

the circumstances of many Australian families, since the scheme was established in 1988. There has been considerable community concern about how children and their parents have fared following marriage and relationship breakdown, and a growing recognition of how important it is for both parents to remain actively involved in their children's lives after separation.

The new scheme will be fairer for both parents, and more focused on the needs and costs of children. It will also be better integrated with the family law and income support systems. These improvements should reduce conflict between parents about parenting arrangements and encourage shared parental responsibility.

The centrepiece of the reforms is the new child support formula, based on new Australian research on the costs of caring for children and reflecting community values on shared parenting. The task force identified several problems with the current formula for assessing the child support payable by one parent to the other.

Firstly, the current formula uses fixed percentages of income, assuming people spend the same proportion of their income on children regardless of their level of income, whereas we now know that, while people with higher incomes spend more on their children than people with lower incomes, they spend less as a percentage of their income. Nor does the current formula distinguish between the ages of the children, so the significantly higher expense that comes with teenagers goes unrecognised. The current formula treats the income of resident parents more generously than it does the income of non-resident parents, and does not take account of contact by the non-resident parent with the children for up to 29 per cent of the time. Second families are also unfairly and

inconsistently taken into account under the current formula.

The new formula, on the other hand, will explicitly be based on the costs of children, as drawn from Australian research showing the real costs of children for the level of the parents' income and the children's ages. An 'income shares' approach will be used so both parents will have the same amount deducted as self-support, both parents' incomes will be taken into account in establishing the costs of the children, and the resulting costs will be apportioned between the parents according to their share of the combined income. In the new formula, parents who care for their children for 14 per cent or more of the time will be recognised as contributing to the costs of the children through their care. This will encourage non-resident parents to stay involved with their children. And there will be equal treatment between first and second families by using the actual costs of the children from the second family, rather than a flat amount, in working out child support payable for the first family. Resident parents will keep all of their family tax benefit if a non-resident parent has care of their child for less than 35 per cent of nights in a year.

The new formula will be rolled out from 1 July 2008, with notification well in advance to involved parents, and following the establishment of comprehensive systems to allow the Child Support Agency and Centrelink to help parents adjust to their new child support arrangements.

In a further major reform initiative, this time from 1 January 2007, the role of the Social Security Appeals Tribunal will be expanded to include independent review of child support decisions. Until now, there has been no mechanism for external administrative review of child support decisions except through the courts, which is expensive and

time consuming for parents. The new arrangements will improve the consistency and transparency of child support decisions and will provide a review mechanism that is inexpensive, fair, informal and, most importantly, quick.

Also from 1 January 2007, the bill will make amendments to simplify the relationship between the courts and the new Child Support Scheme. Parents will have better access to court enforcement of child support debts if desired. The courts, when hearing cases on enforcement of child support liabilities, will have their powers to seek information and evidence increased to the level currently held by the Child Support Registrar. The courts will also have increased powers to make interim arrangements for their child support cases.

July 2008 will also see the implementation of some important remaining initiatives to improve the overall effectiveness and fairness of the scheme.

Family tax benefit has many points of interaction with the Child Support Scheme and the two are to be more closely aligned, to support parents in working out their parenting arrangements. In particular, there will be changes to the maintenance arrangements for family tax benefit part A so that reduction under the maintenance income test that applies to payment above the base level will be limited to those children in the family for whom child support is paid. More flexible arrangements, with better legal protection, will be made for parents who want to make agreements between themselves about the payment of child support and for how lump sum payments are treated.

Also, the income definitions used to calculate child support and family tax benefit will be aligned. The respective income definitions currently lead to different treatment for certain tax-free amounts, foreign income

and fringe benefits. The child support income definition will be broadened to include certain tax-free pensions and benefits that already apply for family tax benefit. The foreign income definitions for child support and family tax benefit will be broadened and aligned. The gross value of reportable fringe benefits, rather than the net value, will apply for family tax benefit, as it already does for child support. The changes to income for family tax benefit will also apply for child-care benefit.

The minimum payment rules will be made fairer. Non-resident parents who pay child support in more than one case will have to pay the minimum payment of about \$6.15 per week per case, up to a maximum of three cases. Those parents who deliberately minimise their income to avoid paying child support will have to pay \$20 per child per week, up to a maximum of three children, unless they can prove their incomes are in fact very low.

During the first three years after separation, parents who are using income from second jobs and overtime to help re-establish themselves will be able to apply to have their child support calculated taking into account their re-establishment costs.

The current scheme is overly complex for parents who reconcile and then separate again and may serve as an obstacle to parents wanting to try a reconciliation. Under the new scheme, a simplified process will allow parents to suspend child support payments for a period of six months when they get back together. If they break up again, the resident parent will be able to reinstate the child support assessment without applying again, reducing any further conflict between the parents.

Parents who have financial responsibility for stepchildren will now be able to apply to have the stepchild treated as a dependant

under the child support formula for the parent's first family.

The current 'change of assessment' processes and rules for parents are confusing and are not widely understood. This bill will make these rules simpler and clearer for parents.

The reforms in this bill are the most significant and most comprehensive in the 18-year history of the Child Support Scheme and I am sure will deliver a system that is truly in the best interests of children.

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

CORPORATIONS (ABORIGINAL AND TORRES STRAIT ISLANDER) CONSEQUENTIAL, TRANSITIONAL AND OTHER MEASURES BILL 2006

First Reading

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

Bill read a first time.

Second Reading

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (9.11 am)—I move:

That this bill be now read a second time.

The Corporations (Aboriginal and Torres Strait Islander) Bill 2005, introduced into this House in June last year, is intended to repeal and replace the Aboriginal Councils and Associations Act 1976.

The Corporations (Aboriginal and Torres Strait Islander) Consequential, Transitional and Other Measures Bill 2006 sets out the transitional arrangements for corporations moving from the old act to the new.

The Aboriginal Councils and Associations Act was developed in the 1970s to cater for landholding corporations linked to the first

land rights legislation. It was meant to offer a simple process for incorporation with a minimal need for regulation. However, the act is no longer adequate.

There are now 2,500 organisations registered under the act. As the sector grew, Indigenous Australians became more dependent on these organisations for the provision of services, including essential services and management of assets. They are responsible for hundreds of millions of dollars of public funding for income and assets. Indigenous Australians want these organisations to operate efficiently and to be more accountable to them.

With a view to modernising the operation of the sector, the Registrar of Aboriginal Corporations commissioned an independent review of the act in 2001. The review was led by law firm Corrs Chambers Westgarth. Team members included specialists Senator Brennan Rashid, Professor Mick Dodson, Christos Mantziaris and Anthropol Consulting.

The review took almost two years to complete. Questionnaires were sent to all corporations under the act as well as to 345 Indigenous corporations incorporated under other legislation. Advertisements were placed in all key Indigenous publications. There were several rounds of consultations and two workshops in Alice Springs. Information sheets and consultation papers were distributed widely.

The report of the review was made available publicly for comment in December 2002. The government presented its response to the review in January 2004, after considering further submissions. The bill, introduced in June 2005, largely reflects the recommendations of the review and that lengthy consultation process.

The threshold question was whether there was a need for specific legislation for In-

igenous corporations. It was clear from the consultations that many Indigenous corporations need special support and regulation tailored to their circumstances. Their incorporation legislation also needs to meet the requirements of special statutory regimes including native title.

The flexibility and special measures required are not available from other corporate regulators such as ASIC, which are primarily concerned with relatively large trading corporations.

However, special legislation needs to be consistent with current practices of other corporate regulators. Therefore, the backbone of the reform is the application of mainstream corporations law to these corporations—for example, the reforms largely replicate modern standards of duties for officers, directors and employees that exist in the Corporations Act.

The reforms also overcome regulation gaps—for example, managers of Indigenous corporations will now have duties like those of directors and will no longer be able to escape scrutiny. That is a measure that I know will be very warmly welcomed in many Indigenous communities. Directors and managers can be disqualified and their names put on a register of disqualified directors so that they will be clearly visible to other corporations. The reforms include strong measures to avoid nepotistic behaviour. Importantly, the registrar will be able to check subsidiaries and trusts related to Indigenous corporations, some of which hold substantial funds and assets.

To protect the members of corporations, funding bodies and ultimately the Australian taxpayer, a range of offences are covered in the bill. The offences largely reflect those set out in the Corporations Act and have been developed on the principle that similar obligations should attract similar consequences.

Special measures that address the unique circumstances of many Indigenous corporations have been a key consideration in the CATSI bill's development. One such measure allows the registrar to appoint a special administrator—a modernisation of a measure currently available under the Aboriginal Councils and Associations Act.

This measure is an important safeguard to protect the interests of those communities that might otherwise suffer the consequences of corporate failure especially when it could threaten a community's essential services and infrastructure such as municipal services.

Corporations will be able to tailor their corporate governance practices to better suit their members and communities.

Smaller corporations will have fewer reporting requirements in proportion to their size. Larger, more sophisticated organisations will have more rigorous reporting arrangements in line with modern corporations law.

The changes offer a practical response to the need for good governance in Indigenous communities: Indigenous people can structure their corporations to create the best outcomes for their particular needs. It allows for the registrar to provide a range of assistance from compliance support to a rolling program of 'good governance audits'.

Since the introduction of the bill there has been further consultation. It has been subject to scrutiny by the Senate Legal and Constitutional Affairs Committee for almost 12 months. We will be introducing a number of amendments, some of which are a result of the committee's work. Those amendments will offer greater flexibility than the bill originally provided for.

This bill before the House consists of three schedules—amendments to the Native

Title Act 1993, consequential amendments and transitional provisions.

Schedule 1 to the bill sets out amendments to the Native Title Act 1993 that correct a technical problem relating to corporations formed to hold or manage native title.

Schedule 2 to the bill sets out consequential amendments. It also repeals the Aboriginal Councils and Associations Act.

Schedule 3 sets out the transitional provisions providing a seamless transfer of corporations. These provisions preserve the legal status, office bearers, assets and liabilities of corporations in their precommencement form. This is designed to minimise the administrative burden on corporations while providing certainty of operation for corporations, their members and stakeholders.

While the new arrangements will commence on 1 July 2007, transitional corporations will have up to two years to meet the requirements of the new act.

Support such as an 1800 hotline, do-it-yourself tools, troubleshooting sessions and compliance training on the legislation will be available through the Office of the Registrar of Aboriginal and Torres Strait Islander Corporations, to help corporations through the process where it is needed. The Registrar's office has already embarked on some of these measures. A recent \$28 million budget initiative of the Howard government to strengthen the capacity of Indigenous corporations will include funding associated with implementation of the bill.

The reforms will improve Indigenous corporate governance and will help to produce better outcomes for Indigenous Australians. These consequential, transitional and other measures assist implementation and ensure the success of Indigenous corporations and ultimately Indigenous Australians. I commend the bill to the House.

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

**CORPORATIONS AMENDMENT
(ABORIGINAL AND TORRES STRAIT
ISLANDER CORPORATIONS)**

BILL 2006

First Reading

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

Bill read a first time.

Second Reading

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (9.19 am)—I move:

That this bill be now read a second time.

This Corporations Amendment (Aboriginal and Torres Strait Islander Corporations) Bill 2006 amends the Corporations Act 2001. The amendments ensure that the Corporations (Aboriginal and Torres Strait Islander) Bill 2005, which was introduced into this House in June last year, interacts appropriately with the Corporations Act 2001.

These amendments to the Corporations Act make it clear that a corporation registered under the Corporations (Aboriginal and Torres Strait Islander) Bill 2005 is a corporation for the purposes of the Corporations Act.

The amendments remove areas of doubt, close potential regulatory gaps and remove confusion that would arise if there were dual regulation by both the Australian Securities and Investments Commission and the Registrar of Aboriginal and Torres Strait Islander Corporations.

The amendments also make sure that a person disqualified from managing a corporation under the Corporations (Aboriginal and Torres Strait Islander) Bill will also be

disqualified from managing a corporation under the Corporations Act.

Consistent with the requirements in the Corporations Agreement 2002, state and territory ministers have been consulted regarding these reforms through the Ministerial Council for Corporations and have approved the bill.

These amendments are a small but very important part of a broader package of reforms that will improve Indigenous corporate governance and help to produce better outcomes for Indigenous Australians. I commend the bill to the House.

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

**FAMILIES, COMMUNITY SERVICES
AND INDIGENOUS AFFAIRS AND
VETERANS' AFFAIRS LEGISLATION
AMENDMENT (2006 BUDGET
MEASURES) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (9.21 am)—I move:

That this bill be now read a second time.

This bill gives further effect to the government's package of reforms announced as part of the 2006 budget. The measures will boost support for rural pensioners and people who have been subjected to domestic or family violence, and improve the delivery of income support and family payments to the community.

Age pension aged people living on farms and rural residential properties will be the

winners from the first measure in this bill, based on an investment of over \$173 million to improve the treatment of rural land under the social security and veterans' affairs pension assets test. Currently, these people may not be paid a pension, or may be paid a reduced-rate pension, because only their home and adjacent land of up to two hectares is exempt from the assets test, even though the additional land may be held on the same title. The government is now moving to a fairer assets test for people who have their home and adjacent land held on the same title document, provided they have a long-term attachment, of 20 years or more, to their home. The government does not believe that older Australians should be forced to move from a home where they have lived for many years to ensure an adequate income in retirement.

To access the fairer assets test the person must show that land with commercial potential is being used productively to generate an income. The government recognises that some pensioners will have the potential to make an income themselves, while others will have lease arrangements in place or have the younger generation working their properties. Other properties will have very limited capacity to generate income, such as many rural residential properties. This bill recognises this fact.

The measure will enable some rural age pension or carer payment recipients of age pension age and qualifying service pensioners to have all the land adjacent to the family home that is held on the same title document excluded from the assets test. Clearly, this will increase pension payments or allow pensions to be paid to these rural people for the first time, improving their living standards while allowing them to stay in their long-term family home. Most meaningfully, perhaps, it will help retired farmers who are no longer able to work their properties to stay

on their land, while encouraging the land to be worked to its potential by those who are capable. The government has taken seriously community concerns over whether older Australians in rural and city areas were being treated equally, when city dwellers had recently experienced substantial increases in the value of their home properties, yet still were not being asset tested.

The bill also includes important new one-off payment support for people who have been subjected to domestic or family violence and who choose to stay in their own homes. The support is in the form of a crisis payment, currently around \$230 and payable up to four times in any 12-month period if appropriate. Crisis payment is already available to people experiencing hardship in certain personal crisis situations, such as if they have to leave home and start afresh because of domestic violence.

However, some people who have been subjected to domestic or family violence find it more viable to remain in their own homes, particularly if striving to maintain stability for children. Even so, there are often costs associated with such a crisis situation, especially in securing the home and other related expenses. Making crisis payment available will give valuable support to people to make these practical arrangements at these challenging times in their lives.

Additional amendments will be made by the bill to relevant provisions dealing with information management, as part of the government's ongoing program to reduce debts and improve the accuracy of payments.

To achieve the proper targeting of income support payments, the assets test needs accurate valuations of people's assets. Real estate assets have been identified as a particular area in which valuations held in the system may no longer be accurate, often because of rising property values. Also, pensioners who

own real estate other than their own homes may not be aware of the current value of those properties and how that could affect their pensions, and may fail to declare this as they should. To reduce the possibility of incorrect payments, the law will be amended so Centrelink can check land titles records held by state and territory governments, and more regular valuations will be conducted.

Another area that is a debt risk for social security customers is if people receiving carer payment when caring for a frail or aged person overlook the need to tell Centrelink when the person they are caring for permanently enters residential aged care. Carer payment should stop in these circumstances; however, if it continues, potentially large debts can arise. To streamline the arrangements in this area, amendments will allow the Department of Health and Ageing to give Centrelink information about people permanently entering residential aged care, so the data can be checked against information on people receiving carer payment. This will identify cases in which the carer payment should be reviewed.

Proper privacy procedures will be followed to safeguard personal information provided through these new processes.

Finally, the bill will introduce several provisions to enhance Centrelink's capacity to detect and investigate serious and complex cases of fraud. Centrelink's current powers to pursue investigations into suspected fraud are limited to provisions that may be used to require the provision of relevant information and, if appropriate, search warrants executed by the Australian Federal Police under the Crimes Act. Over recent years, Centrelink's investigative capacity has been developing to allow the detection, investigation and prosecution of more serious fraud of welfare payments, including a significantly increased focus on the cash economy and identity

fraud. To put this capacity to its best use in protecting the integrity of the payments system, this bill introduces, for social security, family assistance and related student assistance payments, provisions for entry and search of premises, and copying and seizing material relevant to pursuing these investigations. These new provisions will mirror provisions already available to other Commonwealth agencies, such as the Health Insurance Commission, the Australian Taxation Office, the Child Support Agency and the Department of Immigration and Multicultural Affairs, in their similar activities. I commend the bill to the House.

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

DEFENCE LEGISLATION AMENDMENT BILL 2006

First Reading

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

Bill read a first time.

Second Reading

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.29 am)—I move:

That this bill be now read a second time.

In October 2005, in tabling the Howard government response to the 2005 Senate report into the effectiveness of Australia's military justice system, the Minister for Defence, Senator Robert Hill, highlighted that the Australian Defence Force does a truly magnificent job in defending this nation and its interests. The government also said that it was committed to providing the best equipment and conditions of service necessary to ensure that the ADF is a modern fighting force and that, hand in hand with this, is a determination to provide a military justice system that is as effective and fair as possible.

The government continues to express its admiration and appreciation for our defence personnel and the important, challenging and often dangerous activities they undertake, both here in Australia and in overseas operations.

The government also remains committed to enhancing our military justice system to address the concerns of defence personnel, the parliament and the community, through the timely implementation of the objectives outlined in its response of October last year. This bill, to create a permanent Military Court, is an important step in that implementation program, and the enhancements it provides will further increase confidence in the military justice system among those it serves.

Discipline is clearly fundamental to an effective military force, but it must be tempered with a concern and consideration for individuals and their rights. The changes contained in this bill are a significant step in establishing the balance between discipline and the rights of individuals, which is the key to achieving operational effectiveness and success.

The primary measure of this bill is the establishment of a permanent military court, to be known as the Australian Military Court. The Australian Military Court will be independent of the chain of command, and will replace the current system of individually convened trial by courts martial or Defence Force magistrate. This new military court will be established under the Defence Force Discipline Act.

The Australian Military Court will give members of the ADF an impartial and judicially independent court. Military judges will be statutory appointments and they will have security of tenure—five-year fixed terms with a possible renewal of between three and five years where it is deemed necessary to meet the operational requirements of the

court—and remuneration set by the Commonwealth Remuneration Tribunal. During the period of their appointment, the military judges will not be eligible for promotion, to further strengthen their independence from the chain of command. The Australian Military Court will include a Chief Military Judge and two permanent military judges, with a part-time reserve panel. The panel of military judges will be selected from any of the available qualified full- or part-time legal officers and appointed by the minister. The court will be provided with appropriate paralegal support for it to function independently from the chain of command. In meeting all the requirements of military justice, the court will include options for the military judges to sit alone or, in more serious cases, with a military jury.

In order to meet its military purpose, the Australian Military Court will be fully deployable, able to sit in theatre and on operations. A principal factor of the Australian Military Court is its preparedness and ability to sit in an operational environment. This requires not only the necessary qualifications to perform the ‘judicial’ functions of a military judge, but also those necessary to satisfy the medical, training and physical fitness requirements of a deployable military court.

The bill also restructures the existing military offences in a new concept of class 1, 2 and 3 offences. The more serious military offences will be class 1 offences.

It is intended that offences will be dealt with either by a military judge alone or by military judge and military jury. In some cases, the latter will be mandatory—for class 1 offences.

Trial by military judge and jury may also occur in respect of class 2 offences, except where the accused elects to be tried by military judge alone. The accused may opt for trial by military judge alone in certain cir-

cumstances. However, whichever mode of trial, it is intended that a military judge will determine the sentence.

For a class 3 offence, while the default position for trial will be by military judge alone, the accused may elect to be tried by a military judge and jury. If the accused does make such an election, the military judge will retain full powers of punishment.

A trial by military judge and jury will be akin to a trial by court martial and a trial by military judge alone will be akin to a trial by a Defence Force magistrate.

All class 1, 2 and 3 offences are outlined in the bill and replicate the current offences in the Defence Force Discipline Act.

In establishing the Australian Military Court, consequential amendments will also be required to Defence and other portfolio legislation to replace the court martial and Defence Force magistrate trial system with that of the new Australian Military Court.

Appeals will be available from the Australian Military Court to the Defence Force Discipline Appeals Tribunal (under the Defence Force Discipline Appeals Act 1955). This replicates the current system of appeals from court martial or Defence Force magistrate decisions; however, it will be extended to include appeals on punishment—noting that such an appeal may result in an increased punishment.

Proceedings before the AMC are intended to reflect the unique culture and traditions of the Australian Defence Force, whilst not being unduly formal or protracted. That said, to facilitate fair and expeditious proceedings, the bill will introduce the availability of evidence via video and audio links to be accepted in the Australian Military Court.

The basic model of the evidentiary provisions of the DFDA will be retained; however, these provisions will be extended by provid-

ing for evidence by affidavit, video link, telephone or other appropriate means, similar to provisions in the Federal Court of Australia Act 1976. The intention of these provisions is to facilitate the most effective and efficient collection of evidence that will enable a fair outcome for the accused and minimal inconvenience to witnesses or parties to the proceedings.

To complete the establishment of the Australian Military Court, further provisions include:

- the stamp and seal of the Australian Military Court;
- the staff of the Australian Military Court;
- procedural matters, for example, rules of court to be made by the Chief Military Judge;
- legal representation for an accused, facilitated by the new Director of Defence Counsel Services; and
- an annual report to be prepared by the Chief Military Judge on the management and administration of the Australian Military Court.

The second measure in the bill will be to amend the Defence Act 1903, to facilitate the creation of a 'Chief of Defence Force Commission of Inquiry'. The government agreed in its response to the Senate report that the level of independence and rigour of inquiries into ADF incidents resulting in death will be strengthened. In demonstrating that ADF inquiries into these incidents are independent of the chain of command, the government is creating a new and mandatory level of inquiry. The Chief of the Defence Force will establish a mandatory commission of inquiry for all suicides and deaths in service, and an independent civilian, with judicial experience, will be its president.

There will be a need for further amendments to the Defence Force Discipline Act,

as additional parts of the government response to the report are implemented in the near future. These will include a right of appeal, on conviction or punishment, from summary authorities to a military judge of the Australian Military Court, and the right to elect trial before the Australian Military Court for certain classes of summary offences.

A modern and professional force deserves a modern and effective system of military justice. With the reforms contained in this bill, the government will provide a system that will better ensure impartial and fair outcomes and strike an effective balance between the need to ensure effective discipline within the Australian Defence Force and the need to protect individuals and their rights.

I thank and recognise the diligence and dedication of Rear Admiral Mark Bonzer and his military justice initiative implementation team. I commend the bill to the House.

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

**AUSTRALIAN PARTICIPANTS IN
BRITISH NUCLEAR TESTS
(TREATMENT) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.38 am)—I move:

That this bill be now read a second time.

I am pleased to present legislation to give effect to a federal government initiative that will provide non-liability cancer treatment for Australians who participated in the British nuclear testing program in Australia from 1952 to 1963.

The Australian Participants in British Nuclear Tests (Treatment) Bill 2006 will implement an undertaking given by the government in 2003 when it announced its response to the review of veterans' entitlements. The undertaking was to respond positively to the health needs of the participants, at the conclusion of the mortality and cancer incidence study of the group.

The study found that the rate of some cancers among the test participants was higher than in the general Australian population, even though a link with exposure to radiation was not found.

While no link to exposure to radiation was found, the government is of the view that support is appropriate for a group that has a clearly defined healthcare need, hence the healthcare package being offered under this legislation.

The bill will provide participants with non-liability treatment for all malignant cancers regardless of causation, as well as access to ongoing cancer testing.

Persons who may be eligible under the bill include those who were Australian Defence Force personnel, Australian Public Service employees and third-party civilian contractors.

This initiative is expected to benefit up to 5,500 Australian participants in the nuclear weapons tests.

The healthcare initiatives will be funded and delivered through the Department of Veterans' Affairs. Persons eligible under the bill will have access to extensive healthcare services including GP services, hospital care and pharmaceutical benefits.

The commencement date for eligibility for treatment will be three months prior to the date of lodgement of the claim or 19 June 2006, the date of the government's decision, whichever is the later.

Participants will also have continued access to existing statutory workers compensation schemes such as the Safety, Rehabilitation and Compensation Act 1988, and the administrative scheme administered by the Department of Employment and Workplace Relations.

Early passage of the bill will mean that eligible persons can begin to benefit in a timely manner.

This initiative demonstrates this government's commitment to the Australian military and civilian personnel who participated in the British nuclear tests and will assist in addressing their health needs. I commend the bill to the House.

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

**AUSTRALIAN PARTICIPANTS IN
BRITISH NUCLEAR TESTS
(TREATMENT) (CONSEQUENTIAL
AMENDMENTS AND TRANSITIONAL
PROVISIONS) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.42 am)—I move:

That this bill be now read a second time.

I am pleased to present the Australian Participants in British Nuclear Tests (Treatment) (Consequential Amendments and Transitional Provisions) Bill 2006, which will make minor amendments to a number of other acts as a consequence of the Australian Participants in British Nuclear Tests (Treatment) Bill 2006. This bill will also make transitional provisions in relation to the commencement date for eligibility for treat-

ment and travelling expenses. I commend the bill to the House.

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

**COMMUNICATIONS LEGISLATION
AMENDMENT (ENFORCEMENT
POWERS) BILL 2006**

First Reading

Bill and explanatory memorandum presented by **Mrs De-Anne Kelly**.

Bill read a first time.

Second Reading

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary (Trade)) (9.43 am)—I move:

That this bill be now read a second time.

As Australia's broadcasting and communications regulator, the Australian Communications and Media Authority (ACMA) plays a critical role in ensuring that the media sector complies with its legislative obligations and audience expectations.

For some time, ACMA and its predecessor, the Australian Broadcasting Authority (ABA), has been concerned about the polarised nature of its broadcasting regulatory powers, under which only the draconian sanctions of criminal penalties and licence suspension or cancellation were available even for mid-range breaches of the act. To address this, the bill will provide ACMA with a greater range of enforcement options, enabling it to respond more flexibly to breaches of the regulatory framework and, where appropriate, to work with industry to achieve greater levels of compliance.

The bill also will also ensure that ACMA can undertake the critical regulatory functions required of it in the new media regulatory framework that will be established by the government's media reform package. In particular, ACMA will have a key role in

ensuring that diversity of media ownership and content are protected under changes to the regulation of media ownership. More effective enforcement powers mean that the media industry and audiences can be confident that ACMA will ensure that the obligations placed on industry by the Broadcasting Services Act 1992 (the BSA) and other elements of the media regulatory framework will be met fully.

I turn now to the substance of the bill.

The bill will establish civil penalties for a range of offences under the BSA that are currently only punishable by criminal penalties. Civil penalties provide a number of advantages: they do not require a referral to the Director of Public Prosecutions, who must prove an offence to the criminal standard of proof—beyond reasonable doubt—and, in this case where a ‘strict liability’ approach has been adopted, there is no requirement to prove intent. Further, criminal penalties may be an inappropriate and draconian sanction for the nature of offences covered by the BSA.

To ensure consistency of treatment, the bill will add civil penalty contraventions to those matters that ACMA, under the BSA, will take into account in assessing licensee suitability, along with criminal offences, which are currently considered.

The bill will enable ACMA to seek injunctions to prevent the operation of unlicensed broadcasting services. The provision of unlicensed commercial broadcasting services—usually by broadcasters in other licence categories, such as narrowcasting—is potentially highly damaging to the commercial viability of licensed commercial broadcasters.

The bill will enable ACMA to accept enforceable undertakings in relation to its broadcasting, datacasting and internet content regulatory functions. ACMA may currently accept enforceable undertakings in

relation to its telecommunications regulatory functions, and may also do so under the Spam Act 2003, but unlike the Australian Competition and Consumer Commission or the Australian Securities and Investments Commission, it cannot enforce any undertakings it has accepted in relation to its regulation of broadcasting, datacasting or internet content. Enforceable undertakings have proven to be an effective regulatory tool in other sectors, and are regarded by industry as providing a worthwhile alternative to sanctions. While undertakings will remain voluntary, enabling ACMA to enforce undertakings made to it by industry will bring the authority into line with its regulatory peers.

Finally, the bill will permit ACMA to address breaches of reporting and notification requirements in the BSA via infringement notices, rather than via the costly process of criminal sanctions. While these are relatively minor offences, there has been an ongoing issue of noncompliance with such requirements in recent years. A greater capacity to address non-compliance will be particularly beneficial in relation to requirements relating to notification of changes in control, which are important to the effective protection of diversity of media ownership under the government’s proposed changes to the media ownership regulatory framework.

The bill marks a major updating of ACMA’s broadcasting regulatory powers which were developed in the regulatory framework, and media landscape, of the early 1990s. Since that time, regulatory options have evolved and enforcement tools such as civil penalties and enforceable undertakings are now widely used by other regulators. In moving ACMA towards regulatory best practice, the bill will provide industry with the effective regulatory framework it needs and which audiences demand.

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

**TELEVISION LICENCE FEES
AMENDMENT BILL 2006**

First Reading

Bill and explanatory memorandum presented by **Mrs De-Anne Kelly**.

Bill read a first time.

Second Reading

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary (Trade)) (9.49 am)—I move:

That this bill be now read a second time.

The Television Licence Fees Amendment Bill 2006 amends the Television Licence Fees Act 1964 as a consequence of provisions in the Broadcasting Legislation Amendment (Digital Television) Bill 2006.

This bill will make it clear that, once commercial television broadcasters are able to use their licences to provide an expanded range of digital services, they will be subject to fees based on their gross earnings across all services.

The expanded range of services will include a high definition multichannel from 2007, a standard definition multichannel from 2009, and any number of multichannels from digital switchover. This is provided for in the Broadcasting Legislation Amendment (Digital Television) Bill 2006.

Commercial television broadcasters are already liable, under the Datacasting Charges Imposition Act 1998, to pay charges related to their earnings for any licensed datacasting services they provide using transmitter licences authorised by their commercial television broadcasting licences.

This bill ensures that a consistent approach is taken to digital services provided by commercial television broadcasters on their spectrum.

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

COMMITTEES

Public Works Committee

Approval of Work

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.51 am)—At the request of the Special Minister of State, I move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Facilities upgrade to Shoalwater Bay training area, Rockhampton, Qld.

Ms LIVERMORE (Capricornia) (9.51 am)—I want to take this opportunity, having seen this motion on the *Notice Paper*, to have my say on behalf of the people of Central Queensland, because Shoalwater Bay is part of the electorate of Capricornia. The use of Shoalwater Bay and the prospect of increased defence activities in Shoalwater Bay following the signing of the agreement with the US armed forces are matters of interest and concern to people in my electorate. I appreciate that the works proposed under this motion—the exercise control building and the Urban Operations Training Facility—will not in themselves cause any great impact on Shoalwater Bay, and I understand that was the conclusion of the Public Works Committee following their hearings in Rockhampton earlier this year. But it is important to understand that this project will take place in the context of the proposed expansion of use of Shoalwater Bay as part of the Joint Combined Training Centre project.

The main concerns of people in Central Queensland relate to the pressure that the increased activities will put on our local in-

infrastructure. The Livingston Shire Council in particular has made this point on many occasions to the Department of Defence. We understand that the decisions concerning Shoalwater Bay made by the federal government are made with reference to matters of national interest, but we ask that, in doing so, the defence department and the federal government take into account the interests of the local community as well. When they talk about expanding exercises in the Shoalwater Bay training area there has to be a recognition that that puts extra pressure on the infrastructure surrounding Shoalwater Bay, particularly the road infrastructure that is left for Livingston Shire Council to maintain. The council and ratepayers face increased pressure to maintain that infrastructure when it comes under greater use from military exercises.

The other concerns that have been raised relate to environmental matters. Shoalwater Bay is a very special place. It does have environmental significance, and it is very important to the people of Central Queensland that its environmental values are preserved. There have been concerns about the types of weapons that may be used during military exercises in Shoalwater Bay. I again call on the defence department to do everything it can to work with the communities adjacent to Shoalwater Bay and to do the testing that has been requested by those communities in order to allay their fears and give them reassurance that the water and soil around and within Shoalwater Bay are not unduly affected by the military activities that go on there.

There is a great deal of support within Central Queensland for the defence forces that come to use Shoalwater Bay and I would hate to see the relationship between the defence forces and the local community break down through lack of communication or a feeling that somehow the communities sur-

rounding Shoalwater Bay are being taken for granted. There is good support within Central Queensland for what goes on there and it is important that Defence respects the interests of the local people in using Shoalwater Bay in ways that enhance our national security. Mr Deputy Speaker, thank you for the opportunity to have my say on this. As I said, it does not appear that this particular project will have any great impact on Shoalwater Bay, but it has to be seen in the context that the use of Shoalwater Bay is being expanded.

I would like to make one point arising from the Public Works Committee report which also came up at the committee's hearing in Rockhampton. In paragraph 1.6, under 'Inquiry process', the report says:

The Committee called for submissions by advertising the inquiry in *The Townsville Bulletin* on Saturday, 10 June 2006.

I know it is not for the minister at the table to answer for that—

Mr Lindsay—It is a very good newspaper.

Ms LIVERMORE—I am sure, but it is not read in Rockhampton! There were some concerns voiced at the public hearing in Rockhampton earlier this year that perhaps people were not given the best possible opportunity to take part in the inquiry process and that the consultation was not done as well as could have been. I am not sure whether that is a typo in the report, but if indeed the inquiry was advertised in the *Townsville Bulletin* that is quite a breakdown in communication with the people of Central Queensland who really do have a deep interest in what goes on at Shoalwater Bay. Thank you for the opportunity to bring that to the attention of the House.

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.57 am)—I thank the

member for Capricornia for her contribution. I am sure those on the Public Works Committee listen with interest about targeted advertising of these inquiries. I will also make sure that message is conveyed.

The DEPUTY SPEAKER (Mr Jenkins)—I thought it was a little unfair with me, as a member of the committee, in the chair!

Mr BILLSON—Perhaps you could assist in that communication exercise, Mr Deputy Speaker. The Department of Defence proposes the facilities upgrade to Shoalwater Bay training area, Rockhampton, Queensland. The proposed facilities upgrade will provide (1) an exercise control building to accommodate the significant increase in personnel and systems that are required to control large joint and combined exercises; (2) an Urban Operations Training Facility to allow combat team training for defensive and offensive operations, screens, search and rescue operations, aid to civil power and evacuation operations; and (3) a live-fire capable urban assault range, which complements the Urban Operations Training Facility. The estimated outturn cost of this proposal is \$11.16 million.

In its report the Public Works Committee recommended that this work proceed, subject to the recommendations of the committee. The Department of Defence accepts and will implement those recommendations. Subject to parliamentary approval, construction could commence late this year and be completed by April next year. On behalf of the government I thank the committee for its support and I commend the motion to the House.

Question agreed to.

Public Works Committee

Approval of Work

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.59 am)—On behalf of the Special Minister of State, I move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Facilities for troop lift helicopter, RAAF Base Townsville, Qld.

The Department of Defence proposes the construction of facilities at RAAF Base Townsville, Queensland, to support the introduction of the new troop lift helicopter. The objective of the proposal is to provide facilities and infrastructure that are critical to the initial introduction and continuing operation of the multirole helicopter 90 in Townsville. The proposed facilities and infrastructure works involve a mixture of new facilities and the adaptation and refurbishment of existing facilities. The estimated outturn cost of the proposal is \$20 million.

In its report, the Public Works Committee has recommended that these works proceed. Subject to parliamentary approval, construction could commence late this year with completion in early 2008 to meet the introduction into service of the new aircraft. On behalf of the government I would like to thank the committee for its support, and I commend the motion to the House.

Mr LINDSAY (Herbert) (10.00 am)—This is a great day for Townsville. I was just indicating to the member for Dawson that she has an interest in this. With the new redistribution in Queensland, Dawson now comes well into areas in Townsville that are populated with defence families. You cannot underestimate the importance of this decision. I thank the Public Works Committee for

its very positive report to the parliament today. I would make it clear, though, that while this program is referred to as something at RAAF Townsville it is actually an Army unit. It is 5 Aviation Regiment of the Australian Army. They are a lodger unit at RAAF Townsville and they are probably significantly bigger in size than the entire RAAF operations, so it is good to see the cooperation that occurs between Army and the Air Force.

This is a \$20 million project ultimately to refurbish and to build new facilities to take the latest high-tech heavy troop lift helicopter in Townsville. Its key significance is that the MRH90 supports Townsville's 3rd Brigade, the home of the ready deployment force for Australia. It is also a key enhancement because we have recently announced that Townsville is going to be the home of a third battalion. In fact it will be the 3rd Battalion, Royal Australian Regiment, who will join the 1st and 2nd Battalions at Lavarack Barracks in Townsville. That will mean a boost of another 1,500 men and women, then all the flow-on effects from that and all the new homes in the city. It just has extraordinary ramifications for the economy but also for our garrison city.

Today's motion through the parliament underlines the importance of Townsville as a garrison city in the Commonwealth of Australia. I know that the Defence Force will, as will our city, warmly welcome the construction of these new facilities. They will certainly very much assist and enhance Australia's capability in rotary wing aircraft. I thank the Special Minister of State for his strong support of Townsville, I thank the Public Works Committee and I thank the government for supporting the Australian Defence Force in Townsville.

Question agreed to.

Public Works Committee

Reference

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (10.04 am)—On behalf of the Special Minister of State, 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 extension and accommodation upgrade to the existing Chancery of the Australian Embassy in Beijing, China.

The Department of Foreign Affairs and Trade proposes to construct an extension to the Australian chancery in Beijing, China, and to upgrade chancery accommodation and services at an estimated cost of \$21.61 million. The Australian government has occupied the existing chancery since 1992. As a result of significantly increased representation by the Australian government in China, the chancery no longer meets present-day requirements, including space availability, efficiency, and building and workplace codes.

This proposal meets the government's preference to provide a consolidated and secure facility for the full range of Australian representational agencies in Beijing. The Australian government owns the chancery in Beijing, located on property that is leased under a reciprocal arrangement with the Chinese government. The newly upgraded chancery will provide fully for the embassy's functional and security requirements into the future. Subject to parliamentary approval, construction will begin in September 2008 with practical completion and occupation scheduled for October 2010. I commend the motion to the House.

Question agreed to.

**CUSTOMS TARIFF AMENDMENT
(2007 HARMONIZED SYSTEM
CHANGES) BILL 2006**

Cognate bill:

**CUSTOMS AMENDMENT (2007
HARMONIZED SYSTEM CHANGES)
BILL 2006**

Second Reading

Debate resumed from 7 September, on motion by **Mr Ruddock**:

That this bill be now read a second time.

Mr BEVIS (Brisbane) (10.06 am)—I rise to speak on the Customs Tariff Amendment (2007 Harmonized System Changes) Bill 2006 and the Customs Amendment (2007 Harmonized System Changes) Bill 2006. These bills amend the Customs Tariff Act to bring it in line with the third review of the World Customs Organisation's Harmonised Commodity Description and Coding System, or the harmonised system as it is commonly known, and to update the Customs Act slightly to give Customs the power to ensure that Australia will be compliant with the new changes as soon as they come into effect on 1 January next year.

I turn first to the Customs Tariff Amendment (2007 Harmonized Systems Changes) Bill. This bill will update the Customs Tariff Act to ensure that Australia continues to be in line with international standards with respect to the harmonised system. The harmonised system is a standardised classification system that is developed and maintained by the World Customs Organisation. Australia is a signatory to the international convention establishing the system, which first came into force in 1988 and which is reviewed every four to six years. The system basically provides a six-digit classification code for all sorts of products and commodities, everything from works of art to wood pulp to ammunition. The six-digit classification code is

then taken by Customs and supplemented with an additional two digits for other purposes.

As I said earlier, this system is reviewed and updated by the World Customs Organisation every few years to take into account the changing circumstances and fluctuations of world trade. To quote the World Customs Organisation, the latest revision was based on the following factors, amongst others:

Technological progress;

Changes in trade patterns—that is, to alter classifications where there are low levels of international trade;

Amendments relating to social and environmental fields ...

The review, in total, contains nearly 700 classification changes to the harmonised system, which translates to approximately 1,200 changes to the implementation of the system by Customs.

The second bill, the Customs Amendment (2007 Harmonized Systems Changes) Bill, updates the Customs Act to ensure that the changes to tariff concession orders are in place before the cut-over date of 1 January 2007. In order to properly update Australia's tariff concession orders, Customs advises that the CEO will be required to revoke about 750 tariff concession orders, replacing them with 1,200 new ones. The problem at the moment is that, at present, the CEO of Customs may only make changes to tariff concession orders under the act after the classification change has taken place. So the CEO would not be able to make the required changes until after the classification change had taken place, which would have raised the potential to prove disruptive to trade. The customs amendment bill will introduce a new section to ensure that the CEO has the power to make these replacements before the formal change has taken place but in anticipation of the change. So the tariff changes

will be in place before next year and will take effect from the exact cut-over time, allowing, we all hope, a smooth transition into the new arrangements.

In addition, the bills make some amendments to current rates of duty. Although Customs advises that it has attempted to maintain existing rates of duty and preference as far as possible, there are three items which have altered duty rates. The first is certain plywood and veneered panels containing bamboo, where the general rate of duty will move from free to five per cent. The second is certain carbonising base paper, where the general rate of duty of five per cent will be retained, except if imported from Canada when it will attract a rate of duty of 2.5 per cent or free. Similarly, for carbonised paper imported from certain developing countries, we are advised that the preferential rate will move from four to five per cent or free, depending on the nature of the goods. The third is adhesive paper, where the general rate of duty of five per cent is preserved, except if imported from Canada, when it will attract a rate of either 2.5 per cent or free.

Labor's understanding from information provided by the government is that the first of the three changes, that is, to plywood and veneered panels, would only have affected goods to the value of \$1,350 in the three years to 30 June 2005. In relation to the change of duties for Canadian goods, the second change would not have affected any goods imported in the three years to June 2005. The goods imported from developing countries that fall under the second category only attract approximately \$500 worth of duty in the same time period. The third change—to adhesive paper imported from Canada—relates to goods which had a total duty paid of around \$42,000 in the same time period as the others. From these figures it is obvious we are not talking about substantial

changes in tariffs or duties, or a substantial amount of goods.

The updated changes to the harmonised system tariffs will require the amendment of the rules of origin of two of Australia's free-trade agreements: the Australia-US Free Trade Agreement and the Thailand-Australia Free Trade Agreement. Negotiations for these changes to the rules of origin are, we have been advised, currently underway and, additionally, are currently being examined by the Joint Standing Committee on Treaties, which is expected to report in mid-October, after which new amendments for the purposes of updating those agreements will be required.

We have also received a number of undertakings from the government regarding this legislation. Firstly, the government will approach the Joint Standing Committee on Treaties to ascertain whether it is appropriate for them to consider the legislation in its entirety. Secondly, Labor have sought assurances from the government that, in the event of underpayment of duty by industry arising out of any transposition error in the change-over, the government will not seek to recover the underpaid duty.

Labor are supportive of the bill. It implements changes which will ensure that Australia remains in line with what are almost universally accepted international standards and avoids the onerous financial and administrative burdens that our importers and exporters would incur if we failed to comply with them. As I have already said, some aspects of the changes to the free trade agreement arising out of the new harmonised system are being examined by the Joint Standing Committee on Treaties.

It is normal practice that the treaties committee report prior to the matter being dealt with in this parliament. Labor are concerned that we do not have the final report

from the joint treaties committee on the aspects that have been referred to it. However, we believe that these changes should also be referred to the Senate Standing Committee on Foreign Affairs, Defence and Trade to ensure that there is proper time for any interested stakeholders to make any suggestions regarding drafting errors that the government may have missed, or other problems with the bill. That is something we would encourage the government to pick up.

Other than that, the Labor Party in principle supports the bill. If there are any matters that arise out of either the Joint Standing Committee on Treaties or the Senate Standing Committee on Foreign Affairs, Defence and Trade, then this matter will be further considered in the Senate where, I have no doubt, my colleague Senator Ludwig will do that job with his usual great eye for detail and efficiency.

Mr McARTHUR (Corangamite) (10.14 am)—I am pleased to participate in this debate on the Customs Tariff Amendment (2007 Harmonized System Changes) Bill 2006, which is a technical bill. The general philosophical debate on tariffs, as you may recall, Mr Deputy Speaker Jenkins, was very strong in Geelong, in the electorate of Corangamite, regarding motor cars and TCF. I was a proponent, as most people in this chamber know, for lower tariffs—sometimes much to my own detriment.

I notice my good friend the shadow minister at the table. We had some interesting debates on these matters. To be fair to the opposition, they were in favour of lowering tariffs from time to time, when it suited them politically. I recall Prime Minister Keating supporting lowering tariffs until he came to a certain election and wanted to put them up a bit. It has been an interesting debate.

Mr Crean interjecting—

Mr McARTHUR—The shadow minister shakes his head and says that he did not have an ambivalent position. We on this side of the parliament supported the then Labor government in lowering the tariffs. The former minister would recall that. We were very supportive of the Button plan and even some changes to the TCF industry. We complimented the then government on their attitude. But they were ambivalent from time to time. I think the shadow minister changed his mind and looked for long-term manufacturing plans. To be fair, they did bring about a change in the attitude to tariffs—very strongly supported by the then opposition.

We have a position now where the car industry is world competitive and the tariffs have been reduced from about 150 per cent down to the current negligible levels. Likewise in the TCF industry—

Mr Gavan O'Connor—Captain Zero. You'd have them down at zero.

Mr McARTHUR—We have the member for Corio. Fancy him turning up here in this debate. He does not know very much about tariffs. He has been a very vocal opponent of the member for Corangamite on the tariff issue. He has been known to say on the public record that I am Captain Zero. That is absolutely incorrect. I support a negligible tariff level.

It is worth recording on the record that the member for Corio worked for Senator Button. He was the architect of those changes in the car industry. The member for Corio would have been in the back room developing the Button plan and reducing the number of manufacturing plants—I think there were seven—down to four major plants. Yet he has been on the public record attacking the member for Corangamite about the tariff plans when it has suited him politically. Fundamentally, even the member for Corio understands the value of lower tariffs. He

knows the Ford company in his own electorate is now world competitive, productive and efficient. In many ways we think that the company's activities at Geelong and Broadmeadows compete with those in Detroit. In the last little while the Ford company head office has been in some difficulty.

I am delighted to see my two good friends, particularly the member for Corio. He turns up in this chamber to make sure the member for Corangamite is honest and true, which he always is. He is at long last acknowledging on the public record his support for a lower tariff regime.

This is a technical bill, not one for major debate across the chamber. It involves a lot of technical detail. I am pleased that on this occasion the Labor Party is supporting the government on good policy. That is an unusual situation. They should support the government across the board on a number of issues, such as industrial relations and free trade. The member for Corio will be having a lot to say about the mandatory code later today.

Following my discussions with the two members opposite, I return to the bill before the House. I am pleased to support the Customs Tariff Amendment (2007 Harmonized System Changes) Bill 2006 and the Customs Amendment (2007 Harmonized System Changes) Bill 2006. Through these bills the Howard government are implementing our international obligations towards the facilitation of an efficient international trade regime through the maintenance of a consistent worldwide system of codification and description of commodities and products. The codification system is integral to the efficient trade of products on the international market.

Mr Deputy Speaker, you would be aware that Australia is a signatory nation to the International Convention on the Harmonised Commodity Description and Coding System,

or the harmonised system for short. It has been developed as a means of describing consistently those commodities and products that are traded internationally. One of the difficulties that we have had in the tariff debate is to ensure that there is a comparison of like products between one nation and another. The harmonised system was developed by the World Customs Organisation and covers about 5,000 commodity groups. More than 190 countries, nearly all the countries in the world, use the harmonised system. It is the international language for traded products.

Australia has based its commodity classifications for traded goods on the system since 1988. The classifications are contained in the customs tariff for imports. The harmonised system classifications are used by nations for collection of international trade statistics and for the imposition of tariffs and duties. The system is a vital tool in international trade.

The reason for implementing these bills is that the harmonised system is reviewed periodically by the World Customs Organisation and the recent third review has resulted in a number of changes to the classifications, which are required to be implemented by January 2007. The recent review has deleted classifications for goods where there has been a low level of international trade, and amendments have been made to clarify existing descriptions.

Recognising technological developments and changes in industry practices, the review amends the classifications for a wide range of information technology and consumer electronic products. The review of the harmonised system has also recommended changes to system classifications to individually identify hazardous chemicals and pesticides such as chlorofluorocarbons, mercury compounds, aldrin and asbestos. The

enhanced clarifications of classifications for such products will assist with monitoring and control of the international trade of these products, in accordance with the international Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade.

While the bills deal with quite a technical feature of international trade, it is important that Australia takes action to institute the changes of classifications and to comply with the consistent, internationally recognised harmonised system if we are to encourage further freedom in international trade, and I emphasise that point. In the context of these bills I make the observation that free international trade is a good thing and needs to be encouraged, championed and fought for in the interests and for the benefits of the Australian people, as I have been arguing with the member for Corio over the last 15 years. Both nations are better off and the member for Corio understands that, but he has a bit of trouble articulating it to the people of Geelong; but eventually he will come good.

The maintenance of a consistent and harmonised worldwide language for the trade of goods is an important element of encouraging freer trade. Do you understand 'freer trade', Member for Corio? That is when you can send the goods overseas and import some goods—a little textbook operation for you. Effective negotiations on trade access and the removal of tariffs and non-tariff barriers requires a clear understanding of what is being discussed, and a harmonised classifications system is an integral part of the process. The Howard government has taken key steps to argue for real reform in international trade, particularly in agricultural trade, which is close to the heart of the member for Corio. Whilst he lives in an industrial city, he does understand agricultural trade—the only

member of the other side who does. He even knows more about it than the member for Hotham, because he has a background of it. The member for Hotham has an academic understanding of agriculture but not a real understanding, like the member for Corio has.

As chair of the Cairns Group, a coalition of agricultural exporting nations, Australia is leading the campaign against export subsidies in agriculture and against other market-distorting measures embraced by protectionist nations. The member for Corio used to be a bit of a protectionist, but he has improved. It is estimated that the elimination of export subsidies could be worth \$600 million per year to Australian dairy farmers. Dairy farmers in Corangamite, Colac and Alvie, where the member for Corio used to come from—they have good dairy farmers up there now, since he left—and across south-west Victoria export about 80 per cent of their product. The removal of export subsidies and the opening of higher value export markets will have a significant positive impact on farmers in Corangamite and the whole of south-west Victoria.

There is no choice for many Australian industries but to seek export of their products. This is especially so for agriculture, because the domestic population is not large enough to consume their total production. The export culture is clearly understood by farmers and primary industry, although not so much in some other manufacturing industries. As a result, it is vitally important that the government take action to continually open doors to new markets for our exporters and to tear down the barriers and export subsidies that corrupt the international market.

It is disappointing that the opposition has not always supported the government's attempts to open new markets for Australian exporters, but the Howard government has

led the charge in the Doha Round of multi-lateral World Trade Organisation negotiations. We have pushed for bilateral trade agreements with the United States, Thailand and Singapore to maintain the pressure with key trade partners to remove barriers to our export products.

I will make a few comments on the free trade agreement that this government has signed with Singapore. The agreement came into effect in July 2003 and was Australia's first FTA since the closer economic relations agreement with New Zealand some 20 years ago. The member for Corio is leaving the chamber. He is learning something; it would be a pity if he left, because this is quite helpful to him. The SAFTA eliminated tariffs in general and increased market access for many Australian exporters of services in the education, environment, telecommunications and professional services sectors. In a joint statement by Minister Vaile, Minister for Trade, and his counterpart the Singapore Minister for Trade and Industry, George Yeo, on the occasion of the SAFTA coming into force, the ministers emphasised the important link between bilateral agreements and achieving progress on multilateral discussions. The statement said:

The ambitious outcomes from SAFTA will complement our efforts in the World Trade Organization, especially the success of the Doha Development Agenda.

These agreements are not just economic; they have benefits in bringing our nations closer together and developing stronger links between business and government, resulting in an enhanced overall relationship.

Mr Deputy Speaker Jenkins, I think I have been to Singapore with you and we have noted the importance of trade to that nation. They have built the wealth of their people by trading with Australia and other nations around the world. I think you understand the

importance of free trade. Even coming from your seat of Scullin, where you have had some pressure on you to maintain tariffs, you understand that free trade does develop wealth, does help Australians and does help improve the standard of living. Even you understand that. We are working on the member for Corio's understanding, and he is improving. He is not quite as good as you in understanding these matters but, as I say, he is improving.

The free trade agreement with the United States came into force on 1 January last year, and there is evidence that the agreement is delivering real benefits to Australian exporters and the whole community. In 2005, sheepmeat and lamb exports to the United States increased by 20 per cent to a value of \$350 million. The member for Corio understands that as the shadow spokesman. There was an argument about the export of lamb meat to the USA, and I think both the government and opposition were strong on the view that the tariff barriers imposed by former President Clinton and his administration had to be removed. I think the member for Corio and I were united on removing that barrier so that Australian lamb producers could get access to that lucrative market. Dairy exports to the US increased by 35 per cent to \$165 million. Again, that is a very important market for Australia. Australian services exports to the United States increased by 4.1 per cent and are worth \$4.5 billion.

Substantial gains for Australian businesses are achieved through this government's ability to recognise freer international trade, and there are benefits helping to generate the extra jobs that we have seen created and the growth in wages that has been recorded in recent years. As I say, the trade with Singapore and other smaller nations helps in the longer run. Australia has been able to negotiate trade agreements and push for reduced

tariff barriers as a result of the consistent international harmonised system of product classification.

In supporting these bills, it is appropriate to reflect briefly on the tariff rates. While it is the intention of these bills to preserve to the greatest extent possible the existing levels of tariff protection for Australian industries, it should be noted that the changes to the harmonised system classifications will bring about several minor changes to some tariffs in the 'nuisance tariff' category—those tariffs five per cent or under.

I compliment the government on moving away from these nuisance tariffs. The politics behind it was that the government received, I think, about \$1 billion of revenue from those lower tariffs, but they took a strong and bold decision to remove them—I think in the last budget or the budget before. I was very supportive of that because they could have been left in the budget and the government could have received some income, yet the government took the strong policy position.

Nuisance tariffs applying to certain adhesive paper imported from Canada will be abolished under these changes. An approximate total of \$868,000 worth of such product was imported into Australia from Canada over the past three years to 30 June 2005. This will result in a revenue loss of approximately \$43,000 over a three-year period. The tariff rate will increase for certain plywood and veneered panels containing bamboo from three per cent to five per cent. Over the past three years, the total value of such goods imported to Australia was \$1,350. As a result, the new tariff imposition on Australian consumers will be negligible, amounting to approximately \$67.50 for the whole nation over a three-year period, calculated on the current rates of trade.

Tariffs will be cut on certain carbonising base paper imported from Canada. These products currently face a five per cent tariff, but under the changes will attract a tariff rate of either 2.5 per cent or zero. Carbonising paper imported from developing countries will see tariff rates move from four per cent to either five per cent or zero, depending on the nature of the goods. A total of approximately \$10,000 worth of imports of these products from developing countries has occurred over the three years to 30 June 2005.

It should be emphasised that these changes in tariffs do not represent a specific reform measure but are the consequence of implementing the changes to classifications under the international harmonised system, which has been agreed to worldwide. Australia's domestic tariff rates have been declining and in many industries they are not what they were. The nuisance tariffs of five per cent have been removed. Relatively minor fluctuations in the exchange rate can wipe out overnight the effect of the tariff protection. I add to that, in the last few moments I have, that the exchange rate is a key factor in this whole tariff debate. As the member for Corio and the member for Hotham would fully understand from the very strong debates we have had on tariffs, the impact of the tariff can be greatly affected by a change in the exchange rate.

I conclude by saying that, whilst this is a technical bill agreed to by the opposition, in philosophical terms it is a step in the right direction. Countries around the world understand that with a lower tariff regime, through the World Trade Organisation, they need to play the game. They need to understand that rules are rules. Countries that have had a number of non-tariff barriers have not been playing the game and have been able to get around these harmonised rules and the WTO. The new legislation, with the cooperation of other countries, makes it harder for those

countries that do not want to play the game properly to actually agree and accommodate these fairly technical rules on harmonisation so that the world will be a better place because more trade will take place. We see evidence of this in our commodities boom right now. The trade that we have enjoyed internationally has improved the standard of living, particularly in Western Australia. I know it is more difficult in the TCF industries and the manufacturing industries to argue these points. But, in the longer run, all nations around the world will be better off if we can reduce tariff barriers, trade with one another and enjoy the benefits of the comparative advantages of those countries that do things well in trading with other countries. These are fundamental to the arguments for freer trade and improving standards of living for all the nations, both poor and rich, around the world. I commend the bills. I commend the philosophic stance behind them and I thank the opposition for supporting the bills so wholeheartedly.

Mr PYNE (Sturt—Parliamentary Secretary to the Minister for Health and Ageing) (10.34 am)—I wondered why the member for Lyons was in the chamber. He is not due to speak on the next bill. I assumed he must be here to respond to the excellent speech from my colleague the member for Corangamite, but he only came into the chamber to heckle and shout.

I thank those members who took part in the debate: the member for Brisbane and the member for Corangamite, who gave an excellent contribution amidst great fanfare from the opposition, who get a great kick out of the member for Corangamite each time he speaks. He is an adornment to the parliament. There is no question about that.

I am here to sum up these bills on behalf of the Attorney-General, who is unfortunately delayed in cabinet and unable to be in

the House. On his behalf, I am summing up the Customs Tariff Amendment (2007 Harmonized System Changes) Bill 2006 and, concurrently, the Customs Amendment (2007 Harmonized System Changes) Bill 2006. These amendments implement changes that result from the third review by the World Customs Organisation of the harmonised commodity description and coding system, which is commonly referred to as the harmonised system. As a signatory to the international convention on the harmonised system, Australia is required to implement the changes from 1 January next year. The third review of the harmonised system has deleted classifications for goods where there have been low levels of international trade. Amendments have also been made to clarify existing descriptions and terminology in the harmonised system and to reflect developments in technology and changes in industry practices.

This review also provides new classifications to separately identify a number of hazardous or dangerous chemicals, pesticides or waste products. This will facilitate the monitoring and control of international trade in these products under various United Nations conventions, including the Rotterdam convention. While giving effect to the changes to the harmonised system, the bill ensures to the greatest extent possible the preservation of existing duty rates and levels of tariff protection for Australian industries and margins of the preference accorded to Australia's trading partners. The bill will provide certainty for Australia's importers and exporters and ensure consistency with Australia's international trading partners. I commend the bill to the House.

The second bill that we are debating concurrently is the Customs Amendment (2007 Harmonized System Changes) Bill 2006 and this contains amendments to the Customs Act 1901. This bill will enable the revocation

of about 700 tariff concession orders that will be affected by the amendments to the Customs Tariff Act 1995 which are contained in the bill that I previously discussed. Up to 1,200 tariff concession orders will also need to be made to replace those that will be revoked. Tariff concession orders provide free rate of customs duty for imported goods when there are no substitutable domestically produced goods. This bill will ensure the seamless application of tariff concession orders to goods imported before and after 1 January 2007. I commend this bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr PYNE (Sturt—Parliamentary Secretary to the Minister for Health and Ageing) (10.37 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

CUSTOMS AMENDMENT (2007 HARMONIZED SYSTEM CHANGES) BILL 2006

Second Reading

Debate resumed from 7 September, on motion by **Mr Ruddock**:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr PYNE (Sturt—Parliamentary Secretary to the Minister for Health and Ageing) (10.39 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

HIGHER EDUCATION LEGISLATION AMENDMENT (2006 BUDGET AND OTHER MEASURES) BILL 2006

Second Reading

Debate resumed from 13 September, on motion by **Ms Julie Bishop**:

That this bill be now read a second time.

upon which **Ms Macklin** moved by way of amendment:

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

- (1) jeopardising Australia’s future prosperity by reducing public investment in tertiary education, as the rest of the world increases their investment;
- (2) failing to invest in education, training, distribution and retention measures to ensure that all of Australia has enough doctors, nurses and other health care professionals to meet current and future health care needs;
- (3) massively increasing the cost of HECS, forcing students to pay up to \$30,000 more for their degree;
- (4) creating an American style higher education system, where students pay more and more, with some full fee degrees costing more than \$200,000, and nearly 100 full fee degrees costing more than \$100,000;
- (5) massively increasing the debt burden on students with total HELP debt now over \$13 billion and projected to rise to \$18.8 billion in 2009;
- (6) failing to address serious concerns about standards and quality in the higher education system, putting at risk Australia’s high educational reputation and fourth largest export industry; and
- (7) an inadequate and incoherent policy response to the needs of the university system to diversify, innovate and meet Australia’s higher education needs”.

Mr GAVAN O’CONNOR (Corio) (10.40 am)—I move:

That so much of standing and sessional orders be suspended as would prevent the Minister for Agriculture, Fisheries and Forestry from being required to:

- (a) confirm that the existing voluntary code of conduct has failed to protect fruit and vegetable growers from exploitation in the marketplace.
- (b) confirm that in December 1999 a Joint Select Committee of this Parliament chaired by the Member for Cook recommended a mandatory code of conduct.
- (c) confirm that in 2003 the Government commissioned Mr Neil Buck to review the operation of the existing voluntary code, and that in December 2003 he recommended a mandatory code.
- (d) confirm that on the 1st of October 2004 the Government promised Australian fruit and vegetable growers a mandatory code of conduct for their industry.
- (e) Confirm that on the 10th of November 2005 the Minister told this house that, and I quote, "Before very much longer the government will be announcing the mandatory horticulture code of conduct."
- (f) apologise to all fruit and vegetable growers for his failure to deliver the mandatory code of conduct as promised.

This is a betrayal of fruit and vegetable growers of this nation. I cannot believe the deceit.

The DEPUTY SPEAKER (Mr Haase)—Order! The member for Corio will resume his seat. The motion is not in order. It does not relate to the question before the House. The original question was that this bill be now read a second time. To this the Deputy Leader of the Opposition has moved as an amendment that all words after 'That' be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Mr ADAMS (Lyons) (10.42 am)—I second my colleague's motion. The failure of

this government to give farmers any recourse to what they have been seeking and what this government promised them at the last election—

The DEPUTY SPEAKER—Order! The member for Lyons will resume his seat. The motion cannot be debated, moved or seconded at this stage whilst we are on the business of the House. I call the member for McMillan.

Mr BROADBENT (McMillan) (10.43 am)—I rise to speak in support of the Higher Education Legislation Amendment (2006 Budget and Other Measures) Bill 2006 because of the importance of its provisions in addressing an issue of growing concern in the electorate of McMillan. Mr Deputy Speaker Haase, knowing that you serve one of the largest electorates in Australia, what I am about to say will be a matter of importance not only to you and your electors in the seat of Kalgoorlie but also to those electors in outer metropolitan parts of capital cities and in rural Australia—in your case, remote rural Australia—and particularly those in Tasmania.

The bill, as we heard from the Minister for Education, Science and Training in her second reading speech, implements commitments made in the 2006 federal budget to provide a major boost to the provision of health related university places. As I said in my opening remarks, this is an issue of growing concern particularly in rural and remote areas of this nation. Rural communities in McMillan and, I am sure, in outer metropolitan and non-metropolitan electorates are facing a critical shortage of general practitioners, nurses and allied health practitioners. This, I know, would also be close to the heart of the member for Hotham, for he was previously the Minister for Primary Industries and Energy. I remember, when I was a backbench opposition member, his support

for rural Australia, the issues that affected rural Australia at the time, the decline in small communities and the leadership program that he had in place. To my memory, he was personally involved in that leadership program, which made a big difference to rural communities. I do not forget the member for Hotham's work at that time, so he would be aware of this issue, even that long ago, and it is an issue that this nation has to again address today, of the shortage of health practitioners in rural Australia.

Issues such as population growth, the ageing of our population—including the ageing of the health service practitioners themselves—and the changing workforce patterns have all contributed to the problem we face. Recognising this, the Howard government, in partnership with states, last year commissioned a study by the Productivity Commission to examine all aspects of Australia's health workforce. In its report, released earlier this year, the commission acknowledged that Australia was experiencing workforce shortages across a number of health professions. It said:

The shortages are even more acute in rural and remote areas ...

The report went on to say:

Though precise quantification is difficult, there are evident shortages in workforce supply—particularly in general practice, various medical specialty areas, dentistry, nursing and some key allied health areas.

In the overview of its study of Australia's health workforce, the Productivity Commission said that Australia's broad health outcomes compared favourably with those of other developed countries, with total spending on health care being around 10 per cent of GDP. The commission gave credit in no small measure to:

... the expertise and commitment of the health workforce and to the efforts of the health and education and training sectors more generally.

At the same time, the commission acknowledged:

... there continue to be poor health outcomes in particular regions and for particular groups.

I have just met with the AIDS task force regarding diseases within Indigenous communities and how we might address them. That is why I was reminded of the member for Hotham's leadership program before, because we need that same leadership program at a local level with regard to Indigenous health and the health of young people, particularly with regard to sexually transmitted diseases.

The observations by the Productivity Commission reflect the reality in McMillan and other rural electorates. The McMillan electorate covers some 8,300 square kilometres, from the Great Dividing Range, or Mount Baw Baw, in the north to Wilsons Promontory in the south, and from the eastern outskirts of Melbourne, at Pakenham, to the heart of the Latrobe Valley in the east. The whole area is served by four main hospitals at Warragul, Wonthaggi, Foster and Leongatha and by smaller hospitals at Neerim South and Mirboo North. These hospitals are, in turn, supported by 16 medical practices, with around 90 GPs at any given time. More than a quarter of these are solo practices, which means that a whole community can be affected by the loss of a single doctor. As I mentioned earlier, the ageing of the population places greater demands on our health professionals.

I should explain to people who are listening that the electorate of McMillan covers from outer Melbourne to the east. It is now right on the cusp of the metropolitan growth area, which is from Berwick to Beaconsfield out to Pakenham. It also spreads out into quite small country townships, then into regional towns such as Warragul, Leongatha, Korumburra and Moe. They are the bigger

centres, but we still have our Bunyips, Tynongs and Nar Nar Goons and all of those smaller places like Neerim South.

In the McMillan electorate, 15.4 per cent of the population is in the 65-years-and-over age bracket. That is higher than the average for Victorian rural electorates. Within McMillan itself, the figure varies widely, with the highest proportion of the 65-plus age group being in the South Gippsland region, where the proportion is over 16 per cent. As I mentioned earlier in my address, GPs themselves are not immune to the ageing process, and a significant proportion are in the over-55 age group and are looking to cut back on their working hours.

All of this means that these small communities are competing for a dwindling pool of GPs, nurses and other health professionals to replace doctors or nurses who retire or leave the area. In recent years, this competition has increased in intensity. These communities not only have to compete with incentive schemes being offered by governments in other states but also have to compete with outer metropolitan areas of Melbourne, which are also facing a critical shortage of doctors. All too often, this means that practices in small communities find themselves devoting far too much of their valuable time to being virtual recruiting agents, trying to find replacements for their services.

I recently received correspondence from the Foster and Toora medical centres, both of which are in my electorate. At the present time, these medical centres are facing a critical shortage of GPs. To maintain the level of cover their communities require, they need the services of nine full-time doctors. At the moment, they are down to 7½ equivalent full-time GPs. This number is expected to decline further at the end of the year to only six equivalent full-time doctors. So these rural practices are facing the prospect of try-

ing to deliver services with a third less than the number of doctors they require. This, of course, does not include provision of sick leave, holiday leave or professional development leave, and at the Foster and Toora medical centres access to a locum service is simply nonexistent. For some time now, these practices have relied heavily on the recruitment of overseas doctors, who are required, under various schemes, to spend a number of years in rural practices. This avenue of recruitment is also becoming more and more competitive, as Australia finds itself competing on the international scene with other developed countries facing similar shortages of health professionals. All of this underlines the importance of the legislation before us.

We in McMillan are beginning to see the long-term light at the end of the tunnel in this year's budget. The Minister for Health and Ageing outlined the government's strategy to develop a health workforce to meet community needs. In particular, it addresses issues aimed at improving access to health services in rural and remote communities across the nation. I know there will be some members who question the description of 'remote' of communities in an electorate that abuts the outer fringe of metropolitan Melbourne. I would not even think to claim that any part of my electorate is remote in comparison with the electorate of the member sitting in the Speaker's chair, the member for Kalgoorlie. He understands what 'remote' is all about. However, the issues can be very similar across our country electorates—certainly the feelings of our people are very similar. The lack of public transport and the time taken and the distances one needs to travel to access basic health services are very real to people in communities such as Foster, Toora and other similar communities in South Gippsland.

I was pleased to receive the news this week that the Howard government will provide \$300,000 to assist the Monash Centre for Multi-Disciplinary Studies in Rural Health to become part of the university's department of rural health program. The centre, which will be known as the Monash University Department of Rural and Indigenous Health, will be based in Moe, a robust and exciting community in my electorate of McMillan.

I also welcome the Howard government's commitment to 600 new medical places and more than 1,000 new nursing places. Forty of those medical places will be used to establish further rural links with Gippsland with a new branch of Monash University's medical school at the Gippsland campus. These two initiatives for Gippsland mean more students of medicine, nursing and allied health disciplines will be able to study and experience rural health practice, and it is hoped that many of them will remain in the area when they eventually enter practice. It is hoped that the Gippsland branch of Monash's medical school and Monash Gippsland's plans to deliver some of its nursing and teaching program at Leongatha will also help improve the take-up of tertiary education among school leavers in South Gippsland.

For many reasons that I do not have time to go into today, the group of young people coming through this year has the lowest take-up of tertiary education of any part of Victoria. I know this is an issue everywhere in remote Australia, but in Gippsland we are going to try to address that. We have some ideas that will be released later on, but at present this area has one of the lowest school leaver retention rates in Australia. Yes, it is about access, but it is also about attitude, what the school leavers' parents did, the lead that students are given and whether they have an association with a tertiary facility prior to leaving school. So we have the stan-

dard group going off to the city to pursue their tertiary education, but they tend not to come back. They tend to meet partners and change their lifestyles to the point that they do not come back to rural areas. We have to make a bridge that goes from secondary education to tertiary education, and that is exactly what we are working on at the moment.

This is a timely piece of legislation in light of the current shortage of GPs, particularly in rural and regional areas. A white paper produced by a group of organisations involved in the recruiting and training of healthcare workers estimates Australia is short some 1,300 GPs. It estimates that, by 2013, we will need to have between 1,100 and 1,200 trained doctors entering the workforce each year. At present we have 700 Australian GP trainees and overseas trained doctors entering the workforce each year. You can see that we are going backwards a long way every year, year after year. This is a serious challenge for the Howard government, but it is one we are prepared to address.

Since 2000, the number of publicly funded students commencing medicine in Australian universities has increased by more than 30 per cent. The health minister and the cabinet have been prepared to put their money where their mouth is and address the issue of the lack of doctors in the nation, whether we are recruiting them from overseas or training them here—and I know there is a program for more mature Australians to go into medicine at a later age—

Mr Pyne—There's hope for us yet!

Mr BROADBENT—Yes, there is hope for you yet. In the last two years—

Mr Crean interjecting—

Mr BROADBENT—No, he is a very young member of parliament. In the last two years, 14 rural clinical schools have opened around the country, and new medical schools were opened at Griffith University and at the

Fremantle campus of Notre Dame. New medical schools will open next year at the University of Western Sydney and the University of Wollongong.

In my home state of Victoria—and I am sorry that the member for Corangamite has left the room—2008 will see Deakin University's Geelong campus as the home of Victoria's first rural and regional medical training school. Mind you, being in Geelong it only just made being classified as rural and regional, didn't it!

Honourable members interjecting—

Mr BROADBENT—I am sure he is interested; he would have had a lot to do with putting that together, there is no doubt about that. You heard the dryness of his speech before, taking his lead in dry politics from the member for Hotham, but I am sure with regard to education the member for Corangamite is dedicated to growing tertiary education throughout that area. We had representatives of Deakin University in the parliament only a few days ago; they were very proud of what they are doing at Deakin uni. My daughter was trained and did her degree at Deakin University at Geelong, so we have an association with that area even though I am from the other side of Victoria.

The training school will produce an additional 120 new doctors annually for country Victoria. The Australian government will be funding the 120 places at Deakin University and will also provide \$18 million for capital infrastructure costs. A key element of Deakin's medical school is that it will be focused on meeting the health needs of rural and regional Australians. The opening of these new medical schools and the provision of more places in this measure demonstrate the government's commitment to meeting this challenge.

As I said before, 40 new places recently went to Monash University in Gippsland.

Monash University is now just outside my electorate, but, because of my previous stint in McMillan, when the electorate used to go all the way to Traralgon and include Monash University, I still have a close association with the people at Monash and their endeavours to spread the tentacles of education to places like Leongatha and to reach out to people and students to give them an association through that Monash stream—even those doing a bridging course that can bring them to a point where they can enter tertiary education. There are some very good ideas out there. Recently 40 places for training, particularly in nursing and medical areas, were announced for Monash in Gippsland. It is in the electorate of Gippsland, Peter McGauran's seat. However, those 40 places are just the beginning. There are a number of other places in the medical area and nursing field that we as a community can bid for as well. I am hoping that it will not just be 40 places out at Monash but that many more will be trained in that area.

To recap, no member of this House can walk away from the fact that we do not have enough GPs in this country. We have allowed a situation to arise over many years where we are asking more of them. We are asking them to do more. We are asking them to be on top of every new drug that comes along. At the same time, they are ageing and we are coming to a time when they are over 55 in great numbers—and we are asking them to stay on and do more. We need to train more doctors. We need to do all we can to support the existing services that we have. They need to be strengthened by allied services, whether in disability services or aged care. I believe that the government in the overall package is doing that very well.

We are addressing ageing in the home and, therefore, taking pressure off GPs as much as we possibly can by increasing those services. However, it is an Australian cultural

phenomenon that, the first time there is a sniffle, we go straight to the doctor. We are building support services and nursing programs that can be of greater support to GPs. We are doing all we can. If there are new ideas on how we can further help GPs in country areas, I will be the first one to take those ideas to the minister. I commend this bill to the House.

Mr WINDSOR (New England) (11.02 am)—I compliment the member for McMillan on a number of the comments he made in his address, obviously recognising that we do have some concerns, particularly in regional parts of Australia, about doctor numbers and allied professionals. I also compliment him for his comments on medical schools. One comment I did pick up on that I think is quite pertinent was in relation to the nursing community and the role which they can play—and I know there are a number of moves afoot—in assisting and taking the pressure off some of our general practitioners, because they are under extreme pressure in many of our communities.

I support the Higher Education Legislation Amendment (2006 Budget Measures) Bill 2006. I would like to compliment the minister and the government on a number of initiatives that have come forward in and are dealt with by this bill in a small way. It is a multifaceted piece of legislation. I guess we can always find some part of every piece of legislation that there is some fault in. We can always do better, and we can demand more and more in terms of health care et cetera—it is a never-ending journey—but no government will ever deliver the ultimate for all of us. There are a number of very positive things that this bill does address. The member for McMillan touched on a few of them, but I would like to mention a few if I could.

The initiative that the minister announced for medical schools is a very positive initia-

tive. In one case, it has an impact on the electorate of New England. The University of New England is a great university, of which I happen to be an ex-student—probably not its greatest ex-student, but nonetheless I was an attendee—and I am very proud to have been part of that university. One of my children also attended that university. The University of New England is one of those country universities that were granted, in partnership with the University of Newcastle, the Tamworth Base Hospital and the Armidale Base Hospital in particular, 80 university places in the formation of a medical school.

I would like to particularly congratulate Professor Peter Jones, who has headed up the University Department of Rural Health which has been based in Tamworth for quite a few years now. It is his and his team's very hard work, in my view, that has actually established that part of the world as being at the forefront of educating country students, as well as other students, in medicine. Professor Jones is originally from the University of Newcastle. The partnership between the University of Newcastle, which also has a medical school—on the coast, of course—and the University of New England, in conjunction with what used to be the New England Area Health Service and is now Hunter New England Area Health, is working.

The Minister for Health and Ageing, Tony Abbott, was in the electorate about 15 or 18 months ago to formally open some extensions to the University Department of Rural Health at the Tamworth Base Hospital. He saw the progress and enthusiasm, the results on the ground. It is obvious to all that, if you educate country students in the country—or city students in the country—they are more likely to carry out their general practice work or other work, such as hospital work, in the country, because a whole range of the fears that they may have about working in the

country are removed and a lot of their social contacts are established in the country. They can see the absolute benefits of working in the country in terms of their own lifestyles and the positive interactions they have with country people.

It was a natural progression from the University Department of Rural Health's work in Tamworth to the establishment of a full-blown medical school, which will be based on a similar model and work in conjunction with the University of Newcastle.

I also congratulate the new Vice-Chancellor of the University of New England, Alan Pettigrew, for his work and the way in which he has taken to the task of administering the university—particularly taking it to this new level, where medical and nursing places are going to be filled. It is a really positive story of addressing a problem. We can all say that it should have been addressed some years ago. It did not happen, but it is happening now, and the government needs to be congratulated for moving now—and, hopefully, moving in a similar direction in other parts of Australia as well.

The formula works. It may be running slightly against the economic rationalist thought that major centralised universities on the coast are a more cost-effective way of delivering more doctors into the community. In theory that works, but in practice it has not got doctors out into country areas. This is a positive way of bringing students through a country process to achieve their degrees, with a greater likelihood of their actually working in the country after that.

Another issue that the bill embraces is the mental health arrangements that were put in place at the Council of Australian Governments meeting earlier in the year. I congratulated the Prime Minister at the time, and I still do, for the leadership role he took on that issue. The state Labor premiers, particu-

larly the Premier of New South Wales at the time, had also been fairly proactive. We all realise that at all levels of government not enough had been done in the mental health area. The leadership taken by the Prime Minister and the premiers on this issue could make significant differences into the future.

Let us hope that this issue does not fade as the months and years go past—that the bureaucracies and the various Commonwealth and state departments do not filter the original intent away. Mental health is an enormous problem for all of us. Most people are touched by relatives or friends who have had some degree of mental health problems as part of their lives. Mental health issues are part of our modern community and should be recognised as such. It is pleasing to see that at a government level that is happening.

At a local level, too, it is happening. In the electorate of New England the Billabong Clubhouse was the first such centre to be located in a regional part of Australia. It does a tremendous job. People with varying degrees of mental illness do not just get well overnight. It is a slow process. It does need professional people and caring people within the community to be able to stay the course with those people.

I am sure that from time to time all members of parliament have dealt in their offices with people who have had significant problems. A lot of the time they are coming to us just to talk to someone. That caring ear is very important—probably as important as being able to refer people to services in the community. Billabong Clubhouse does an extraordinary job of bringing people who have suffered a degree of illness back into the community at a pace that they feel comfortable with and with some professional backup.

Another initiative that has been undertaken in the electorate of New England in

recent months is the Suicide Safety Network that has been established under the chairmanship of Mr Darren Greentree. I congratulate his committee for the work that they have done. The network is the brainchild—and the Central Coast members of this parliament would particularly know this—of a Mr Eric Trezise. Eric was very instrumental in establishing a similar network on the New South Wales Central Coast. I know he has had assistance from members of parliament from that part of the world. Eric has brought that model to our area, and under the chairmanship of Darren Greentree we are trying to re-create the successes that Eric has had on the Central Coast.

The bill does not actually deal with dental health, but it is a significant problem and most members have been fairly wide ranging in their speeches in this debate, so I hope the Deputy Speaker will allow me to talk for a moment about it. The member for McMillan spoke about the lack of doctors and the problem that we have in all of our communities. The lack of dental health and dentists—the numbers of people that we are training at our universities and the incapacity to encourage some of those who are being trained to come into country communities—is an enormous problem now and potentially a bigger problem than the lack of doctors and ancillary staff. I want to read from a letter from a Dr Christopher Cole, who is based in Armidale in my electorate and who is a dentist. He has despaired about the situation in dentistry. He said:

The number of dentists graduating 30 years ago was approximately 100 per year in NSW.

I think the proportions are similar in other states. He continued:

Now and for recent years it has been around 45-50 per year.

The population has doubled and with many more people now retaining their natural teeth into older age the workload has multiplied.

The public dental health system is in a completely dilapidated state with waiting lists of over 200,000 and still counting ...

... ..

The country dental workforce is feeling the brunt of this in both public and private sectors. In the New England/North West over the last five years or so at least six dentists have closed their doors when they have retired. They have not even been able to give away their practices to ongoing dentists.

This has happened in Tenterfield, Scone, Bourke, Narrabri, Gunnedah, Coonamble ...

Those communities are located in the electorates of New England and what is currently Gwydir. He continued:

Narrabri for example now has one dentist for four days a week to serve approximately 13,000 people. We are supposed to be on an ideal ratio of one dentist per 2,300 people.

I will read out some of the suggestions that Chris Cole makes, because I think it is important that we recognise the problem and look to the profession to try and assist with the solution. In his letter he stated:

I suggest that we should:

- Utilise the university staff in the theory and preclinical training
- Utilise the vast knowledge of the dentists in large regional areas such as Armidale, Albury, Dubbo, Tamworth, Wagga Wagga, Wollongong, Coffs Harbour etc for the practical clinical training of the undergraduates. This could be done as type of “intern” situation where the undergraduate students would be rostered to one of these regional areas and work under the supervision of the private practitioner on the non urgent Public Patient waiting lists. This is what happens in the major teaching hospital where the undergraduates do the fillings etc on the public patients under supervision.

This would allow for:

- More students to be enrolled in the Faculty of Dentistry.
- Utilisation of undergraduates to help alleviate the growing backlog of public patients on the public lists.
- Expose more undergraduates to country areas of NSW and to the real workings of general practice. This also gives them more clinical time in which they can learn their profession
- Give local practitioners a closer connection with ongoing education activities. One of the greatest problems of country practice is the mentoring with fellow colleagues and this set up would give the country Dentists more exposure to education with the added stimulation of this expansion of the profession.
- As a side outcome I feel a lot of the country Dentists may get a little extra lease of their professional life because of this interaction and potentially stay longer in the profession.

That is a very important point. He continued:

This can't be a bad thing for the economy because it keeps the workforce there and they also would be adding to their retirement security with added superannuation savings.

Dr Cole went on to say a number of other things. I seek leave to table the document.

Leave granted.

Mr WINDSOR—I have one more issue to raise in terms of dental care. I ask the government to look seriously at the way in which Medicare treats dental care. I am fully aware that the health minister partly addressed that issue some time ago, in that people with health problems related to identifiable dental health issues can seek a rebate from Medicare. That does not embrace the vast majority of people who have dental health problems. It is time that we moved away from the state-Commonwealth responsibility debate in terms of dental care. Dental

care, under any definition, is part of health care and should come under the Medicare umbrella in a greater fashion than is currently the case.

There is interplay on a whole range of these issues between state and Commonwealth governments. I have been complimentary of the government today, so I may as well continue in that vein; tomorrow is another day! Real success has been achieved—and I am sure this has occurred in other parts of Australia as well—under the multipurpose service model. The member for McMillan spoke a while ago about the ageing community and people's health generally, and particularly older people. For those who do not know about it, multipurpose services—it is a dreadful name; they are called MPSs—are a partnership between the state and the Commonwealth, with the Commonwealth providing the aged care and the state providing what we would all think of as basic hospital care. Certain economies of scale are derived through the cooperative approach of the two bodies, as there are co-location and shared staff issues.

In the smaller and medium sized communities, these have been very successful. I am told the electorate of New England has more of these, either built or currently under construction, than any other electorate in Australia. Communities are welcoming them. I know that in the Guyra community, for instance, their MPS has just been opened. The Walcha community are turning the first sods for theirs. The Bundarra community have a slightly different variation of the theme but, nonetheless, it provides the same outcomes of aged care and health care. The Emmaville community were one of the first. In fact, I believe a few women in that community changed the face of health policy in small towns by the stance that they took some years ago and the fact that both at a Commonwealth and a state level—the state min-

ister at that time was one Craig Knowles—they were able to change the agenda from centralising health and aged care in bigger centres to a decentralised approach in smaller centres. I congratulate the government for being part of that. (*Time expired*)

Mr LINDSAY (Herbert) (11.23 am)—Some time ago I gave a commitment to my community in Townsville. I gave them a commitment that the number of medical school places at James Cook University would be significantly increased. Today I deliver on that commitment. James Cook University has had about 100 medical school places funded by the Commonwealth. It turned out its first graduates last year. The medical school at James Cook is recognised as one of the top four in Australia, not by the government but by the medical profession itself. That is a terrific feather in the cap for a regional university. Under the leadership of the executive dean, Professor Ian Wronski, the medical school and allied health precinct, the veterinary school, trop ag science and so on in that area have really gone very well indeed. The medical school, being a new medical school, is a new model. It is an undergraduate model but it works very well indeed. That is why it is important that the Higher Education Legislation Amendment (2006 Budget and Other Measures) Bill 2006, which is before parliament this morning, delivers on my commitment and on the government's commitment in relation to new medical school places across the Commonwealth.

Today the bill delivers 605 new medical places. It also delivers new nursing places and new mental health nursing places. I am also securing through the passage of this bill today another 10 mental health nursing places that will be a very valuable addition to North Queensland. The increase at James Cook is the biggest boost to medical school places ever at the northern university. That is

a great thing for a local member to achieve. (*Quorum formed*) I thank the Chief Opposition Whip for calling the quorum. Colleagues, don't go. It gives me the opportunity to tell you this bill is delivering 50 new medical school places for James Cook University. It is a great win and a great commitment that I have been able to deliver today.

We are going to see James Cook develop as the leading tropical science and innovation research university in the world. That is a great thing to see. I draw the House's attention to the fact that we are building the Australian tropical science and innovation precinct, and some of the funds for it will come out of funding in this bill before parliament today. That is a \$34 million development, and it will be a partnership between James Cook, the CSIRO, the Australian Institute of Marine Science, the Marine and Tropical Science Research Facility and the Queensland Department of Primary Industries and Fisheries. JCU and CSIRO are putting \$10 million each into the development and the Queensland government today is putting in \$14 million. The precinct is to be housed in a purpose built, top-class facility. It will create a world-leading grouping of tropically focused researchers to advance sustainable living in tropical environments.

I would like to advise the parliament what others have said about this particular new facility. The Chief of CSIRO Sustainable Ecosystems, Dr Andrew Johnson, has said that the precinct will be the leading tropical science and innovation facility in the southern hemisphere. That is a great claim. Indeed, Dr Johnson went on to say that:

There is no other facility in the world today that will be directly comparable.

He welcomed the Queensland government's generous support and the federal government's support for this exciting initiative. The Vice-Chancellor of James Cook Univer-

sity noted that JCU was already recognised as Australia's leading tropical research university and one of the world's leading tropical research centres. Professor Moulden went on to say:

With this development, JCU will now become the tropical research, innovation and development headquarters for Queensland and Australia.

The precinct will accommodate more than 220 researchers and support staff, with the principal partners being JCU and CSIRO. The funding for this is being provided in this bill, and there is also the possibility of JCU having access to the increased Capital Development Pool, which is also being provided in this bill. This is very exciting indeed.

I also draw the House's attention to other areas where James Cook University is doing very exciting and innovative things. One that is being announced today is an ARC linkage grant valued at \$92,000, funded out of this portfolio. It will fund a project to investigate new ways of engaging students in learning and really getting them back into the classroom. It is quite extraordinary, and I am pleased to see the member for Kennedy come into the chamber at the moment because a number of his constituents and their children are involved in what I am about to say.

A very significant number of students, after they finish primary school, disappear into the system and are never seen again; they do not get a secondary school education. This is particularly so in relation to Indigenous students and to males. About two-thirds of the youngsters who disappear are, in fact, males. This new research at James Cook, being conducted under the leadership of Dr David Lake from the JCU School of Education, aims to understand how science can be used to entice back students who have become disillusioned with the education system.

These are young people with low literacy, who have been turned off by school and are fed up with being told how to live their lives. This project will aim to re-engage with them and to give them some science that is relevant in the way it is taught so that it becomes useful and much more appealing to them. Congratulations to Dr David Lake and his collaborative staff at JCU School of Education.

The House may also be interested to know that there has been further recognition of JCU internationally. For example, JCU will become the first university outside Europe to receive international recognition for its degrees in marine science. That is a fabulous achievement. James Cook University academics are the most highly cited university researchers in the field of environment and ecology in Australia, according to the latest rankings by the international ISI Web of Knowledge. On the world stage there are 402 institutions ranked by the ISI in this field. From Australia the CSIRO appears at No. 7 in the world with only JCU, followed by ANU and the University of Queensland, also making the top 100. JCU academics either authored or co-authored 25 per cent of the top 20 most cited Australian papers in this field. This is a great outcome for James Cook University, a regional university which is doing wonderful things and will ultimately lead the world in tropical science, research and innovation.

I congratulate the government on the provisions of this particular piece of legislation. It is good news, and it is good news for the higher education system. I am disappointed to see the very negative amendments that have been moved by the Australian Labor Party in relation to higher education. There is no doubt that as the years have gone by under the coalition government higher education has blossomed and prospered, and there are wonderful things being done. Our coun-

try is taking its place in the world in relation to our responsibilities to the teaching, training and equipping of young Australians to face what is ahead of them in their lives. I commend the bill to the House.

Mr HATTON (Blaxland) (11.36 am)—I am happy to participate in this debate on the Higher Education Legislation Amendment (2006 Budget and Other Measures) Bill 2006. It is a very important one. I am also very happy to support the series of amendments, all seven of them, that the shadow minister for education has moved. Like the shadow minister, and like everyone else in this place, we have had one week to prepare for this. We have an explanatory memorandum but, as with so many other bills in this place, there is no *Bills Digest* from the library because they have been engulfed with work on the other bills in the education area that they have had to deal with.

The library does a magnificent job under immense pressure to assist all members and senators in their preparation for speeches in this House and the Senate. It provides another point of view, which is useful, from people who are expert in the field. But it is indicative of the approach the government have taken with this particular piece of legislation, which has some very significant provisions in it, that they have rushed it through in the way that they have. That point was made by the shadow minister well and tellingly, and it is an indication of the respect the government have for the other side in this place—given that there is some assistance to their members in preparing for debate in this House. That is point number one.

Point number two is that that will not stop us dealing with this, even at short notice. I will start with our amendment and then relate it to this bill. The amendment is that we will give this bill a second reading but we will

condemn the government for two things to begin with. The first is:

- (1) jeopardising Australia's future prosperity by reducing public investment in tertiary education, as the rest of the world increases their investment ...

We have seen that Australia alone amongst the developed countries in the OECD has effectively reduced its education spending on higher education in both the university and TAFE areas by seven per cent. At the same time we have seen, as the shadow minister pointed out in her speech, the OECD's *Education at a glance 2006*, a 454-page in-depth analysis of education across the world, which shows that those other countries have increased their investment in public education by 48 per cent. Simple mathematics shows that there is a 55 per cent differential between what is happening in Australia and what is happening elsewhere. Every vice-chancellor in Australia knows the impact of the reforms Dr Nelson put in place, the amount of red tape and bureaucracy and the significant detriment that all universities face because of immense funding pressure.

Another indication of that is in the provisions in this legislation for indexation. We know that the government does not believe in full indexation of costs for universities. If you look at the particularities of it you get a pretty clear and stark message. The reason this is so serious is that the rate of indexation is lower than their costs in terms of what they are paying their staff. The differential is in the order of \$500 million. I quote the shadow minister:

The rate of indexation being applied to university operating grants this year means that they will increase by just two per cent. By comparison, average weekly earnings rose by an average of 4½ per cent annually between 1998 and 2004. As salary costs are the largest component of university operating expenses, ranging between 45 per

cent and 70 per cent, this gap between indexation and wage costs continues to rise.

She talks about the increase being in the order of \$500 million. She notes the increased funding cap for the Australian Research Council in schedule 9 of this bill, and we are supportive of that. But we underline the fact that if you continue to take this approach to indexation, our tertiary institutions cannot but fail to meet their commitments. We do not have a 'McDonald's-ised' education system where they can run out and get all that extra funding from the private sector. The fundamentals that they have to undertake are very great.

One of the other provisions in this legislation which we support is the allowance for what are termed winter schools. We already have summer schools operating in Australia where universities undertake a range of different academic activities, some involving intensive courses, to allow students to catch up or to move ahead. There is a proposal here to have winter schools as well. That means you do more with your existing staff. The staff are required to undertake that work during those periods. Where you have a situation of inadequate indexation it is a significant problem and a significant burden, and a lot of our best people have, over a number of years, been attracted overseas because of the continuing problem. All universities are suffering this.

I know that the impact on the University of Western Sydney has been particularly great. A series of cutbacks has been made, including cancelling future courses in osteopathy. That course has been very successful but they have had to abandon it. The current students going through will be the last. The provision of highly skilled people in osteopathy from the University of Western Sydney was concordant with its general foundation as a teaching institution producing high-quality teachers, nurses and associated pro-

fessionals. They cannot do it because the funding pressure has been too great. And that is a university that has had a very wide span in Sydney from the south-west through to the north-west, and also in terms of its different activities and the institutions that made it up in the first place.

The second thing we condemn the government for is:

- (2) failing to invest in education, training, distribution and retention measures to ensure that all of Australia has enough doctors, nurses and other health care professionals to meet current and future health care needs ...

The point made by the shadow minister, the point that I am making and the point that has been made by other members of the opposition is that the lack of investment in these particular areas, when those in the university sector called for greater provision and saw that there was going to be a future problem of great significance, over a 10-year time lag relates directly to the problem we have in this area.

This bill finally takes that up in concert with the deal done at COAG regarding the health workforce and mental health package to provide new medical general nursing, mental health nursing and clinical psychology places and increased funding for nurse clinical training. There is provision in the bill for that. We have 605 new commencing medical places, 1,036 new commencing nursing places, that extra funding for nurse clinical training, 431 mental health nursing places, 210 new clinical psychology places and 40 new places for a centre for excellence in Islamic studies. This is an omnibus bill, and you will find all sorts of bits and pieces, not just in the medical area but across a range of different approaches.

There is also money for a commercialisation training scheme for new postgraduate research places in science and innovation.

That is a very welcome measure because historically we have had a fundamental problem in turning innovative ideas and products into commercial reality. Translating the great ideas and inventions that we have into something that Australia can really make something of is our one continuing fundamental underperformance. In some areas the reason has simply been scale and the fact that Australia does not have the market depth to develop these onshore. In some cases you have to get the big providers. This was the case with Ralph Sarich's orbital engine, despite, during our time in government, \$500 million plus of support and the support of BHP for that work. In the end, to get it up and running, support had to come from major companies such as the Ford Motor Company.

We do not have one of the great strengths of the United States system—an intersection, an interweaving, of the academic areas with business so that people can move readily from one area to the other. We do not have the interfaces they have that allow them to better commercialise their products because there is that flow, that understanding and that experience. I am highly supportive of that approach. It is extremely welcome. We need to do a great deal more of it, as we need to develop our technology parks—and I will come to that a little bit later—and the interaction that they have with our universities.

I will cover the third and fourth objection briefly, given the amount of time I have. Our third objection is to the massive increase in the cost of HECS, forcing students to pay up to \$30,000 more for their degree. The fourth is to the creation of an American style higher education system where students pay more and more, with some full-fee degrees costing more than \$200,000 and nearly 100 full-fee degrees costing more than \$100,000.

The weight has entirely shifted. The burden of this on Australian students is now in

the order of \$18 billion. There is a massive disincentive built into this, which is why our fifth objection is to that massive increase in the debt burden on students. Total HECS-HELP debt is now over \$13 billion and projected to rise to \$18.8 billion in 2009. You cut out a lot of people who see that as a problem and either do not go into the higher education system at TAFE or university because they do not want to burden themselves with that debt or else they do not take on higher degrees because of all the other pressures they have on them in terms of mortgages, the increase in interest rates and so on.

There are lost opportunities in a number of different areas. That is one of the reasons we have such an underprovision of the skill sets that we should have in Australia. There is a fundamental skills crisis in this country because not enough people have been trained. We needed the increase in places for doctors and clinical places for nurses that are provided in this bill well before now, and we need a great deal more.

What is the government currently doing to fill the hole? It is bringing in people from overseas utilising the 457 visa, which was originally for companies like IBM or Xerox to bring in executives or accounting specialists—people they could not otherwise get—as part of their multinational structure. They would bring them here for up to four years and fill those niches. The number of those visas has dramatically expanded into the hundreds of thousands. We need to train young Australians. We need to train them first and we need to train them now. We have needed to do that over the last 10 years and it has not been done. Finally they are making at least some movement in this regard. But the system is under immense pressure because of the indexing changes the government have made and it has less capacity to provide for our needs.

The last two objections are the failure to address serious concerns about standards and quality in the higher education system, putting at risk Australia's high educational reputation and our fourth-largest industry, and an inadequate and incoherent policy response to the needs of the university system to diversify, innovate and meet Australia's higher education needs. It is our fourth-largest industry. We earn something in the order of \$7 billion a year from bringing students in from overseas. We do that because Labor in government initiated the process of opening our education system up to the world and encouraging students to come to Australia. The reason they came was because we could provide a world-class education system. That world-class education system is not as strong as it should be and it has failed in a number of areas simply because of a lack of government commitment to expanding it and nurturing it in the way that it should.

What is Labor going to do about that? In the white paper *Australia's universities: building a future in the world*, Labor set out a significant set of reforms for the next Labor government in the education area. The second last of those amendments that we moved goes to the question of quality. We propose to set up the Australian higher education quality agency and give it real teeth to enhance degree standards and protect quality teaching and research. This is immensely important because our standing in the world governs the income that we will get from students continuing to come here rather than choosing to go to the other two big educational providers—the United States, which has 32 per cent of the international English based education market, and the United Kingdom, with 15 per cent of that market. We currently have seven per cent, and we should be able to grow that significantly if we have the right approach to this.

A series of reports have indicated concerns of international students about our standards being high enough and being maintained. The quality assurance is not there. Those concerns are there, are apparent and need to be addressed, and that is why one of the fundamental keystones of our reforms will be to provide for that. To encourage improvements in quality, we will make sure that there is extra funding for adequate indexation. We simply say to the universities and to the TAFEs: improve what you are doing with the extra funding that we give you—the funding that I talked about at the start. The rate of indexation at the moment is two per cent. What is the rate of wage growth? Four and a half per cent. What is the deficit? Two and a half. Over the years we have seen the impact Australia wide of paring and cutting back the ability of institutions to maintain themselves and to maintain their quality levels. We are fully committed to a full indexation rate. It should not have been changed by the government. You can materially see what changes have been made and the effect that they have had. That is another fundamental step.

We will also scrap full-fee degrees for Australian undergraduate students at public universities, which we have argued since the government introduced them. Further, we will expand associate degrees to address the national shortage of technical skills. As I have argued previously, this is one of our fundamental problems and difficulties. We do not have appropriate technical skills. We have massively imported people from overseas. They are only a stopgap, but they will become a permanent stopgap unless there is a commitment from Australian governments to train our own people to adequate levels.

Ten years ago, when this government came in, Dr Kemp launched new apprenticeships in Australia, which were traineeships that basically took the original apprentice-

ships and pared them down and cut them back. In the past 10 years, people who have been through those new traineeships and come out the other end and industries that have utilised the skills that have been developed know that there has been a fundamental funnelling and narrowing in the capacity and skills of the people the program has produced. Why? If you do not have a broad enough base and a deep enough set of experiences in apprenticeship training, you end up with people just doing the thing a particular employer needs at a certain time and, over the period of the traineeship, getting experience in that and little else.

If we do a comparison with our previous apprenticeship systems, where people had a broad experience in a number of different areas, we see that they developed their ability, their craft and proven trade skills that were broad enough and deep enough. We have to re-create that situation and not only train more people but train them much better than has been done in the last 10 years. At the end of our period in government we were in a position to launch Australia's trade skills into the region and send our companies full of tradies into the region to make a lot of money for Australia and for themselves. Instead of that, we have had utterly the reverse— (*Time expired*)

Mrs HULL (Riverina) (11.56 am)—It is a pleasure to rise today to support the Higher Education Legislation Amendment (2006 Budget and Other Measures) Bill 2006. The bill, as we know, will amend three acts: the Higher Education Support Act 2003, the Higher Education Funding Act 1988 and the Australian Research Council Act 2001—one that I am particularly impressed with and that I would like to make particular mention of today. It gives me an opportunity to inform the House of the progress and success of Charles Sturt University over its years of operation.

Charles Sturt University has its home in Wagga Wagga, in the electorate of Riverina, and is continuing to provide students who undertake courses there with many choices. The latest designs and technology in the facilities and exceptional standards in teaching with experienced lecturers and other staff are all part of the delivery of the Charles Sturt University program for creating inland professionals. I think it is one of the only universities in Australia that has an absolute focus on delivering inland professionals and bolstering and supporting inland Australia.

Charles Sturt University is one of the leading Australian universities for graduate employment. A survey conducted by the Graduate Careers Council of Australia in 2004 found that 83 per cent of graduates were in full-time employment at the end of their studies at CSU. I think that is a very relevant factor. About 36,000 students undertake courses at CSU either at one of the campuses or from home, the workplace or other places around the world.

In my electorate, Wagga Wagga campus continues to provide excellent training and education to prepare these inland professionals, and I am very proud of the work that they do. As a member of parliament, it is certainly not hard to represent Charles Sturt University, because it is an extremely fine university with fine values and fantastic objectives.

Just last month, I welcomed our fabulous, committed and dedicated Minister for Education, Science and Training, the Hon. Julie Bishop, to Wagga Wagga to officially open the new veterinary pre-clinical centre. Veterinary science was very difficult to secure for Charles Sturt University, but they knew they wanted to fill an area of need in rural and regional Australia. That area of need was in veterinary science, particularly of heavy animals. The Frawley review recommended

against a further increase in veterinary science outlets and to just increase the numbers at the existing sites providing the course. Charles Sturt University and I worked formidably together to overcome those recommendations in the Frawley report. Charles Sturt University reallocated funding and the way in which they presented their courses in order to provide this very costly veterinary course—it is costly for the university because they had to pay the professionals to deliver the course—and they successfully did this. We eventually got the approval of the former Minister for Education, Science and Training, Dr Brendan Nelson, and the former Minister for Agriculture, Fisheries and Forestry, the Hon. Warren Truss, and we were able to introduce the veterinary science course.

We launched that program in 2004. It was the first veterinary course to be offered outside of a metropolitan area in Australia. And when you think about it, having one outside of a metropolitan area makes absolute sense. If you are going to have veterinary science graduates or students practising with heavy animals, it is ideal to have them accessible to the students. The CSU veterinary science degree commenced in 2005 with its first 45 students. This new program was extremely successful. In the first veterinary science degree to be established in Australia since the 1970s, the course had 53 new students enrolled in 2006—with 223 applicants indicating the CSU veterinary science course as their first choice, making the course one of the most popular within the university this year. It was a fantastic day for the CSU when the minister opened the veterinary science pre-clinical building because up to that point they had been funding this program themselves.

This commitment of \$4.7 million announced last year as part of the higher education Capital Development Pool program was

just brilliant. That is why I am so enthusiastic that the increased capital development funding for 2007 will assist universities with their infrastructure projects. The 2006-07 budget provided an increase of \$95.5 million for the CDP program. Do I have a deal for this program! Having commenced the veterinary science degree—and very successfully training inland professionals—we recognised that the six-year degree has a very strong focus on livestock health and production, equine and companion animal medicine and surgery, and wildlife health. Most of this year's students are from regional Australia, particularly inland New South Wales and Victoria as well as South Australia and Queensland. What we need now is another facility. Because we have been so successful in introducing this program and this degree, we now need a diagnostic laboratory.

We need a veterinary diagnostic laboratory to be constructed at Charles Sturt University to ensure the existence of heavy-animal vets right across Australia—in fact, having them living and working in regional Australia, which is what Charles Sturt University is so good at. The function of a veterinary diagnostic laboratory will be to meet undergraduate teaching needs. But, teaching in veterinary science is research led, so it is intended that the facility will have a substantial research capacity as well as an important diagnostic function. It will offer things such as pathology services to livestock producers and carers of native wildlife—such as those in the WIRES program—and diagnostic services for owners of companion and racing animals. It will cover New South Wales, northern Victoria and the ACT through their own veterinarians. When the service is developed and completed, it will facilitate the safe movement of livestock and livestock products interstate and overseas by carrying out certification testing. It is a protection for these industries in regional New South

Wales, the ACT and Victoria against outbreaks of exotic animal diseases. It will promptly recognise and investigate unusual occurrences of disease and it will also enable critical surveillance information to be supplied to our relevant authorities.

It is with great pleasure that I congratulate the government on enhancing and expanding this program. As you can tell, there are some fantastic opportunities available for people to apply for funding to deliver essential and critical services to Australian industries, particularly rural and regional industries and export industries.

As part of the COAG agreement, this bill will also mean that the Wagga Wagga CSU campus will be able to take advantage of an extra 10 new clinical psychology places from next year. We find this extraordinarily welcome news. There is significant focus on mental health issues by both the Commonwealth government and the state government, but we need to go a long way in delivering services and professionals to be able to cope with the need, particularly in rural and regional areas. So I really welcome and applaud the united front being displayed by the federal government and the states to address the crisis of limited access to services that we have in rural areas.

We have had an ongoing and devastating drought for five years and it has been extraordinarily difficult for many of the families right across Riverina to manage. It creates an enormous amount of stress which may not exist in the lives of our residents under normal circumstances. We desperately need trained professional people to be able to take up positions in rural Australia. CSU has an absolute dedication to the provision of inland professionals. As I said, I am pleased that Wagga Wagga is included from 2007 in the decision to support post-graduate clinical

psychology masters degree places and we certainly need them.

The bill will also give higher education providers increased flexibility to set student contributions and tuition fees. Student contributions will remain subject to the maximum amounts and tuition fees to the minimum amounts specified in the Higher Education Support Act 2003. The flexibility will enable fees and contributions to reflect the differing costs involved in providing the same courses to different types of students, such as those at different campuses or studying via different methods of delivery.

In my electorate, the CSU Wagga Wagga campus is providing many courses to regional students and excellence in tuition with further courses like the Bachelor of Applied Science (Food Science) and the Associate Degree of Applied Science (Food Processing). The university is committed to the food industry in Australia—the largest Australian manufacturing industry with a value of \$40 billion per annum. The Wagga Wagga campus is an ideal location for food science courses, situated as it is in the heart of the Riverina which is known as ‘the food bowl of Australia’.

I come now to the National Wine and Grape Industry Centre, which boasts some of the most innovative research being undertaken in the Australian wine industry. Its research is diverse and includes areas of interest identified by extensive and inclusive industry consultation. Through a network of trained professionals, the National Wine and Grape Industry Centre, situated at Charles Sturt University’s Wagga Wagga campus, aims to keep the industry informed of the best management practices for plant protection, grape and wine quality, vine improvement, quality assurance, crop forecasting and vineyard establishment and expansion. We

have a strong process in R&D with our wine science centre.

Charles Sturt University is a valuable opportunity for the Australian wine industry. The industry is an outstanding national success story of a small and domestically focused industry turning itself into a major exporter and a source of regional employment. It has a present value of \$5.5 billion and the current value of exports in Australia is around \$3 billion. Casella Wines in Riverina, with their valuable Yellowtail brand, is the exporter of the year and makes up an enormous amount of that export in wine.

Charles Sturt University, with its emphasis on research and development, is again seeking to commit to research and needs to have a significant centre. We have a vision at Charles Sturt University that our Ron Potter Centre—named after a wonderful man who has devoted his life to regional pursuits of excellence—will, by 2011, become Australia's signature wine research community, providing leading edge, internationally recognised research outcomes for the economic benefit of the entire Australian wine industry. I think that is a valuable vision and one that we should be very proud of.

We also have at CSU a Bachelor of Pharmacy course. It is the first ever pharmacy degree in Australia to be offered outside a metropolitan area. Pharmacists represent the major component of continuing health care for many of the communities right across my electorate, where we have seen GPs depart and a lack of willingness by GPs to come and practice in isolated areas, and pharmacists are playing an even greater role. Members of my constituency have to travel to access GP services and as a result they continually rely on their pharmacist for emergency advice and management of their treatment.

It is important that we have pharmacists who want to set up and practice in rural and regional Australia. Charles Sturt University's Bachelor of Pharmacy degree incorporates activities such as community or hospital pharmacy, dispensing, medication management and health counselling to equip these young graduates with skills for immediate employment, again fulfilling its role, aims and objectives to provide professionals to inland Australia. If you are undertaking the Bachelor of Pharmacy degree at Charles Sturt University you will also study biomedical and applied sciences, develop knowledge and skills in health promotion, learn treatment of minor ailments and become fluent in communication and health information management as a pharmacist—all of the prerequisites to establishing yourself in a rural and regional inland community.

As I said, it is essential that we have universities, such as Charles Sturt University, committed to this outcome. Opportunities for employment always exist for successful graduates as there is a recognised demand for skilled practitioners, particularly in our rural and remote inland areas. The students of Charles Sturt University are always encouraged to study in regional areas to meet the strong demand for these professionals.

Previous to Charles Sturt University commencing their CSU Bachelor of Pharmacy course, you had an average of about three pharmacists coming outside the sandstone curtain into inland rural and regional areas when they finished their sandstone university degrees. The success of the Charles Sturt Bachelor of Pharmacy course is such that 39 out of the 42 students who first undertook the Charles Sturt pharmacy course are practising and living in rural and regional inland areas. Such is the success of this university.

I am very proud to be the representative of Charles Sturt University and its commitment to the delivery of equity of services for rural and regional inland Australia. I believe that the staff, the vice-chancellor, the chancellor and the board of Charles Sturt University have dedicated their programs and finances to fulfilling the requirements and needs of inland Australia in the development and delivery of inland professionals to those people in Australia, who deserve to have practising in their areas people with the same credentials as people enjoy in the city. I applaud the minister for providing the opportunity for universities like Charles Sturt University to be able to continue this great path of providing inland professionals to the Australian people, and I applaud the minister for the way in which she delivers this portfolio. She is the best minister. (*Time expired*)

Mr GIBBONS (Bendigo) (12.16 pm)—Labor firmly believes that higher education is the cornerstone of our nation's social and economic prosperity and an appropriately funded and resourced higher education sector is the best investment a nation can make in its own future. Whilst this Higher Education Legislation Amendment (2006 Budget and Other Measures) Bill 2006 goes some way to addressing some problem areas in the sector, there is much more that is needed to be done if we are to have a higher education sector that is truly responsive to the needs of the nation.

Schedule 1 of this bill funds commitments made by the government arising from the Council of Australian Governments health workforce and mental health packages. This means new medical, general nursing, mental health nursing and clinical psychology places and increased funding for nurse clinical training. The package includes 605 new commencing medical places, 1,036 new commencing nursing places, extra funding for nurse clinical training, 431 new mental

health nursing places, 210 new clinical psychology places and 40 new places for a centre for excellence in Islamic studies.

Schedule 2 increases the FEE-HELP limit to \$80,000 and \$100,000 for medical, dental and veterinary science students, as announced in the budget, and clarifies that a person who has had FEE-HELP recredited does not have their future entitlement to FEE-HELP reduced by that amount of recredited FEE-HELP. The changes to FEE-HELP are significant, increasing the amount available to students. There are now almost 100 full-fee degrees in Australia costing more than \$100,000, so it is obvious these increases are not sufficient to meet the real cost of these degrees.

A person can only receive a certain amount of FEE-HELP from the government. The available balance at any particular time is the amount by which the sum of all previous assistance, repaid or outstanding, is less than the limit. In certain circumstances, such as a provider ceasing to offer the course or special circumstances beyond the student's control, the FEE-HELP assistance claimed can be recredited and repaid by the provider to the government. This amendment clarifies that, in these recrediting circumstances, the FEE-HELP balance is not reduced because of the prior FEE-HELP loan taken, and thus in future this amount of FEE-HELP assistance can be claimed again. The clarification regarding the impact of recredited FEE-HELP on FEE-HELP balances is a positive step for students.

Part 1 of schedule 3 allows universities to charge different students in the same unit different amounts of HECS and tuition fees. Part 2 contains saving provisions consequent upon this change. The Howard government has threatened our economic future by neglecting universities by cutting \$5 billion in grants. These cuts have impacted severely on

La Trobe University in Victoria. It is estimated that these cuts represent around \$277 million from La Trobe's total budget. Australia is now the only OECD nation to actually reduce public investment in tertiary—TAFE and university—education as a percentage of GDP since 1995. Since 1995, there has been an eight per cent decline in expenditure as a proportion of GDP, compared to the OECD average of a 38 per cent increase.

I note that La Trobe University, which has a significant presence in Bendigo and other areas in northern and north-eastern Victoria, has announced yet another review. This is called a review of regional strategy. This follows a review of regional operations in November 2001 and the report of a community working party in January 2004. In 2003, following considerable and protracted public concern about the operation and future prospects of the Bendigo faculty of La Trobe University, I convened a public meeting in Bendigo which was attended by more than 100 people.

After much discussion and debate about the importance of the university to Bendigo and the region, in terms of its educational, cultural, research and economic impact, the meeting empowered then senator Tsebin Tchen, the then mayor of Bendigo and me to establish a working party to examine the role of the university and its relationship with its key stakeholders and the community it serves, and to recommend options for its future that would ensure the provision of high-quality education as well as organisational and funding arrangements to best meet regional needs. Following extensive community consultation, the working party produced its report in January 2004. I want to place on record my appreciation for the excellent work that Richard Clarke, Jan Boynton, Ian MacBean and Andrew Cairns provided in the compiling and preparation of the report.

The executive summary of the report stated:

The Working Party report follows significant community concern about the future of the Bendigo University Campus, and lost opportunities over the past several years.

While prospects for Bendigo and our region look promising, increased competition resulting from globalisation means that businesses must have access to information, knowledge and research in order to remain adaptable, sustainable and competitive.

It has long been acknowledged that universities play a significant role in regional development. While good examples of collaboration between the university and local industry exist, potential exists for a much greater collaboration and contribution to economic social development.

The majority of submissions received by the Working Party highlighted a progressive decline in the relationship between the Bendigo Faculty and the University's administrative centre, Bundoora, since amalgamation in 1994.

- Integration has failed to deliver increased access. Bendigo has lost funded places in real terms.
- La Trobe University has failed to develop a Regional Strategy. Local planning initiatives have been impeded.

La Trobe University's "international standing" appears to take precedence over its "regional commitment".

The Integration Agreement—

developed in 1993 between La Trobe University and La Trobe University College of Northern Victoria in Bendigo—

aimed at ensuring the interests and needs of the Bendigo Faculty were protected, has been progressively disregarded. Future promises and assurances would therefore be viewed with suspicion.

With some notable exceptions, the working relationships between staff at Bendigo and Bundoora are unhelpful and at times unhealthy. This is particularly apparent in relation to budget and finance issues. With many staff at Bendigo believ-

ing that several years funding has been withheld or re-directed away from Bendigo.

There is an apparent lack of transparency, consultation, or local input into key decisions made centrally.

The Working Party concluded that the projected benefits of integration have not been realised. This report identifies a long list of negative outcomes. Many are long-standing and remain unresolved. The relationship appears to have deteriorated to a point which, in all likelihood, is beyond repair.

The reforms initiated by the Minister for Education, Science and Training will result in universities seeking increased numbers of full-fee paying students both domestic and international. Commonwealth funding to universities has also decreased in real terms over the past ten (10) years. Universities will be under increasing pressure to be competitive and provide courses that are responsive to demand and community needs.

The Nelson reforms will also place pressure on small universities, which is likely to encourage partnership arrangements in order to remain financially viable.

The concerns raised by the community working party also included: a complete lack of consultation and communication; a lack of transparency regarding budgets and finance; a lack of a strategic plan for regional operations; a lack of responsiveness to local and regional needs; and a failure to develop adequate collaborative partnerships.

The university council resolved in early 2004 that the Faculty for Regional Development, based at Bendigo, should be fully integrated into the university for academic purposes, thereby increasing the centralisation of decision making at La Trobe's administrative centre in Bundoora. This decision by the university council meant that not only were the concerns and problems identified by the Community Working Party not addressed or resolved but many of them have been made worse. In addition, many new challenges for Bendigo students and staff have been cre-

ated. No doubt the Bendigo community will be watching very closely and taking a great interest as La Trobe undertakes this latest review of its regional operations.

I note that in her address to the Curtin Institute public policy forum on 24 July 2006 the Minister for Education, Science and Training, in addition to highlighting her studies at the Harvard Business School, said that she has aspirations for Australia's universities, including ensuring that universities are 'accountable for their performance, transparent in their operations and efficient in their administration'.

I also note from the minister's same address that, when extolling the virtues of the United States higher education system, she identified as one of the strengths the fact that their system is highly decentralised. If the minister is able to succeed in persuading La Trobe University of the need to become more accountable, transparent, efficient and decentralised, I will be more than happy to publicly congratulate her on her achievements.

As well as providing educational, cultural and sporting programs and activities, La Trobe University Bendigo is also a vital component of the economy of the central Victorian region. The student population of La Trobe's facility in Bendigo represents around 24 per cent of the total student enrolment for the whole university. The university is directly responsible for generating approximately 532 jobs—full-time, part-time and casual—in the Bendigo region. When the effects of student expenditure are added, another 344 jobs are generated. Once flow-on effects are taken into consideration, the university is responsible for the generation of 1,359 jobs in the Bendigo region. This amounts to 4.2 per cent of the total regional workforce.

La Trobe University Bendigo is responsible for an initial effect of \$62.4 million being placed in Bendigo's economy each year. The flow-on effect is estimated to be \$58.8 million, bringing a total of \$120.2 million in output. It generates \$120 million in household income. I am indebted to La Trobe University's Centre for Sustainable Regional Communities, which did the modelling to come up with those figures. Any diminishing of La Trobe Bendigo's role in the region also potentially diminishes the entire region's economy.

The facility was placed in Bendigo by past governments to provide central Victoria with the range of educational and other services specifically for the central Victorian region. In 1993 an integration agreement was struck with La Trobe University Victoria and was seen at the time to be the best way forward to secure and develop the facility. Over the past 10 years the federal government's cuts to universities have cost central Victoria dearly. In addition to these cuts, it has been estimated that La Trobe University Bendigo has lost in excess of \$15.5 million as a result of internal transfers between the Bendigo and Bundoora campuses. It seems that previous management at La Trobe Bundoora campus paid little regard to the importance of the Bendigo campus in the region's economy. The current and future management at La Trobe Victoria must understand that the Bendigo campus is not theirs to do as they like with; it is a vital Bendigo community asset and the Bendigo community takes a strong interest in its future. La Trobe Victoria has a responsibility to ensure it continues to fulfil the tasks it was established to provide. They must be accountable to the future generations that will access the services at La Trobe Bendigo.

The central Victorian community was bitterly disappointed that the La Trobe Bendigo bid to gain medical training school places for

Bendigo was not successful. The Melbourne and Monash universities' bid was successful, and I congratulate them for it and wish them well. However, La Trobe University's contribution to Bendigo's economy, education, sport, arts and culture is vastly superior to any other organisation of a similar size and certainly far superior to that of Melbourne and Monash universities.

We have lost an opportunity to gain a purpose-built Bendigo based and operated medical training school that would have helped cement La Trobe University's future in Bendigo. A purpose-built medical training facility would have complemented the significant investment by La Trobe in existing health related programs like pharmacy and nursing. La Trobe has every right to be angry at the lack of support it received, especially from the Howard government, other organisations and individuals who promised the world and yet delivered nothing.

While the Australian economy needs high-quality graduates to compete with the world, the Howard government has disgracefully made university funding conditional on take-up of its extreme industrial relations ideology, when it should be tied to education standards. Labor will reform Australia's universities to build a strong economy and a smart future for Australia. A Beazley Labor government will deliver world-class universities, giving Australians the best possible education and training to compete with the rest of the world.

Labor's white paper, *Australia's universities: building our future in the world*, points the way forward: reform of university funding; world-class and world-scale research hubs; the expansion of associate degrees; and a new Australian higher education quality agency. Labor's nation-building reform will result in real choice and higher quality education and training for Australians. Impor-

tantly, all Australians will benefit, because Labor's much needed reform will also deliver the skills our country needs to compete with the rest of the world. Lifting up all universities is central to a Beazley Labor government's economic agenda. Building the skills of the next generation is how we will build a prosperous future for all Australians.

Central to a Beazley Labor government's higher education reforms will be the creation of a standards watchdog—the Australian higher education quality agency—which will have real teeth to enhance degree standards and protect quality teaching and research. The Australian higher education quality agency will be developed, owned and controlled jointly by the Commonwealth, states and territories. It will undertake all higher education accreditation approval and compliance assessments to deliver national standards. The higher education quality agency will have the power to require underperforming institutions to: make changes to the structure and standards of their awards to ensure consistency with the guidelines for the award in the Australian Qualifications Framework; cease admitting new students to a program or range of programs; arrange for the transfer of their current students to other accredited institutions or providers; make changes to information about their offerings; and do all the other things necessary to safeguard the reputation of Australian qualifications. Under a Beazley Labor government, it will be educational standards, not industrial relations ideology, that will determine funding and accreditation.

Labor means quality investment in quality universities. Labor's plan will also encourage diversity and excellence in our universities. It will cut red tape and reward universities with additional funding in return for a commitment to quality. Labor will introduce a compact with our universities, establishing new funding streams to recognise their dif-

ferent strengths, promote excellence in research and encourage them to diversify, innovate and compete. All universities will be better off under the new funding system. Labor's plan will release universities from the Howard government's 2003 straitjacket, which strangled them with red tape through programs such as the enrolment targets system. Labor's plan includes proposals to stop the massive HECS fee increases, reduce the overall financial burden on students and provide HECS relief for degrees in areas of skills shortage. Labor will link research student places to research quality to foster excellence in specialised areas. Staff from all public universities will be able to do research.

Labor's plan is for well-funded and high-quality universities to build Australia's future economy by: ending the 'one size fits all' model of university funding; expanding associate degrees to address the national shortage of technical skills; creating extra university funding streams to encourage diversification, innovation and competition; encouraging regional universities to play to their strengths; creating extra university places in areas of skills shortage, particularly technical degrees; improving indexation of university grants in return for a commitment to quality; scrapping full-fee degrees for Australian undergraduate students at public universities; and introducing annual standards reviews, starting with teacher and nursing education and business studies.

Labor has always regarded higher education as the cornerstone of our nation's social and economic prosperity. We believe an appropriately funded and resourced higher education sector is the best investment a nation can make in its own future. And only Labor has the commitment to ensure our higher education system meets the needs of our nation.

Ms BURKE (Chisholm) (12.34 pm)—I am pleased to rise to speak on the Higher Education Legislation Amendment (2006 Budget and Other Measures) Bill 2006 before the House and also on the amendment moved by the member for Jagajaga. This is an omnibus bill that is amending a series of budget outcomes, particularly the commitment by the Council of Australian Governments to the Higher Education Support Act and the Higher Education Funding Act. It is also recognising additional places through COAG to the health workforce and mental health packages and increasing the capital development pool for universities. The legislation includes increases to the FEE-HELP limits, allowing higher education providers to charge different amounts of HECS and tuition fees to different students in the same units. It also introduces a definition of winter school. Why you would want to be going to university for winter school is beyond me; why anyone would want to do summer school is beyond me as well—but we are introducing a definition into the bill.

I want at the outset to say that this is a very rushed bill—so rushed that the library has not had time to prepare a *Bills Digest*. I am not sure why there was such a rush to get an omnibus measure such as this into the parliament. I do not want to imply any criticism of the Parliamentary Library, which does a phenomenal job in getting together *Bills Digests*, but there is actually a lot to digest within this bill. Full comprehension of this bill would have been greatly assisted by a *Bills Digest*. I am wondering why the minister saw an incredible need to rush something through the parliament at this point.

It also does not allow people the opportunity to go out and consult within their communities to ask about the impact of these bills on their institutions. Within my seat of Chisholm, I have three phenomenal teaching institutions: one of Australia's largest,

Monash University; the city campus of Deakin University; and one of Australia's leading TAFEs, recognised as such on numerous occasions, Box Hill TAFE. These institutions are all inadvertently impacted by this bill, and I have not had the opportunity to speak to the VCs and other people that I normally would consult with before coming into the House and making comment on a higher education bill. I think there is also a missed opportunity in that.

We have had 10 long years of government neglect of higher education—10 sad years of government neglect. If we needed any reminder, the OECD report issued this week gives the Howard government a complete F in its attitude—a complete fail in its approach to higher education. Public investment in TAFEs and universities in Australia has declined by seven per cent. This is appalling.

In an age when we are trying to innovate, when we need to make changes, when we are talking about such things as the fear of climate change and when we should be putting money into research and higher education, we have actually reduced our funding to TAFEs and universities. At a time when we are facing a severe skill crisis and when we should be assisting TAFEs and universities to skill up individuals in high demand areas, we have decreased funding. This goes against every other OECD nation. Those nations have had not a small average increase but a 48 per cent increase, according to the OECD's *Education at a glance 2006* report. In Australia there has been a seven per cent decline; on average across the OECD, there has been a 48 per cent increase.

This has occurred at a time when we have seen spiralling HECS fees and spiralling HECS debt. The report shows how the government's HECS hikes mean that Australian university students are now paying the sec-

ond highest fees in the world. Australia used to pride itself on a university system that was open to all and accessible to all on merit. Now we have a university system that is accessible not to all but only to those who can afford to pay.

This is an absolute shame and an indictment of the government's priorities—or its lack of priorities. In 10 long years we have not had any higher education direction policy or platform. All we have had is increasing red tape. The government keeps saying that it wants to be hands off and let institutions run themselves, but in higher education, year in and year out, the government has imposed ever-increasing red tape. The universities are absolutely drowning under it. It went to the stage where the previous minister had the authority at the end of the day to determine which courses went ahead and which courses did not. I am not sure that he is a higher education expert, but he was the one who got to sign it off. That was causing incredible grief within the higher education sector. The OECD has also sheeted home blame for this increasing spiral to the Howard government by stating:

In Australia, the main reason for this increase in the private share of spending on tertiary institutions between 1995 and 2003 was changes to the Higher Education Contribution Scheme (HECS) that took place in 1997.

Student debt under the Howard government is ballooning by \$2 billion a year and is projected to blow out to \$18.8 billion by 2008-09. I repeat: \$18.8 billion. I love the new title 'Commonwealth assisted places'. I think this is highly entertaining. We often hear the wonderful terms that this government comes up with in titles of bills—terms that are just ridiculous. But a Commonwealth assisted place? A Commonwealth assisted place is where a student gets to pay HECS. That is how the government is assisting people. It is assisting them into massive amounts of debt

by increasing HECS debt all the time. I am not sure how it is assisting them in any way, shape, size or form. As I said, as someone with two universities—with Monash University being the biggest in the country—within my electorate, it is something that is glaringly obvious and that is brought to my attention day in and day out.

When my younger brother completed university, he said that he had a HECS debt equivalent to the GDP of a Third World nation—and he completed his university degree many years ago. I think that now we probably have students whose HECS debts are the size of the GDP of some very large nations. That is the case. These young individuals find it incredibly difficult to start out in life, because they are burdened by this HECS debt. They need to pay it off to survive.

Where is the government's policy? We have seen increased interference but no direction. We have seen a decline in standards—to such an extent that we are losing some of the foreign students coming into our universities. We have seen a much higher increase of staff-student ratios. There is increasing pressure within the academic sector because nowadays you cannot have the same rapport with a lecturer: when you are sitting in a lecture theatre with 500 people, it is difficult to have a one-on-one relationship with your lecturer. We have seen a massive increase in class sizes. We have seen a reduction in tutorials. Nowadays tute groups are almost anathema; they just do not happen. I certainly got to enjoy a lot of tutorials during my university degree and they were of great assistance to my education, but they just do not exist anymore.

We have also seen a plethora of online courses. While that situation has assisted in some areas and is an innovation in teaching, it is also a decrease in the ability for student-lecturer interface and a reduction in student-

student interface. Some people like it. Some people use it as a resource. It is a benefit for distance education and for family needs. But it also imposes incredible demands on both the staff and the students.

All of us in this place rue the day that email was invented. It means that people want an answer and they want an answer now. A student online—using email—is just as demanding to lecturers. They want an answer and they want it now. They probably interact more across the keyboard and the screen because they do not have to say something in a class where they might be terrified. So this plethora of online courses is also having a detrimental impact on the ability of students to study effectively and is placing an increased burden on staff in the university sector.

The Howard government is so out of touch that it is letting the public investment in universities and TAFEs fall despite calls from Australian businesses for more engineers, doctors, scientists, plumbers, carpenters, electricians—and the list goes on. We are seeing a spiralling HECS debt and a spiralling, out-of-control system. We are seeing greater pressure on people to privately pay for their university degrees. And we have seen a massive decline in research and development, and in research and development spending, that is causing adverse impacts within our economy across the board.

The Howard government's massive fee increases are also discouraging some young Australians from going to university. The AVCC's report on applications for undergraduate courses shows a decline in applications over the last three years from a high of 229,427 in 2003 to 218,529 in 2006. Under the Howard government, young people are graduating from university with ever-increasing levels of debt, making it much harder for them to buy a home, start a family

and get ahead. The average HECS fee paid by an Australian student has doubled under the Howard government, discouraging prospective students from taking up places at university. The Howard government fee hikes mean that medical students will pay more than \$30,000 extra over the course of their degree, law students over \$20,000 and engineering students more than \$16,000. And that is for HECS places; that is not even talking about full fee paying places.

In 1999 we had the infamous promise from the Prime Minister that there would be no \$100,000 degrees. He obviously was not looking too far into the future because we have seen, according to the *Good Universities Guide 2007*, an explosion of full fee paying degrees that are in excess of \$100,000. At Monash University, which is within my electorate, a medicine-law degree costs \$214,600. An engineering-science degree at Deakin University, which is also within my electorate, is \$105,000. I am not sure where too many families find \$214,600 to send their child to university. I do not know how individuals do that. We are seeing that money is buying places in universities over merit—and that is an outrage to our egalitarian society.

Several years ago a constituent who had received a score of 99.5 came to my office. That score was a pretty good effort. I thought she would get into law at Monash. She had won the Monash University law prize the year before. The cut-off for that year was 99.7—she needed another 0.2. If she had been a full fee paying individual, she would have got in with 91, but she was not. She was the last of nine children from a large Italian Catholic family within my electorate. She had done brilliantly, but she did not get to go and do law at Monash. In fact, she did not do law at all that year; she did a communications degree at the University of Melbourne that she paid for through HECS and

by working in numerous casual jobs. She subsequently transferred to the ANU, where she is completing her law degree, much to her parents' and her satisfaction. But it was cruel and barbaric. If her parents had had the money she could have gone, but they did not. She had done so brilliantly well, and it was just outrageous.

I often say in this place that I am of the first generation within my family that is university educated. There are five of us. We all went to Monash University, and it was the proudest day of my mother's life when her final child went through and qualified for that university degree. My father was a bank teller. There would have been no way he could have paid for the five of us to go to university if we had had to pay for those sorts of degrees. It never would have happened. But we are going down that path. We are going back to the days that my father-in-law faced, as the son of a tram driver, where he had to repeat his leaving certificate twice so that he could get a fully funded Commonwealth scholarship to go and do medicine at Melbourne University. He went back to university and sat it all again to get the results so that he could get a full Commonwealth scholarship all those years ago—and that is where we are going. We are actually seeing a massive rise in scholarships being offered by universities to attract people to take up places because they simply cannot afford them.

The OECD report said that we are under-spending on higher education and we are putting more debt burden on our university students. Another interesting thing in the OECD report is the decline in international students coming into Australia. Education is the fourth largest export earner for Australia. Within my electorate, Monash and Deakin universities rely heavily on international students. They make up an enormous part of their revenue base. But we are seeing a de-

cline in the total intake of foreign students. Why? It is because our degrees have diminished in quality and standard and they are not as attractive to overseas students as they were previously. It is an absolute outrage that this government has allowed this to happen. The other reason is that they are incredibly expensive. They make it incredibly expensive for people to come from overseas to study here. We have the third highest fees for international students, behind the United States and the United Kingdom.

Within this bill there are measures to assist with additional places in medical schools. I welcome that and thank the government for the funding of \$18 million to Deakin University for its new medical school in Geelong and for \$5 million for Monash University Medical School in Gippsland. At Deakin University, this funding will hopefully see about 120 students going to the Geelong campus by 2008. They are well on track with getting all their accreditations for that, and I congratulate Sally Walker and her team at Deakin for the effort they have put into securing those places. However, I do want to say that I am a little disappointed with Deakin University today. Sadly, Deakin University—while it is a great university and we welcome it within my community—has not been a good neighbour. The campus in my electorate was previously a smaller teachers college in Burwood, and it has morphed into a very large university campus. Every day a new building is going up at Deakin in Burwood. Indeed, it is the largest campus of the entire Deakin University, which is quite entertaining as it is meant to be the city campus of a regional university and not the other way around.

The campus is affecting my electorate's suburbs. The university, because of lack of funding, cannot provide sufficient car spots. That might seem trivial to some, but with the gridlocks in Burwood, it is making it very

difficult for students to find appropriate car parking at Deakin University. Whilst we would welcome other measures such as car pooling and transport into the area, Deakin at Burwood is not sufficiently linked with transport. There is a tram out the front, but I defy anybody who has had to get the tram from Burwood to town or back again to say that it is a great route. I used to have to do it as a child going to school, and it takes forever. So it is not the easiest place to get to. It is within zone 2, so it is also quite expensive in a transport sense. People therefore rely on their cars.

University students also rely more heavily on cars nowadays because they are in and out of the campus and in and out of their part-time jobs. So the lack of car parking at Deakin is having a hugely detrimental impact upon my local residents, so much so that I actually took the university to the VCAT recently. Sadly, today I have discovered that I lost my VCAT hearing. That does not really surprise me, but I thought we would stand up for the local community and say that the university should be a good neighbour. I welcome the university and applaud it being there. It is a great activity centre. But if it is going to be within the suburbs—as it is—it needs to be a good neighbour. It needs to do more about consulting and about providing appropriate car parking.

The decision handed down by VCAT today quite squarely puts the issue of car parking as one to do with economic factors. The university simply cannot afford to pay. We are not only starving our universities of funds to actually educate people; we are starving them of the ability to have appropriate infrastructure so that they are good neighbours within suburban settings. So I am a little disappointed with Deakin University today. I hope that they can be good corporate citizens, regardless of the VCAT decision, and actually agree to put in the thousand

places that they had agreed to with Whitehorse City Council. Do something good. I call on the university to behave like good neighbours and, regardless of the VCAT, go ahead and put in the 1,000 places that they had previously agreed with Whitehorse City Council.

There are far more serious issues—although, in my local neck of the woods, Deakin's effect on the local suburbs is probably one of the largest issues. We have on record the Vice-Chancellor of Monash University, Professor Larkins, bemoaning the lack of spending within the Australian economy on research and development. This is placing a huge burden on the university and its ability to provide appropriate training and appropriate initiatives that an institute of the stature of Monash University should be providing. A recent article in the *Age*, 'Australia an R&D "backwater"', says:

AUSTRALIA is destined to be a science and technology backwater unless business and government lift investment to global levels, according to the head of the country's largest university.

Monash University was increasingly looking overseas, especially to India and China, for research links as Australia failed to keep up with OECD levels of funding, vice-chancellor Richard Larkins said.

Professor Larkins said multinational companies had failed to take advantage of the quality of research and development in Australia, while the Federal Government had not increased funding to the required level to enable Australia to compete effectively in R&D.

So, instead of going to great companies within our area, instead of going to the government, Monash University has had to go to China and India to get research and development happening. As I said, in a time of ever-increasing change, we need high-tech industries now more than ever. We are losing manufacturing excessively in this country, we are not looking towards other innovations

to replace it and we have global warming breathing down our necks. But, instead of investing in research and development, we are forcing Australia's largest university to go and seek links in India and China. This is an outrage, and this government stands condemned for its complete disregard of the higher education sector.

Mr KATTER (Kennedy) (12.54 pm)—In speaking to the Higher Education Legislation Amendment (2006 Budget and Other Measures) Bill 2006 I want to be very lavish today in my praise of the current government. They are very greatly deserving of praise. The previous speaker, I cannot help but comment, spoke about technology—that we should be the technology nation. I cannot help but say there is a little bit of God being an Englishman here. If you think they are all dumb in Asia and that somehow we are the smart blokes and they are all going to come down here so they get smart—

Ms Burke—I did not say that at all!

Mr KATTER—No. I do not mean to in any way impugn the previous speaker. She spoke very well and very intelligently. She only made remarks that have been made by every speaker in this place almost every time they speak on these sorts of areas. No, I want to praise the last speaker for everything that she said. I think it was a very good contribution to the House—and I do not give my praise out very generously on these issues. I was not having a go at her, I must emphasise.

But the idea that we can be superior technologically to countries like China—honestly, please! They have 1.3 billion people and they are not exactly dumb. They have a gene pool massively greater than ours. What you do is play to your strengths. This morning I came from a meeting where we were talking about the light metals industry—the aluminium, titanium and magnesium industries. What we can do better than

maybe anyone else in the world is the downstream processing of our quarrying. However, because of the policies of the current government and the last government we cannot downstream process anything, because there is no infrastructure out there to provide and facilitate downstream processing.

Let me be very specific. The area that I represent is the greatest mineral province on earth. It was producing \$5,000 million worth and, with metal prices trebling in the last six years, I presume we should be producing close to \$15,000 million or maybe \$20,000 million worth. We can process what we are producing, but we cannot process any increased production because commercially you can only build a power station to meet current demand. A commercial operator cannot build a power station with excess capacity. They will go broke if they do.

In days past, the giant Gladstone power station was built with no customers at all. It is one of the biggest power stations in Australia. At 1,500 megawatts, I think it may have been the biggest power station in Australia when it was completed. It had no customers at all. But traditionally the great governments of Queensland—the Labor governments prior to the 1950s and the subsequent Country Party governments, later called the National Party; I think when they became National as opposed to Country/National Country they lost their way—had developmentalism built in. To provide that developmentalism we need the technologists in the field of downstream processing.

Let me be very specific here. Metallurgists are needed if you want to convert a quarried material to a completed material. Let me give one example. We mine silicon in Queensland. I am not familiar with the recent figures, but we were selling it to the Japanese at \$55 a tonne. The year I did those figures

we bought seven tonnes of optical fibre and we paid \$3 million a tonne. Do you want to be a quarry and take \$55 a tonne or do you want to be a downstream processor and take \$3 million a tonne? That is the reason why the Japanese are much wealthier than Australians now. If we cast our mind back to our younger days we would have laughed at anyone who would have considered these people that built little tinsplate toys that fell to pieces were going to be richer than Australians. But now they are considerably richer. The last time I looked at the figures they had \$32,000 income to our \$19,000. We have got to do the downstream processing.

That brings me to the subject of universities, because there is only one university in Australia that provides a metallurgical degree: the University of Western Australia in Perth. We come into this place and talk about technology and the advancement of Australia, but the only thing we are exporting now is metals, and we cannot process them because we have no metallurgists. Thank the good Lord for the Indians; without them, Australia would simply not be able to process any metals at all. Most of our metallurgists are coming from India, and God bless those people.

I wish to speak at some considerable length on the very great achievement of this government, and I want to single out the former Minister for Health and Aged Care, Michael Wooldridge, and the current Minister for Health and Ageing, Tony Abbott. I have dubbed Michael Wooldridge 'the angel of the bush'. In my second or third year in this place, Aramac-Muttaborra—tiny little twin towns which have 1,500 or 2,000 people at the outside—were without a doctor. Because they are in Central Queensland, I do not think they realised that I was their member of parliament, but anyway, they did not contact me. I found out after about four months that they had been without a doctor,

and I took it upon myself to try to find them one. I had a running battle with the state department of health. Each month they told me: 'We've got a doctor now. He's arriving on such-and-such a date.' He would not arrive and there would be a subsequent battle.

I have not got the figures that show how many people died or suffered great pain during that period because they had no local doctor, but I will relate a case that occurred during that time. There was a bloke who took a fall in a rodeo, got a kick in the head, and he had a headache. He rang the flying doctor, who said: 'Take a couple of aspirin and ring us back in a couple of hours. See how you go.' He got much, much worse, and the doctor said, 'I'll have to contemplate going over,' but, by the time he had decided, the airstrip was out and there was no way that he could get to where the man was. The man subsequently died. The point of the story is: you cannot fly a flying doctor into an area because a bloke has a headache; but you do not know whether the bloke has a headache or a compound fracture of the skull.

If there is no doctor available in a place, the statistics are that you have one death a year that you would not otherwise have. But that is the tip of the iceberg. How many people are in pain or suffering from disease because they have no local doctor? They might be too sick to travel the two or three hours in a car to go to the nearest town where there might be a doctor. They might be in no condition to do that. The doctor most certainly cannot travel to them, and with no local doctor you have a desperate situation.

The Queensland government has failed miserably in this area, and all of Australia is well aware of that. Outside of Brisbane, probably one out of every two of us who go to see a doctor will see a doctor who has difficulties with English. They have difficulties being fluent in a language that is foreign to

them. Some of them have mastered English relatively well and some have very great communication difficulties. We love these people and we welcome them to our area. They are considerably better than having no doctor at all, and we thank them for being there. But we have very serious difficulties.

Going back to what I was saying about Aramac-Muttaburra: I decided that, yet again, we should call a meeting to secure a medical school for James Cook University in Townsville. I went to see Michael Wooldridge, and he said that the only real answer for Australia was a medical school at James Cook University. I said: 'That is wonderful. How about doing it?' He had a lot of difficulty delivering. Most of the problem is concentrated in Queensland because the population there is very diverse and spread out. That is true to a lesser extent in New South Wales, and the other states have such compressed populations—even Western Australia—that 40 per cent of the problem was in Queensland. Dr Wooldridge said that the problem would be overcome to a large degree by the creation of a medical school, but it was a long and drawn-out battle from there. I wish to thank Mike Horan, the minister in the then Queensland government and in the subsequent Beattie government. I think that Mike Horan did the lion's share of the work as the minister in Queensland, and then Michael Wooldridge came to the party in Canberra.

I want to track what actually happened with the problem of there being no medical school. They said in the party room that they could not bring all these doctors in because every doctor would vote himself a salary of \$300,000 a year and the government could not afford it. I said that I was very pleased that we have acknowledged in the coalition party room that we no longer believe in free trade, and I sat down to roars of laughter from all sides. But of course, my point was

profoundly well made, in my opinion. We had free trade in everything except the most important thing of all: the supply of doctors. So the AMA is saying, 'You can't have any more doctors coming on stream; they will be a very low class, and you cannot bring them in from overseas because they are substandard to the great teaching institutions that we have in Australia, so we will not have any doctors.' So we will just die. And for us—we people who live in the bush, outside of the big metropolitan area—that is just too bad for us.

The situation in North Queensland, where there are a million people living now—five per cent of Australia's population—is that we have only some 800 doctors. We have one doctor per 1,200 people. The figure for Australia is around one doctor per 350 people. We are desperately short of doctors. We are short 2,500 doctors, and even at 150 graduates a year it is going to be a fair while before we catch up to where we want to be. The argument that we are turning out doctors from the University of Queensland does not hold up. If you send a lad or a young lady 2,000 kilometres to a university and have them live there for six years and marry a Brisbane girl or boy, it is foolish to expect them to come back to North Queensland. That ain't going to happen; it did not and it does not.

They are two great men—and they deserve to be called great men for what they did here. No-one tried harder and did more for us than Michael Wooldridge—the angel of the bush, as I have called him on many occasions. He and Mike Horan were able to bring on stream the first medical school in over 40 years in Australia. It is a disgraceful reflection upon every government in those 40 years that there was no increase in the number of doctors coming on stream. Once the mould was created—once we had that breakthrough at JCU—seven universities

have walked through the door that was opened by those two magical people, Michael Wooldridge and Mike Horan.

I want to turn back to North Queensland. I called a meeting, and I could not get a line in the newspaper. One journalist said to me: 'Hey, Bob, what is this, the 30th committee that has been formed to secure the medical school? We've been promised it every election for 28 years and there still ain't any medical school. Mate, give us news; don't waste our time.' So we did not get a line in the press about the meeting. At the meeting, Rhonda Smith, the acting vice-chancellor, appointed probably the greatest living lady in Australia, Lady Pearl Logan—famous for many reasons—to be the chairman of the committee. The enthusiastic supporter of that was a human dynamo called Ian Wronski.

If we have seven medical schools opening up to come to grips with this problem in Australia, then you can thank Ian Wronski; more than anyone else, Wronski is the man to thank. While I do not want to detract from any of these other people whose names I have mentioned, it was Wronski who at times was the human dynamo and the driving force. He had been a doctor in country Australia in the wilds of north-west Western Australia. He had a great passion for looking after people and he saw universities as the places to produce the sorts of people that we need to diminish pain, suffering and death. That is how he sees the university and the university medical school. That human dynamo was in there.

I was there when Lady Pearl Logan confronted then Premier Borbidge. She said, 'You will announce that medical school now.' He said, 'Yes, yes, yes—we're going to do it.' And she said: 'No, you're not "going to do it"; you're doing it now. There are the media over there. You will go over there and make the announcement.' She is a very

persistent and forceful lady. That was at a National Party conference, and he was a little bit worried that Lady Logan was going to take the battle up to him in the public arena. So he called Mike Horan over, and they made the announcement. The rest, from the state government point of view, was history. I must say that the incoming Labor government agreed to the proposal. I do not want to leave out praise for the incoming Labor government in Queensland.

Added to this was Professor Bob Porter, a remarkable man. He is dean of a faculty at the University of Melbourne. He came up and gave very generously of his time and his life in spending those years up in Townsville. He put together the dynamics and the mechanics which we did not know or understand how to do. We had not had the experience of creating a medical school—I should not say 'we'; I should say 'Ian Wronski and his team'. Professor Bob Porter used his very great influence throughout the teaching institutions of Australia.

Another very great man, Ken McKinnon, was put up there because the university was having a lot of very serious troubles. He was brought in as the vice-chancellor to get us out of our troubles. In spite of all of the difficulties we had in putting that university together, he turned sideways with a great vengeance and a great commitment to deliver to the people of Northern Australia—the over a million of us who live up there—our own teaching institution where we could produce our own doctors.

I remember being the subject of a meeting of 12 politicians in Queensland who were deciding who would be the Deputy Premier. They decided that the criteria should be a person who is able to articulate their beliefs aggressively in the media, a person who has had a good performance in their ministry, and a person who is decent. Those were the

three criteria that they put up. Without any false modesty, I must say that they were very wise in their choice at the time. I must also single out someone else for praise. Tony Abbott has taken us from 60 graduates a year to 150 graduates a year. In the scheme of things, when you look at it, what is important and what is not important? We were getting 60 doctors a year. We are chasing 2,500 doctors. I will leave it to you, Mr Deputy Speaker, to work out how long it was going to be before the problem was solved. He has taken us from 60 doctors a year to 150 doctors a year. We wish to deeply thank Tony Abbott as minister. He has also been one of the major driving forces behind seven new medical schools coming on stream throughout Australia to solve the problem across the board.

I do not wish to denigrate the other gender in any way—God bless the female graduates from our medical schools—but they decide to be mothers and they go into part-time practice of medicine. What happened was that we went from virtually 100 per cent male to 50 per cent female, and then a quarter of that 50 per cent became mothers and not full-time doctors. They practice, but for a very small number of hours compared with a full-time practising doctor. God bless them for it; we are not in any way criticising that. But the net result was that the number of doctors that we had dropped through the floor. In places like Northern Australia, we went from about 300,000 people to over one million people and we had absolutely no ability to put doctors on the ground to service those people. We come here today to pay a very deep debt of gratitude to all of those wonderful people whose names that I have mentioned. I must also mention Mary Jane Streeton. (*Time expired*)

Mr GARRETT (Kingsford Smith) (1.15 pm)—I imagine that visitors to the gallery would have been somewhat bemused, per-

haps entertained, by the member for Kennedy's remarks. He always does provide us with an extremely unique and interesting perspective on legislation that we are debating. I want to confine my remarks, inasmuch as I can, to the specific legislation that has come before us; of course, following on from the member's significant history both in this parliament and other parliaments, I will take the opportunity to range a little wider in the course of my remarks about the Higher Education Legislation Amendment (2006 Budget and Other Measures) Bill 2006 to make commentary about education in general.

One of the nation's foremost education institutions, the University of New South Wales, sits in the seat of Kingsford Smith. Just as the number of speakers from the Labor Party speaking on this legislation greatly exceeds the number from the government side, so there are a great number of students—and I see them queued up at bus stops night after night on Anzac Parade—at that university, and their struggle is increasing. They have difficulties getting themselves through a tertiary education degree and then on to a career. There is no doubt that the odds are very much against a student's capacity to do that nowadays.

I have had a number of representations from and discussions with students at UNSW. Their HECS fees continue to go up, their living expenses continue to rise and the provision of student services—many of which have now been cut out as a consequence of the Howard government's decision on VSU—is reduced. Their parents—or parent, or carer—face increasing squeezes in costs, particularly costs related to mortgages and fuel. A number of these students are trying to study but are doing it in a way that is sailing very close to the wind. Earlier in my time in the parliament I had reason to draw to the attention of the House the fact that many of these students are so exposed and

find the cost burdens upon them so high that they need to offer themselves up for purposes of medical experimentations and research of one kind or another, some of which, as has been pointed out by members here and in the Senate, actually prejudice their situation and open them up to situations of risk.

We have not had a great deal of time to consider this legislation. There has not been sufficient opportunity for members present to really dive down into it and get a hold of it. There is no *Bills Digest*, as far as I am aware. But, importantly, the opposition do support aspects of the legislation and we do support the bill. The Deputy Leader of the Opposition has moved a second reading amendment, which I will speak to in a minute. Overall, though, I think the message has been clearly put in the parliament, and that is: the importance of education notwithstanding, it is a considerable concern both to the community and to us on this side of the House that we continue to spend less than comparable countries do on public investment in education.

After all, it is that investment in education which determines the future prospects of the nation. That is something which is well understood and agreed upon, throughout both the political and the public debate. But Australia spends much less on education than other comparable nations. Our direct public investment is low: the percentage is in the fours—4.3 per cent of GDP—when the average is about five. There is a more recent study I will refer to in a minute. Even with private investment, our average investment is lower than equivalent countries overseas. If we want to be a competitive and successful nation, I think it is very clear that we must significantly invest in education.

The Australian Council of Deans of Education has noted this, the Australian Vice-

Chancellors Committee has noted this and numerous reports point to it. Mr Blair, early in his term, summed it up very simply—in much the way that President Clinton did when he was seeking election with the slogan, ‘It’s about the economy,’ and so on. Mr Blair simply said: ‘Education, education, education’. But a lack of investment—whether in primary education, secondary education, vocational education and training or, with respect to this bill, tertiary education—and a trend to consistently provide less money out of our budget for education than comparable nations literally imperils our future. We cannot be expected to innovate and to meet the challenges that face us in the coming century unless we invest in people’s capacity to learn.

It is a fact that has been marked in this House, and we note and condemn it: Commonwealth outlay on universities as a percentage of GDP has fallen consistently over the past decade. Australia is 20th out of 28 OECD countries in terms of education attainment in the 25-to-34 age group. There are a number of other statistics relating to where we sit on the comparable country scale in terms of investment and education. Importantly, people need the opportunity to learn and sometimes to relearn. ‘Lifelong learning’ is the expression that is used, and it is an absolute fact. As life expectancy increases, as technological challenge bears down upon us, there is every likelihood that many people listening and many people whom we represent will have to educate themselves in the course of their lives. So it is critically important that the country’s investment in education is substantial.

This bill does contain significant amounts of new money, which Labor has welcomed. It funds the COAG Health Workforce and mental health packages. The changes to FEE-HELP are quite significant and have been noted previously in the House—an in-

crease in the debt that is available to students. There are now almost 100 full fee degrees in Australia which cost more than \$100,000. So, even though the changes are significant, the increases will not be sufficient to meet the real cost of the degrees.

The clarification noted with regard to the impact of recredited FEE-HELP on FEE-HELP balances is also a positive step for students. We also note that the new measures allow providers to set different fees for different students in the same unit. There is wide discretion for the provider to set varying fee levels based on any factor they deem appropriate, with only limited scope by the government to determine matters that are not appropriate. It is absolutely right that there should be only limited scope for the government to make those determinations, but we would like to see more detail on the prohibited factors. Where differential fee structures are used to assist students from disadvantaged backgrounds, through targeted fee relief based on location or modes of delivery, the deregulation that results in higher fee levels coming across might be problematic. That is something that needs to be looked at.

According to this year's *Good Universities Guide*, we have now reached the situation where five degrees will cost more than \$200,000 for full fee paying students and 96 degrees will cost more than \$100,000. I think those figures are extraordinary. They represent the transformation of the education system under the Howard government and give us a pretty clear indication of where the education system is likely to go. In the previous year there were some 60 courses that cost over \$100,000 and more than a quarter of those were at the University of New South Wales. The University of Sydney and the University of Technology in Sydney each offer about seven of these, but more than a quarter of the 60 courses that cost over \$100,000 were in the electorate that I repre-

sent. So I am particularly mindful that the Prime Minister had promised in the parliament in 1999:

We have no intention of deregulating university fees.

He went on to say:

The government will not be introducing an American style higher education system.

There is a reasonable amount of anguish—I feel it and I know that members present feel it—about the view the public takes of the promises of politicians, but nothing could be clearer than the words of the Prime Minister:

We have no intention of deregulating university fees. The government will not be introducing an American style higher education system.

He finally went on to say:

There will be no \$100,000 university fees under this government.

Let me go through what has happened up until now. In May, figures were released which showed that full fee paying students will have amassed massive debts of up to half a billion dollars a year by 2008. It is an extraordinarily high figure.

I think one factor in this debate that has not been fully explored but that needs to be raised is the consequences students have when they enter the education system and are obliged to pay HECS but do not fully comprehend what the repayment means and how much it is going to be. In July, the VSU legislation came into place and that threatens jobs and services at universities, including 29 staff at the University of New South Wales. It also has meant cuts to volunteer and Students Training Students programs. Those cuts to VSU are particularly important for students who come from moderate or low socioeconomic backgrounds where the income of the household is not as high as it is in other parts of the electorate. This is particularly the case with the services that are provided—for example, the childcare ser-

vices provided at the University of New South Wales through the original VSU. There was a particularly good childcare centre just off the campus at the University of New South Wales. It provided students, if they had a child, with the opportunity to leave that child at the childcare centre and to get into their study, get into the library, get on with their work confident that their child was being well looked after and that they would be able to concentrate on their study. They are no longer able to do that.

In relation to VSU, I note that there are a number of universities that are already suffering significant losses and where the attacks on staff and the closing down of particular centres have taken place. At the University of Melbourne, for example, the VCE summer school funding is in doubt and orientation week activities have been cut. Some people may say, 'Well, orientation week activities are just students having a little fun, running around the place and getting ready for uni.' It is also the time when students are given the opportunity to be properly informed about the services available at the universities—some of which are no longer there—to set themselves up for the coming year. More significantly, at the University of Newcastle 20 staff have gone, the aquatics centre is under threat and the computer centre has been closed. At the University of New South Wales, which I mentioned before, 29 staff have gone. At the University of Western Sydney six staff have gone. At Charles Sturt University, which I know quite well, 10 staff have gone. At Charles Darwin University all seven staff have gone from the on-campus service provider. At the University of Canberra, which you will know well, Mr Deputy Speaker McMullan, nine staff have gone. And at RMIT in Melbourne around 150 full-time, part-time and casual staff are going or have gone and the bookshop has been closed.

There are many other examples. I note that at James Cook University in Northern Queensland six staff will be gone by the end of the year, and at the University of Queensland the \$3.5 million sports precinct at the Gatton campus has been shelved and the Schonell Cinema closed. I must make a quick remark about the Schonell Cinema being closed because that particular cinema has significance to that community—significance as a small sized and older building where people can go and see movies, films and documentaries. It is regrettable that the disappearance of small cinemas of this kind around Australia is taking place as a consequence of the decisions of the Howard government in relation to the cuts to VSU.

The question arises as to what Labor would do. In this instance there is absolutely no doubt that Labor has the only strong and positive plan that is being delivered, which addresses some of the issues that have been raised in the House and which Australians are concerned about. The fact that education is universally recognised as the key to our future and that Mr Blair in 1997 said 'education, education' means that we have to have a plan that will address the problems faced by the university sector. In this regard I commend the second reading amendment that has been moved by the Deputy Leader of the Opposition. I point out that Labor does have a plan. It will introduce a compact with our universities that will establish new funding systems which recognise their different strengths and that will promote excellence in research. It is a plan which releases universities from the Howard government's approach, which has seen them strangled by red tape and, frankly, blackmailed into undertaking the policy agenda of the Howard government. That is really what we have seen over the past six months.

Labor's plan will link research student places to research quality. It will foster ex-

cellence in specialised areas. Staff from all public universities will be able to do research. Labor's plan, enumerated in the white paper presented by the Deputy Leader of the Opposition and Labor leader Kim Beazley earlier this year, by establishing a number of initiatives which address the issues of higher education, will actually reverse the slump in public investment in higher education and, more importantly, will reintroduce the necessary focus and emphasis that we need to have on investing in the future and on investing in building our knowledge base.

After 10 years, Mr Howard has given us a skills crisis. There is a TAFE system which has a parallel system which no-one goes to. Despite some of our material buoyancy, we do not have the doctors, the engineers and the nurses that we need. We do not have the IT workers in some places that we need to have. If you compare our own record with that of equivalent countries in other parts of the world, you will see that we significantly underfund education. In fact, the OECD's *Education at a glance* report has shown that OECD countries—that is, the European countries—are increasing their public investment in education and training by nearly 50 per cent. We do not do anything like that, and we should.

Regrettably, nothing will happen until we have a Beazley Labor government. A Beazley Labor government will be profoundly committed to education, and to public education. It will be a government that recognises that the sector is undergoing change and that there need to be new approaches. It will be a government that recognises that you have to reform the Australian university sector in order to build a strong economy and a smarter future for Australia. If we do not invest in our brains, in our capacity and in our intellectual resources, we will not be able to seriously address the chal-

lenges of the future. If you create a university system where university education is open to those who have money and denied to those who do not, you are creating a system which I personally do not want to have any part of.

I am very proud to stand here as a Labor member and draw attention to the policies that we will bring to bear on public education and on universities. In particular, I want to spend a moment addressing the innovation blueprint No. 7 which Labor leader Kim Beazley has brought into the public light, and let people know about a number of key and clear initiatives, including the reform of research and development investment arrangements and a commitment to rebuild our primary research institutions, especially the CSIRO. Mr Deputy Speaker, when you consider what the CSIRO has gone through over the past five or six years, and when you also consider the clear hand of political pressure that has been applied to that premier scientific organisation, you get a sense of the way in which this government runs its education and research agenda.

The challenges are immense. They are challenges that do not require us simply to be able to take advantage of our natural advantage in mineral wealth and our natural advantages in agriculture, where they exist. They are challenges that require us to take advantage of our human capacities—the intellect, the innovation and the intelligence of Australians, particularly young Australians; they are the ones who have the most to contribute to this nation's future, and they are the ones who are most denied by an education system which sees expenses and fees increased at this rate and investment going down. So I commend the Deputy Leader of the Opposition's second reading amendment to the House.

Mr BOWEN (Prospect) (1.34 pm)—It is appropriate that we have a debate in this House on the state of our tertiary education sector. It is very hard to have a debate on this matter under this government. It is a government which is disengaged from the tertiary sector and which appears to have very little interest in it. Recently, there was a reshuffle and a new minister has taken over the education portfolio. In that time, the Minister for Education, Science and Training has probably answered a question during every question time—certainly, almost every question time; she is a very regular answerer of questions from the government side of the House. The answers to those questions are almost exclusively used as an opportunity to score political points against state governments about school funding.

I stand to be corrected—I could be wrong; I have not checked—but I cannot recall one time when the minister for education has come into the House since she took over the portfolio and answered a question from her side about universities. Instead we have a daily diatribe about the failings of state governments on schools. Of course, schools are extraordinarily important and we need to have a debate on schools, but this government is not interested in debating the state of our tertiary education sector.

The Higher Education Legislation Amendment (2006 Budget and Other Measures) Bill 2006 deals with university funding. It provides increased funding to meet the commitments by the Council of Australian Governments which were reached a few months ago on the health workforce and mental health packages. We support that measure. It creates 605 commencing medical places and 1,036 commencing nursing places. We say it should have been done a long time ago but we support the measure that is before the House today.

But these increases need to be put into context. There is a very frightening figure which we have been aware of for some time but which the OECD confirmed this week—and not only did they confirm it; they confirmed it has gotten worse. In the last 10 years government spending in tertiary education has fallen by seven per cent. We are the only nation in the OECD—the only nation in the developed world—which has had negative growth in the amount of government spending in tertiary education. Every other nation has had an increase, and the average across the OECD is a 48 per cent increase. We have had a seven per cent reduction and the rest of the world has had almost a 50 per cent increase. We are falling behind because of this government's neglect. If we are to compete in a globalised world, we need to compete on skills; we need to compete on education; we need to compete on innovation. But this government is committed to competing on wages. The government is competing against India and China on wages when we should be competing against the entire world on training and education and innovation.

This government has shamefully—and I use the word advisedly—neglected the tertiary education sector. It is perhaps the most short-sighted aspect of this government's fiscal policy, and it started at the beginning: in 1996 the government cut funding to higher education by \$1.8 billion over four years and it declined to index funding for universities and tertiary education. That reduction in real terms over the past 10 years has had a very real impact. There has been a reduction in real terms in funding because of the government's failure to index and because of the increases in wages. Since wages make up 45 to 70 per cent of a university's operating costs in this country, this is something that is out of the control of vice-chancellors—it is not something that they can adjust easily.

Wages are the biggest part of their budgets, and average weekly earnings went up 4½ per cent between 1998 and 2004. The failure of funding to keep up with that increase has cost our universities half a billion dollars over the past 10 years. That is half a billion dollars which is not available to educate young people in this country.

This has resulted in two outcomes. First, we see the government getting more of the income to fund our university sector from students and, second, we are seeing fewer resources per student. We now see students paying more through HECS and more through fees. In fact in 1996, when this government came to office, the Commonwealth provided 60 per cent of university funding through their funding mechanisms. On the recent figures, for 2004, it is now 40 per cent. And the contribution from students over that time frame has gone from 11 per cent to 22 per cent. This doubling of the impact on students of revenue raising to run universities can be seen in the HECS debt.

The government allowed HECS debt to rise by 25 per cent. They pretended this was the choice of the universities. But what they really did was squeeze university funding so that no university had a choice; to continue to operate, every single university in this country had to increase their HECS fees by 25 per cent. They left universities so cash-strapped that they did not have a choice. In 1989, when HECS was introduced, the average HECS rate was \$1,800 a year. It now ranges from \$3,920 to \$8,170 a year. In law and medicine, HECS has increased under this government by 350 per cent—27 per cent a year, five times the rate of inflation. We now have, and the OECD confirms this, the second highest university fees in the world, second only to those in the United States, thanks to this government's increases in HECS.

We can see the results. I had a look at the figures of what people in my electorate owe in HECS. I expected the figure to be high, but I was absolutely astounded. In my electorate, which is in Western Sydney, there is a HECS debt of \$60 million owed by people who live in Prospect. Across the country, it is \$13 billion. An electorate like mine is not socioeconomically at the top of the scale, it is fair to say, but it has a \$60 million debt—and the full impact of the government's 25 per cent increases are yet to be seen. I had a look at some other electorates and their HECS debts. In Greenway, to my north, it is \$56 million; in Lindsay, \$47 million; in Macquarie, \$49 million. In Flinders—I see the member for Flinders is in the chamber, and I am sure he already know this—it is \$29 million. These are extraordinary figures. In your electorate, Mr Deputy Speaker McMullan, there is a very significant HECS debt—which I cannot find at the moment, but I am sure it is very big. We have high HECS debts across the country. As I said, in my electorate the debt is \$60 million, a debt which people will have to pay off when they leave university and at a time when they are trying to buy a house and start their lives.

I would not mind so much if this was part of a compact, if the government had said to students across the country: 'We need to improve our universities. We need to increase the funding. We need to get funding from all sorts of sources and we are going to increase our commitment. We are going to put more money into universities but, by the way, you need to do your bit too—you need to pay more as well. The taxpayer will subsidise more, but you need to put more in.' I would have a lot less of an objection, I have to say, if we saw a massive increase in funding from two sources: from students and from the government. I would say, 'Even though I am uncomfortable with it, it is a lot more acceptable that we are seeing a national effort to

improve the status of our universities, and everybody has to make a contribution.' But that is not what we are seeing. What we are seeing is a reduction in government commitment and an increase in commitment from students. Again, you do not have to take our word for it. The OECD says in the report that was recently released:

... many OECD countries with the highest growth in private spending have also shown the highest increase in public funding of education. This indicates that increasing private spending on tertiary education tends to complement, rather than replace, public investment. The main exception to this is Australia, where the shift towards private expenditure at tertiary level has been accompanied both by a fall in the level of public expenditure in real terms ...

Again, we stand out as the worst in the world. What result does this have? It has the result not only of charging students more but of having fewer resources per student. The member for Bass was in here yesterday making a contribution just before question time. He was boasting that Australia now has more university students than at any time in our history, and he is right. Of course, our population is higher than at any time in our history. But, more importantly, we have seen a reduction in funding per student. We have more students and less money, and the result is worse outcomes. The result is that student to staff ratios have gone from 15.6 to one in 1996 to 20.7 to one in 2004—less money per student.

I do not know why the government has done this. Some people suggest it is to emasculate debates. Some people suggest it is because universities are a source of criticism of the government. Some people suggest it is because universities foster debates about where this country is going, and the government does not like it. I do not know if that is the reason. I shudder at the thought that it is. I would prefer to think it is simply incompe-

tence and short-sightedness and that this government does not have a vision for this country. I prefer to think that; I prefer to give the government the benefit of the doubt because I simply cannot bring myself to believe that any government, even this one, could emasculate funding for universities for its own crass political purposes.

I am going to share with the House another quote. It is a quote that I hesitated to bring in. I did think of leaving it out of the debate. I was very tempted not to raise it because I do not like talking down universities. I do not like criticising hardworking people in universities who are doing their best with the very limited resources that this government has given them. But to have a full and proper debate the quote must be shared with the House. It is a quote from one of the government's own advisory groups. In June 2006 the Asia working group, which was appointed to advise the Prime Minister's science and innovation council, said:

There is the belief held by the working group that the quality of our university degrees is declining.

As I said, I was reluctant to bring that into the House because university lecturers, students and administrators are all working very hard, and I am sure they do not like to hear that the quality of the degrees being produced is declining. But the fact of the matter is this government's funding policy—they admit, their own advisory committee admits—is reducing the quality of our degrees. This government's short-sighted and shameful higher education policies mean that higher education in this country is being underfunded.

In the time left to me I would like to talk about this government's tendency to micro-manage university budgets. As the honourable member for Kingsford Smith so very eloquently referred to it, we have seen this government imposing its workplace relations

agenda through the university funding mechanisms. We have seen this government denying, or threatening to deny, universities funding unless they embrace Australian workplace agreements. This government talks about choice and says everyone has a choice whether they go with AWAs or not but says, 'By the way, we are not going to fund your university unless you operate through Australian workplace agreements.'

We have seen this so many times. We have seen this in the education department in particular: the use of funding as a very blunt instrument for the government to get its own way. The member for Jagajaga, the Deputy Leader of the Opposition, referred to it as using funding to cater for the minister's latest thought bubble—which I think is a particularly appropriate way of putting it. We have seen in this House recently, and it is also referred to in this bill, the spectacle of the Australian Research Council's independence being emasculated and the board of the Australian Research Council being abolished. The previous minister rejected applications for funding which had been approved by the expert body, and the minister responding to that by giving himself, and now herself, the power to directly appoint the chief executive, bypassing the board.

We see a range of Brezhnevian type controls on university funding. The member for Flinders agrees with me, I think.

Mr Hunt interjecting—

Mr BOWEN—This government is dedicated to micromanaging our universities and it is useful to look at what universities need approval from the minister and from Canberra to do. They need approval to move students from one campus to another and to move courses from one campus to another. We have many universities now with more than one campus. If a vice-chancellor thinks it is a good idea to offer a course at a particu-

lar campus and not another, they have to check and get permission. They need permission to introduce new courses and to change the scheduling of courses from one semester to another. The only thing missing is reference to the politburo. They need approval from the minister to do these things. Why doesn't this government let the managers manage? Our vice-chancellors are relatively well paid and they are all professional, respected people. Why don't we let them get on with the job? I suspect it is for political reasons. I suspect this government does not want universities to have the power to close down a course here and open it there because it could be politically embarrassing in certain electorates. That is the only solution that I can think of, but it is a terrible way to run a university system.

Recently I was reading that Harvard University, arguably the best university in the world, certainly in the top three or four—

Mr Hunt—Second to Yale.

Mr BOWEN—Perhaps it is second to Yale, which I think certain honourable members may have been to, but I am a Harvard fan myself—much to the disappointment of the member for Flinders. Harvard are rewriting their MBA. It certainly has respect as probably the best MBA program in the world but they are rewriting it. They are saying, 'We need to keep up. We need to go ahead of the pack. We might have the best course in the world but we're going to do it again. We're going to make sure that we are always continually improving.' I wonder whether Harvard needed to check with Washington DC. I wonder whether they needed permission from the Secretary of Education in the United States. I doubt it very much. As I say, we have this government holding back innovation in our tertiary education sector, strangling education, with these controls instead of letting vice-chancellors do their jobs. In-

stead of letting academics come up with new and innovative ways of managing our university sector, everything has to go through the minister and through the minister's office.

I have only a couple of minutes left, but I do want to give credit where credit is due. This week I read of a new initiative from the minister that I thought was quite good—the graduate passport, which would explain what goes into Australian courses to people overseas. That sounds like a reasonable approach, so I congratulate the minister on it. It could be improved dramatically, as could the status of our education throughout the world, so that perhaps we would not need a graduate passport, if the government embraced Labor's approach of the Higher Education Quality Agency. We do have an agency at the moment with very few teeth and, I would argue, limited resources to ensure that the quality of all our universities reaches world's best practice. We need the Australian Higher Education Quality Agency and we need it to have real teeth.

I congratulate the Deputy Leader of the Opposition for that idea. It came through the white paper that my honourable friend the member for Kingsford Smith referred to. It is one of the best policy documents I have read in a long time, especially considering it was done with the meagre resources of opposition and not the mega resources of the department. The meagre resources of opposition have put together what I think will go down as one of the very significant policy documents in the future of tertiary education in this country. The reforms embraced in it, which will form the basis of the reforms of a Labor government, will in time be compared with the Dawkins reforms of 1988 for their impact on higher education.

Australia will be paying a price for this government's neglect for many years to

come. It will take a long time to catch up after the seven per cent reduction in university funding that we have seen over the last 10 years. It will take a long time to catch up with the rest of the OECD, which has had a 50 per cent increase in tertiary funding over that time. We do not have a long time to wait but I fear we will have to wait for a Labor government to get it.

Mr HAYES (Werriwa) (1.54 pm)—There are very few people, I would suggest, who would entertain the notion that education is not the key to individual or national advancement. It is widely accepted that the best way forward for any nation is to invest in its people. The best way forward is to educate people, to invest in human capital and to nurture and develop an environment in which innovation and development is encouraged. There is no doubting that.

The cornerstone of the productivity agenda that this nation needs to pursue to maintain its competitive position within the global economy is, without doubt, education. The productivity agenda that Australia must pursue to provide the best possible opportunity to secure its economic future is education; investing in our people and investing in the educational development of our youth is how we will build a future economic base for this country.

A true productivity agenda, one based on enhancing and advancing the talent of Australia's labour force, has to be based around education—not around the single-minded productivity agenda pursued by this government, which is tantamount to slashing wages and conditions to produce a short-term economic result. That is not development and not investment in productivity; that is simply a recipe for hindering the further development of our people and at the same time limiting the opportunities that workers in this country have. Labor governments of the past

had a very positive position in relation to an education agenda, and a Beazley Labor government will continue this proud tradition. I will return to that and to the comments made by my colleague in relation to Labor's policy later.

First, I will examine the content of the Higher Education Legislation Amendment (2006 Budget and Other Measures) Bill 2006, which we have before us today. I would particularly like to make some comments on the provisions of this bill that extend education and training in the vital area of health, as that is an issue that is dear to the hearts and minds of people in my electorate. The Minister for Education, Science and Training in her second reading speech proudly informed the House:

The measures contained in this bill highlight the government's commitment to a higher education sector based on quality, sustainability, equity and diversity.

When I first heard this statement I thought that the new minister for education must have driven a complete policy backflip through the cabinet. Alas, I was wrong. When outlining the provisions of the bill that are aimed at addressing the chronic health shortage issues faced in many areas, she went on to say:

...this bill will implement the coalition government's recent decision to boost training in vital health courses.

That news is welcome to all members. Given the University of Western Sydney is set to be allocated 15 of the additional 600 places, I welcome it, as will the member for Macarthur, I am sure. I welcome it because it could mean an additional 15 doctors into the south-west of Sydney—assuming all the students decide to stay in general practice. That will be a great assistance to the constituents of my electorate, who are deeply concerned about the lack of general practitioners in the area.

While this is welcome news, the fact remains that, even if every single one of these additional training places turns into a general practice position, if the population did not grow and if all these additional GPs practised locally, by the time these doctors graduate it would result in only a slight reduction in the doctor-patient ratio in the south-west of Sydney. Assuming everything remained the same, by the time these students graduate the ratio of GPs to population in the electorate of Werriwa would still be of the order of 20 per cent above that recommended by the Department of Health and Ageing. That is a telling statistic—it reflects this government's complete dereliction of duty when it comes to higher education and providing for the interests of people, particularly in the south-west of Sydney in my electorate of Werriwa. The government has no commitment to higher education. In the decade that it has been in office, there is no point trying to trick the Australian public—

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.

QUESTIONS WITHOUT NOTICE

Media Ownership

Mr BEAZLEY (2.00 pm)—My question is to the Prime Minister. Can the Prime Minister confirm that under his proposals the number of media owners could fall from six to four in regional markets such as Albury-Wodonga, Ballarat, Bundaberg, Dubbo, Gladstone, the Gold Coast, Mackay, Maryborough, Mildura, Nambour, Newcastle, Orange, Rockhampton, Shepparton, Toowoomba, Townsville and Warwick? Why won't the Prime Minister listen to the member for Hinkler, whom he trusts to chair his backbench communication committee and

who opposes the Prime Minister's plan, and admit that such a massive concentration of media ownership is not in the national interest?

Mr HOWARD—I listen very intently to the member for Hinkler. He is a very valued colleague and friend. What is more, the people of Hinkler listen to the member for Hinkler. Despite the worst perfidious attempts of the Australian Labor Party, he has repulsed them on every occasion since he has been elected.

The media laws recognise the way in which the media landscape in this country has changed since they were introduced in 1987. The House ought to be reminded that the media changes that were introduced in 1987 were not designed to promote good public policy; they were designed to cripple two media companies that did not enjoy the patronage of the Australian Labor Party—namely, the old Melbourne Herald group and, at that time, the Fairfax group. I hear all of this malarky lately about how there was some inspired motive in 1987, but it was all cheap politics in 1987 and now we are getting a bit of proper examination with the aim of getting decent public policy. We have introduced the legislation and the Senate committee will have a look at it. I will be very happy to look at reasonable suggestions made by colleagues but I certainly will not be taking too much advice from current or former leaders of the Australian Labor Party.

Workplace Relations

Dr JENSEN (2.02 pm)—My question is also addressed to the Prime Minister. Would the Prime Minister outline to the House how the Australian labour market has benefited from greater choice? Is the Prime Minister aware of alternative plans which will cost jobs, reduce wages and damage Australia's prosperity?

Mr HOWARD—Just as Tony Blair famously said in 1997, fairness in the workplace starts with the chance of a job. I can truly say that real choice in the workplace started in 1996, when the workplace relations legislation of the government was introduced. That legislation for the first time allowed for the operation of Australian workplace agreements. It preserved the right of choice of men and women in this country to join or not to join a union and it preserved the legitimate role of the trade union movement in negotiating on behalf of workers where that was the desire of the workers, but it broke the monopoly that the union movement had previously held on the bargaining process. That change was long overdue.

As a result, there have been enormous benefits for the Australian economy. We have had 1.9 million new jobs created in the last 10 years. We have seen industrial disputes fall to such a situation where they are at a record low. We have seen real wages increase by 16.4 per cent over the last 13 years, compared with a paltry increase or no increase at all under the former government. So the choice of the last 10 years has been manifestly beneficial to the Australian community.

As a result of Work Choices, passed into law at the end of last year and coming into operation on 27 March this year, we have seen another 175,000 jobs created. I know the opposition hates that fact. It has all been the wrong sort of news. There were meant to be ashes in our mouths as a result of the introduction of Work Choices but instead of that, I am sorry to say, there are 175,000 new jobs. We have seen in the last quarter the lowest level of industrial disputes on record in this country. This is a vindication of the commitment this government has made to the principle of choice—a vindication of choice. The Australian people have always

responded when they have been given the incentive of choice.

Sadly, if the Australian Labor Party returned to the government benches, they would take away that choice. The Leader of the Opposition says: 'If I become Prime Minister, I will get rid of AWAs and I will introduce collective bargaining. I will impose collective bargaining on a workplace if a bare majority of people in that workplace vote in favour of it.' I think that is what the Leader of the Opposition said. If you can sort of pick your way through the ALP website and decipher the doorstep, you will find that basically that is what the Leader of the Opposition said.

But that is not good enough for Mr Combet. Mr Combet said that even if there is just one person in an enterprise who is a union member then the union has to have a seat at the table, irrespective of the wishes of that individual worker—the majority does not count them. So you have this ridiculous situation where both the Leader of the Opposition and the ACTU secretary would roll back the choice that was conferred in 1996 and reinforced in 2005.

Let us not kid ourselves. As time goes by the Leader of the Opposition, despite what he might say over the next few days, will end up capitulating to the even more extreme version.

Opposition members interjecting—

Mr HOWARD—Well they laugh! I remember that earlier this year the Leader of the Opposition said that if he became Prime Minister he was going to keep AWAs. He said that. He said earlier this year: 'A Beazley government will keep the AWAs. We will do them differently, but we will keep them.' That was not good enough for John Robertson of Unions New South Wales. He said, 'If you want to remain leader of the Labor Party, you'll tear up AWAs and you'll

come out against them.' And what happened at the state conference of the ALP at Sydney Town Hall? The Leader of the Opposition marched in and said: 'I will do what the union movement wants me to do: I'll tear up AWAs.' You can be sure of one absolute, eternal truth about Australian politics: if you want choice in the workplace, if you want higher wages, if you want more jobs, vote for the coalition.

Workplace Relations

Ms ANNETTE ELLIS (2.08 pm)—My question is to the Prime Minister. I refer to the Serco Sodexo Defence Services AWA at Duntroon. Isn't it the case that under this AWA someone working on this roster—a 38-hour week and 14 hours overtime, because they are on call to supply our servicemen and servicewomen—would be more than \$93 a week worse off than under the existing collective agreement? Isn't it the case that the Prime Minister is ramming AWAs down the throats of working Australians, reaching into their pockets and ripping away part of their wages—in this particular case, \$93 a week?

Mr HOWARD—The answer to that question—

Opposition members interjecting—

The SPEAKER—Order! The Prime Minister has been asked a question and he will be heard.

Mr HOWARD—The answer to that question is no. The truth is that Australians are taking up AWAs in record numbers. By the time the next election rolls around, there will be potentially more than one million AWAs in this country and the Leader of the Opposition will have to justify to one million Australians why he wants to tear up their employment entitlements and cut their living standards.

Ms Macklin interjecting—

The SPEAKER—Order! The Deputy Leader of the Opposition is warned.

Trade

Mr ENTSCHE (2.10 pm)—My question is to the Deputy Prime Minister and Minister for Trade. Would the Deputy Prime Minister and Minister for Trade advise the House of the importance of the Cairns Group meeting in Queensland next week? Would he also advise the House how Australia's trade agenda and export performance are critical to our long-term prosperity? Is he aware of any proposals that might put this prosperity at risk?

Mr VAILE—I thank the member for Leichhardt for his question and acknowledge that he has been integral, along with the organisations in Cairns, in helping prepare for the 20th anniversary of the Cairns Group ministerial meeting to be held in Cairns next week. I thank the member for Leichhardt and look forward to him participating in those events and meetings next week.

The Cairns Group was established by Australia 20 years ago as a key component to drive the agenda as far as agricultural trade liberalisation is concerned. It has a membership of 18 countries that all have a common view about liberalising the trade in agricultural products, and next week we will have the 20th anniversary of the meeting of that group in Cairns. The Prime Minister will join me in Cairns with trade representatives from many other countries across the world, including the Director-General of the WTO and two ministers from the United States—the USTR, Susan Schwab, and also the ag secretary, Mike Johanns. It is an integral part of the WTO and it is an integral part of Australia's trade policy in trying to force open markets through the multilateral system. At the same time, we have been actively pursuing our bilateral agenda and providing opportunities in the international marketplace

for Australia's commercial interests, and that has fed into last year's record level of exports of goods and services out of Australia of \$192 billion. That has grown over the last 10 years from \$99 billion to \$192 billion.

But it has not just been founded on developing and opening up markets across the world and providing new opportunities for Australia's exporters; it has been about providing a much stronger and better structured economic circumstance within Australia to make them more internationally competitive. We have maintained a strong economy for that reason. In the tax reform processes we have removed significant dollars, in terms of taxes, off our exports. We improved the inefficiency of the waterfront, which to many exporting industries has been the one and most significant reform that has delivered enormous benefits to them and allowed them to compete in the international marketplace. And, of course, we have provided for a more flexible workplace for the workers in export industries across Australia. I instance Queensland, the state where the member for Leichhardt comes from, and Western Australia particularly. We have seen unemployment drop nationally to 4.9 per cent. In Western Australia it has dropped to 3.6 per cent and in Queensland it has dropped to 4.5 per cent as a result of growth in exports and flexibility in the workplace.

This climate in Australia and the competitive nature of our export industries are threatened by the position that the Labor Party is taking as far as industrial relations are concerned. The Leader of the Opposition and the Secretary of the ACTU have said that they are going to rip up AWAs. They are going to reduce that flexibility and reduce that comparative advantage that we have in the international marketplace—the competitiveness that we have developed in the international marketplace. Now they are saying that they are going to reintroduce collective bar-

gaining, and we saw the member for Perth trying to step away a bit from this in the media yesterday. 'I'm happy to give it due consideration,' is what the member for Perth said about the collective bargaining proposal of the Leader of the Opposition and Greg Combet, but we do know from the position taken on AWAs that when the unions say, 'Jump,' the Leader of the Opposition says, 'How high?' That is the position he has taken on AWAs, and we know the position he will take on collective bargaining, but what exporters also want to know is what work practices he is going to reintroduce back on the waterfront, where we have generated some efficiencies. What is he going to do to our exporters on the waterfront? It is a stark choice for the electorate in Australia: you have the coalition government that wants to stand with and work with job creators; you have the Australian Labor Party that wants to work with the job destroyers in this country.

Workplace Relations

Mr STEPHEN SMITH (2.15 pm)—My question is to the Prime Minister and it follows on from his answer to a previous question, in which he referred to his so-called truth about AWAs. Isn't it the case that under the Serco Sodexho Defence Services AWA at Duntroon someone working a regular 38-hour week from Monday to Friday would be worse off by more than \$50 a week, \$2,600 a year, or more than \$13,000 over the five years of that agreement? Why does the Prime Minister deliberately pretend that working Australians have choice when the only choice is a wage cut—in this case, ending up more than \$13,000 worse off? Why does the Prime Minister persist in misleading the Australian people about AWAs?

Mr HOWARD—The track record of accuracy of allegations made by the member for Perth regarding Work Choices is about one out of 10 since Work Choices was intro-

duced—and that is being charitable. I do not intend to confirm or verify anything. If the member for Perth wants to send me the workplace agreement, I would be very happy to have a look at it. But let me remind the member for Perth that in the last almost six months that this legislation has been in operation every single one of his prophecies of gloom has been disproved. You said there would be mass sackings; there have been mass hirings. You said there would be mass strikes; there has been a record period between industrial disputes. You said wages were going to be cut; wages have continued to grow very strongly in real terms. If the member for Perth wants to get into a debate about which side of politics can better boost the pay packets of Australian workers, we will welcome it very warmly.

APEC Finance Ministers Meeting

Mr BROADBENT (2.17 pm)—My question is addressed to the Treasurer. Following on from the Prime Minister's statements about reform, would the Treasurer inform the House of outcomes of the APEC Finance Ministers Meeting in Vietnam and progress on international financial reform? What role is Australia playing in this progress on international financial reform?

Mr COSTELLO—I thank the honourable member for McMillan for his question. I inform the House that the APEC finance ministers had their meeting in Hanoi, Vietnam, last weekend. Principally the topics for discussion were fiscal and on how countries would manage to pay for much-needed social services. Australia, as one of the few countries in the Asia-Pacific region with a balanced budget, was able to share its experience with regional neighbours and also its experience of paying off all government debts and establishing a Future Fund, about which there is considerable interest in the

region as countries think about the future of their finances.

The meeting will be chaired by and held in Australia next year as part of Australia's chairing of APEC in 2007. In addition to that we begin preparing for the G-20 group of finance ministers and central bankers meeting in Melbourne in November—the most important and significant financial conference ever held in Australia. The G-20 is a group bringing together the developing and the developed world, and it has given real impetus to reform of international financial institutions such as the Monetary Fund and the World Bank. Also part of discussions in Melbourne in November will be energy security and the needs of both exporters and importers in the region.

As part of my duties as chairman of the G-20 I was in South Africa yesterday. I took the opportunity to announce that Australia is prepaying 10 years to the World Bank as its share of writing off unsustainable debts by heavily indebted poor countries. That sum of \$136 million was paid yesterday. The consequence of that is that no debt is now owed to Australia by any heavily indebted poor country. We have written off 100 per cent of all of those debts, and, as our contribution to allowing the World Bank to write off its debts commensurately, we have now prepaid 10 years of our contribution to freeing the Third World of unsustainable debt. We are one of very few countries in the world that have done this. We have taken a lead in doing it and I believe this is something that all Australians can be proud of.

Workplace Relations

Mr STEPHEN SMITH (2.20 pm)—My question is to the Prime Minister and it again relates to the Serco Sodexo Defence Services AWA at Duntroon. Isn't it the case that under this AWA someone working on the roster I am holding for a regular 38-hour

week—Monday to Friday and only two hours overtime—would be worse off by \$55 a week, more than \$2,800 a year, or more than \$14,100 over the course of the five-year agreement? Why does the Prime Minister continue to deliberately pretend that working Australians have choice when the only choice is a wage cut—in this case, ending up more than \$14,000 worse off? Why doesn't the Prime Minister stop persistently misleading the Australian people about AWAs? Prime Minister, just tell the truth: what you want is lower wages.

The SPEAKER—Order! The last part of that question is clearly out of order. I call the Prime Minister.

Mr HOWARD—I have already indicated in answer to the member for Perth that I do not take at face value allegations that he puts to me. I will examine the situation. But what I do take at face value—and I am entitled to and the House is entitled to take it at face value—is the fact that in 1996 the unemployment rate in the Australian Capital Territory was 7.7 per cent and in 2006 it is 2.8 per cent. That means that thousands of men and women in the ACT have had the great freedom of choice of a job under this government.

Workplace Relations

Miss JACKIE KELLY (2.22 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister update the House on how the long-term unemployed are benefiting from the government's workplace relations reform program? Is the minister aware of proposals to introduce compulsory union bargaining? What effect would such a proposal have on Australian employees, especially in my electorate of Lindsay?

Mr ANDREWS—I thank the member for Lindsay for her question. As she knows, this government has been working hard for the

last 10 years to ensure not only the creation of more jobs in Australia but that the real wages of Australians continue to rise. Wages have risen 16.4 per cent in real terms over the last decade, while figures for the June quarter show wages going up by an annualised 4.4 per cent this year and the economy remaining strong so that Australians can have a sense of belief in their future in this country.

The latest piece of evidence in relation to this matter is the long-term unemployment data. I can inform the House that the latest long-term unemployment data shows that the number of long-term unemployed in Australia fell by 9,300 in August to stand at 90,700, which is a record low for the number of long-term unemployed people in Australia. Indeed, since 1996 that figure has more than halved.

The member for Lindsay also asked me about these proposals by the Leader of the Opposition to introduce compulsory union bargaining in Australia. So far the Leader of the Opposition has given two examples as to why we should have this plan to take Australia back to the past in relation to compulsory union bargaining. The first example he gave was of Radio Rentals in Adelaide. What he forgot to say was that the Radio Rentals case is a dispute which has arisen because a certain handful of workers there decided that they did not want to take what the union recommended to them—namely, a union collective agreement. So this is a furphy as an argument for what the Leader of the Opposition says. His second example was the Boeing dispute, but he also failed to say in relation to the Boeing dispute that the majority of workers in fact did not want a collective agreement. This points out not only his weak attempt at justifying this policy but also that, if his policy is going to work according to these examples, what he is actually going to adopt is what the Secretary of the ACTU, Mr

Combet, said yesterday: it does not require a majority of workers; it only requires one or two workers in a particular workforce. Indeed, when you read further into what Mr Combet said, he is proposing that we return to the system essentially of industry-wide pattern bargaining in this country that operated in the 1980s. Industry pattern bargaining takes no account whatsoever of the individual circumstances of any business; it just imposes a 'one size fits all'. What a policy to drive inflationary pressure in this country. This once again shows how incompetent the Leader of the Opposition is so far as economic management is concerned. When it comes to protecting the jobs of Australians, the Leader of the Opposition has no interest whatsoever. These proposals show that he is simply not up to the job.

Workplace Relations

Mr BEAZLEY (Brand—Leader of the Opposition) (2.26 pm)—My question is to the Prime Minister. I refer the Prime Minister to my question yesterday about the Australian Federal Police's preference for collective agreement making. I refer to the fact that a survey of Federal Police found that there was very strong support for open collective bargaining—approximately 85 per cent; and that there was strong opposition to secret individual agreements—approximately 75 per cent. Yesterday in response to my question the Prime Minister said:

Under our policy you can choose ... Under our policy you have many choices.

Isn't it the case that the only choice the Prime Minister is giving the Federal Police is his choice and that working Australians are worse off as a result? Prime Minister, aren't the coppers onto you?

The SPEAKER—Order! The last part of the question is not in order. I call the Prime Minister.

Mr HOWARD—I certainly hope not. I must say that I have enjoyed a cordial relationship with the Australian Federal Police. I think they do a great job. They perform their duties in a completely apolitical fashion, and that is precisely what they should do. What I said yesterday was that I had had a meeting with the leadership of the Australian Federal Police Association only a couple of weeks ago. I said my recollection was that during that meeting they did not raise any matters remotely close to what had been raised by the Leader of the Opposition. After question time I had a look at the record of interview of the discussion—the notes. I checked my notes.

Ms Gillard interjecting—

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

Mr HOWARD—I was reassured checking my notes. Not only did the gentlemen of the Australian Federal Police not appear to be onto me, but they really did not raise any of the matters raised by the Leader of the Opposition. They raised other matters, and I undertook to pursue those matters. All I can say is that in that discussion the sorts of matters alluded to by the Leader of the Opposition were not raised.

Workplace Relations

Mr TUCKEY (2.29 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Is the minister aware of proposals to give unions new powers to dictate wages and conditions and/or, as once boasted by a trade union boss, to ‘close down Australia with a few phone calls’? Would the minister update the House how these proposals might harm Australian workers, particularly in my export dependent electorate of O’Connor?

Mr ANDREWS—I thank the member for O’Connor for his question. In answering his question, I note that the unemployment rate

in the O’Connor electorate has fallen to 3.8 per cent. We are all aware that yesterday at the National Press Club the Secretary of the ACTU, Mr Combet, delivered his vision for a workers’ nirvana in Australia. In trying to defend this vision, Mr Combet gave some very interesting answers, and one in particular caught my attention. I put it in this context because, repeatedly over this year, we have had from the Leader of the Opposition a demand that the government guarantee that no single worker in Australia would be worse off as a result of changes to workplace relations. Indeed, under pressure to match his rhetoric in June, the Leader of the Opposition said, ‘Nothing we do is going to make people worse off.’ That is a promise which the Secretary of the ACTU, Mr Combet, refused to give yesterday. He was asked by a journalist after his address at the Press Club: ‘Can you guarantee the Australian public that, if this proposal were put forward, there would be no job losses at all?’ There was a very complicated, confusing answer from Mr Combet, but the basic bottom line is that he refused to give a guarantee that nobody would be worse off in his great workers’ nirvana in Australia if this blueprint were to be put into place.

The reality is that of course workers would be worse off. The ripping up of AWAs, the imposition of collective bargaining, the extended rights of entry into workplaces, the imposition of a new payroll tax on businesses in Australia—all of these things which are part of the ALP’s policy under the Leader of the Opposition—would make hundreds of thousands of Australians worse off and would not lead to the job creation that we have seen over the last 10 years.

What all of this suggests is this that when it comes to policy in Australia, when it comes to looking at the future of this country, when it comes to meeting the challenges that we face in Australia, the Leader of the

Opposition is simply not up to the job. To quote Laurie Oakes in the *Bulletin* this week, 'When Kim Beazley makes a stupid statement, he does his best to ensure that it is really stupid.'

DISTINGUISHED VISITORS

The SPEAKER (2.32 pm)—I inform the House that we have present in the gallery this afternoon members of a delegation from the National Assembly of the Socialist Republic of Vietnam. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Housing Loans

Mr BEAZLEY (2.33 pm)—My question is to the Prime Minister. Is the Prime Minister aware of comments made by Standard & Poor's on ABC radio this morning that arrears on housing loans have increased by about 50 per cent over the past two years? Prime Minister, do you accept any responsibility for this increase?

Mr HOWARD—I did not hear that particular quote on ABC radio this morning. I believe, however, that the policies of this government, with our end results of low inflation, very low interest rates and huge reductions in unemployment, have contributed to the aggregate capacity of Australians to not only buy a new home but to buy an even more valuable new home. It is true, and it is, in a sense, ironic that the lower the interest rates the more people are encouraged to borrow. As a result some people, particularly those who deal with non-bank lenders, end up overextending themselves.

Workforce Participation

Mr CAUSLEY (2.35 pm)—My question is to the Minister for Human Services. Would the minister update the House about how the government is helping to increase workforce participation? Is the minister aware of pro-

posals that would make it harder for some workers to find jobs? What is the government's response?

Mr HOCKEY—I thank the member for Page for the question. This government believes in helping to create jobs, and this government believes in helping to fill the job vacancies that are created. Over the last few months alone, Centrelink has referred to the Job Network more than 130,000 single parents who have been interested in getting a job. Those people are looking for flexibility in the workplace. They want to be able to pick up the kids from school. If one of their kids is sick they want to be able to take time out or to work from home. They want flexibility in the workplace that allows them to be able to earn a buck to improve their quality of life and that allows them, at the same time, to be able to meet their family needs.

There is no doubt that the Work Choices legislation has delivered greater flexibility for Australian workers in the workplace. There is no doubt about that, and it fundamentally appeals to people who really do want to get a job but who are single parents and have been on welfare. That is the group that we have been targeting. We make no apologies for that, because the outcome is that the number of people participating in the workplace is at the highest level on record.

The member for Page would appreciate that in his electorate alone there are over 4,300 small businesses employing people and in particular that there are over 12,000 small businesses that have not started employing people. By having a flexible workplace, a flexibility that applies to both the worker and the employer, we can create more jobs. No matter what the Labor Party does, no matter what people from the Labor Party say—be it the organ grinder down at the National Press Club or his representative in the chamber here today—understand this:

the Labor Party is opposed to flexibility for the workers; the Labor Party is opposed to empowering people to get jobs. Under the coalition, in a flexible workplace people have higher wages and better job security, and for the first time many Australians are getting a job.

Sydney Airport

Mr WINDSOR (2.38 pm)—My question is to the Prime Minister and relates to the draft Productivity Commission report titled *Review of price regulation of airport services*. Are you aware that the report recommends that some regional airline slots into Sydney Airport be replaced by international or domestic airlines, with regional airlines to be moved to Bankstown? In 2001 the then Minister for Transport and Regional Services said:

We—

the government—

have guaranteed that regional airlines will continue to have access to Sydney Airport, and our guarantee is solid.

The minister went on to say:

Our guarantee on regional access will not be affected by the privatisation of Sydney Airport.

Prime Minister, given that there are great concerns about so-called privatisations and guarantees, will you today squash the recommendation of the Productivity Commission?

Mr HOWARD—I can inform the member for New England that the government has every intention of meeting the guarantees that have been made in relation to this matter. This is an issue that has been raised repeatedly with the government by people such as the member for Parkes, the member for Riverina, the member for Farrer, that member for Groom, the member for Kalgoorlie, the member for O'Connor and the member for Forrest—in fact, the broad sweep of re-

gional members, including the member for Leichhardt. They have all raised this matter. I say to all of them that, as a result of your representations and in line with the good faith of the government in relation to these matters, the earlier election undertakings will be honoured in full.

Iraq

Mr PROSSER (2.40 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the latest developments in the trial of Saddam Hussein? How is Australia contributing to the construction of a more pluralist and democratic society in Iraq?

Mr Bowen interjecting—

The SPEAKER—The member for Prospect is warned!

Mr DOWNER—I thank the honourable member for Forrest for his question. It is fair to say that this government is proud of its role in the great coalition that removed Saddam Hussein from power and is glad that Saddam is no longer a threat to his people, to the Middle East or to anywhere else. His weapons of mass destruction programs are gone. He produced those weapons; he used them. In his second trial, which is on this week, he stands accused of killing an estimated 100,000 Kurdish men, women and children, including by the use of chemical weapons. Witnesses have testified about bombs in 1987 producing clouds of green poisonous gas that sent civilians screaming through their villages blinded and vomiting. Saddam Hussein can no longer perform these deeds. No longer will he finance suicide bombers, shelter other terrorists or, for that matter, invade his neighbours. Some people in this House may say that he should still be in power, but for our part we are proud that we played a role in overthrowing him.

The best judges of this debate are, curiously enough, not the Australian Labor Party,

and not necessarily the government. The best judges of this debate are the Iraqi people. A recent poll in the *Sydney Morning Herald*—and that is hardly a newspaper that has been passionately our way on this issue—showed that, despite the hardships of the people of Iraq, 77 per cent of Iraqis agree that getting rid of Saddam Hussein was worth while. That is something for the House to reflect on. That is the view of the Iraqi people. It may not be the view of the Australian Labor Party—

Mr Brendan O'Connor interjecting—

The SPEAKER—The member for Gorton is warned!

Mr DOWNER—but, as a matter of fact, that is a matter that is rather incidental to the people of Iraq. Let me go further and say that even if you disagreed with the overthrow of Saddam Hussein, as many have, it is—in the government's submission—absurd to argue that defeat of the fledgling Iraqi democracy through premature withdrawal would be a good thing. If the terrorists were to win in Iraq it would be a catastrophic setback in the war against terrorism.

Osama bin Laden understood this when he said that a loss in Iraq by the United States and the free world would lead to the US having to withdraw in 'defeat and disgrace forever'. Obviously, such a withdrawal would be a triumph for Osama bin Laden. Bin Laden is not alone. President Ahmadinejad of Iran shares that view as well. We know that here in Australia the Labor Party has said that in the event of it being elected it would immediately withdraw Australian forces from Iraq.

You could make an argument that, if America stayed there and Australia did not, America could still battle on alone. I noticed on Channel 10 the other night the Leader of the Opposition saying that 'we ought to be encouraging the Americans to uncouple

themselves from Iraq as well'. In other words, as the Prime Minister, the Leader of the Opposition would go to Washington and say to the President of the United States, 'What we would like you to do is join us in hauling up the white flag in Iraq and withdrawing and allowing that country to be taken over by the terrorists.' It is another classic example of two things. The first is the Leader of the Opposition being a bit of a charlatan when it comes to international relations. He pretends to be some kind of an expert. Secondly, it does confirm a view that many Australians hold: that the Leader of the Opposition is weak.

Oil for Food Program

Mr RUDD (2.45 pm)—My question is to the Minister for Trade, as one of the best friends that Saddam Hussein ever had.

The SPEAKER—Order! The member for Griffith will come to his question or resume his seat.

Mr RUDD—Can the trade minister confirm that Australia's wheat exports to Iraq have fallen by 50 per cent over the last financial year to 715,000 tonnes? Can the minister also confirm that, over the same period, wheat exports from the United States to Iraq have increased by 300 per cent to 2.3 million tonnes? Does the minister accept any responsibility for this kick in the guts to Australia's hardworking wheat farmers arising from his presiding over the \$300 million wheat for weapons scandal?

The SPEAKER—The last part of that question is unnecessary and out of order.

Mr Albanese—Mr Speaker, I rise on a point of order. Where in standing orders do you have the right to rule things 'unnecessary'?

The SPEAKER—I ruled it out of order, and it relates to standing order 100.

Mr VAILE—I do not know the exact statistics in terms of the American exports of wheat to Iraq, but of course they would have increased. They started off at a very low base because they were not exporting any wheat there. What I will take responsibility for is going to Iraq in February of this year on behalf of Australian wheat growers and getting them the opportunity to bid in a tender for 350,000 tonnes of wheat, which they won. They have the opportunity to bid in a tender that is underway again now for further exports of their wheat to Iraq.

Iraq

Mr LINDSAY (2.47 pm)—My question is addressed to the Minister for Defence. As the member representing the garrison city of Townsville, I ask: would the minister inform the House of recent rotations of our forces in Iraq? Would the minister also update the House about—

Honourable members interjecting—

The SPEAKER—Order! The member for Herbert will start his question again.

Mr LINDSAY—This is addressed to the Minister for Defence. Would the minister inform the House of recent rotations of our forces in Iraq? Would the minister also update the House about the work of our Defence Force and Australia's contribution to security and democracy in Iraq?

Dr NELSON—I thank the member for Herbert very much for his question and, more importantly, a very deep conviction about and commitment to the Defence community of Townsville. Just after lunchtime today, about 110 Australian soldiers returned to Australia. They were welcomed by the Chief of the Australian Defence Force, Air Chief Marshal Angus Houston, who passed on to them my admiration on behalf of the government and the member for Barton's on behalf of the opposition. They were led by Major Kyle Tyrrell. These men and women

have returned from the security detachment in Baghdad.

Major Tyrrell is one of five Australian soldiers who will, in returning, be introduced to their newborn babies, born during the deployment. These young soldiers undertook 80 operations in the streets of Baghdad. They are not only soldiers; they are required to be diplomats, aid workers and teachers and to exercise judgement in extremely difficult circumstances on the streets of Baghdad with their ASLAVs every single day that they have been there. It was of course last month that this security detachment sustained the rocket attack which injured four of our soldiers. I am very pleased to say, having spoken several days ago to Corporal Sarah Webster, that she is recovering very well in Townsville.

Our Defence Force men and women voluntarily join the Australian Army, Air Force and Navy, but their families in many cases basically are involved in a different way. On behalf of the government I particularly pay tribute to the families who supported these men and women during their deployment. The normal issues that are involved in relationships and households are compounded greatly when people are away, and I especially thank them. I was in Baghdad only two weeks ago—in fact, two weeks today, I had the privilege of being able to speak to the soldiers of the security detachment about the job that they have done on our behalf. Amongst the small group of journalists who attended with me was the Channel 7 personality David Koch. In speaking of the security detachment upon his return he said: 'Those security guys in the security detachment, they do an extraordinary, extraordinary job. You come away absolutely inspired by our men and women.'

During that visit I also had the opportunity to meet with the Prime Minister of Iraq, Nuri

al-Maliki. During that meeting, in relation to Australia's support for Iraq, he said that his country was particularly grateful for Australia's support and pleased that Iraq has reached a stage where security responsibility could be transferred in some areas of Iraq. Establishing democracy, he said, would take time. Despite scenes of blood and terror, Iraqis covet their newly found political and economic freedoms. I say to all Australians, and in particular I say to the opposition, who do not support what Australia is doing along with other countries to support the Iraqi people themselves: these people have no less a right to freedoms than Australians, East Timorese or anybody else. On returning to Australia the security detachment and our soldiers can be very proud of what they have done on behalf of our country—

Honourable members interjecting—

The SPEAKER—Order! The member for Sydney and member for Blair are warned!

Dr NELSON—All Australians are proud of them for doing the job in our name and doing the job for the Iraqi people.

Oil for Food Program

Mr RUDD (2.52 pm)—My question is to the Prime Minister. I refer to my question yesterday concerning his foreign policy adviser's meeting with the AWB on how the AWB should respond to questions from the UN's Volcker inquiry. The Prime Minister's answer yesterday was:

We alone of Western governments have established a body to inquire into these matters.

Will the Prime Minister identify which element of these terms of reference that he provided to the Cole inquiry gives the commissioner any power to make any determination on whether or not ministers or ministerial staff acted appropriately in coaching the AWB on how truthful to be with the Volcker inquiry?

Mr HOWARD—I refer the member for Griffith to the statement made by the commissioner not long after the inquiry commenced in which he said that if he saw fit, because of evidence that came before him, to seek an extension of the terms of reference, he would do so. He also, in that same statement, made it perfectly clear that he could make findings of fact that were damaging to Commonwealth officers, including ministers. Any logical reading of those two statements would lead you to the conclusion that, if Commissioner Cole thought it necessary to seek an extension of terms of reference so that he could fully adjudicate on the behaviour of ministers, he would do so. It is ludicrous of the member for Griffith to maintain otherwise.

Health Insurance

Mrs ELSON (2.53 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister outline to the House measures that the government is taking to make private health insurance a better product? How committed is the government to the private health insurance system and how does this benefit my electorate of Forde? Also, is the minister aware of any criticism of the health system, in particular the private health insurance rebate, and what is the government's response?

Mr ABBOTT—I thank the member for Forde for her question. I appreciate her strong support for the health professionals in her area, many of whom require the private health insurance system to sustain them. Let me make it clear to the House, including the member for Forde, that support for private health insurance remains one of the signature policies of the Howard government. Thanks to these policies, particularly the private health insurance rebate, private health cover has grown from just 30 per cent to some 43 per cent of the population. That means than

nine million Australians, including 40,000 people in the electorate of Forde, now enjoy the security and choice given to them by private cover. Next year the government will make a good product even better by allowing the funds to extend their basic tables to cover treatments that will reduce or avoid the need for hospitalisation.

Despite the obvious success of our private health insurance system, members opposite still want to rip the guts out of it. They hate private health insurance. They particularly hate the private health insurance rebate, which the Leader of the Opposition once described as an extraordinarily bad piece of public policy which, in his words, 'reinforced failure'. Then we have the member for Perth, who described the rebate as 'a public policy crime'. At the last election, members opposite said they would keep the rebate. But we know that they had a secret plan to destroy it. The former Leader of the Opposition, in his celebrated diaries, said that Medicare Gold was 'my plan for killing the private health insurance rebate'.

Mr Albanese—Mr Speaker, I raise a point of order on relevance.

The SPEAKER—The member—

Mr Albanese—Is this really necessary?

The SPEAKER—The member for Grayndler will resume his seat. He will not debate the point of order. The honourable the minister is in order. I call the minister.

Mr ABBOTT—I know why the member for Grayndler does not like the diaries—because of what Mark Latham said about the member for Grayndler. Mark Latham said:

Medicare Gold was part of my plan for killing the private health insurance rebate ... It required a lot of work to model the private health insurance applications and to secure the cooperation of the states, all handled by Gillard.

This week, the member for Lalor said again that she actually supported the private health

insurance rebate. But, given Labor's history of duplicity on this subject, you cannot take her assurances at face value. We know from what she said this week that she hates private health insurance.

Ms Gillard interjecting—

The SPEAKER—Order! The member for Lalor is on very thin ice.

Mr ABBOTT—She is still a socialist at heart, and she wants to turn Medibank Private into Medibank Public. That is what she wants to do. It is now up to the Leader of the Opposition to say exactly where he stands on private health insurance. In particular, will he keep the rebate and will he give an undertaking not to means test it or otherwise limit it? If he will not do that, the Howard government is not only the best friend that Medicare has ever had but the only friend that private health insurance has ever had.

Ms Owens interjecting—

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

Oil for Food Program

Mr RUDD (2.58 pm)—My question is again to the Prime Minister. I refer to his answer to my previous question. He said that it was a matter for Commissioner Cole to request any expansion in his terms of reference in relation to ministers' actions in this \$300 million wheat for weapons scandal. Is the Prime Minister aware of a letter from Commissioner Cole to me in March this year which states—

Mr Downer interjecting—

Mr RUDD—It goes directly to the misleading statement just made by the Prime Minister.

The SPEAKER—Order!

Mr RUDD—Would it—

The SPEAKER—The member for Griffith—

Mr RUDD—This is from Commissioner Cole—

The SPEAKER—The member for Griffith will rephrase that.

Mr RUDD—We know you do not want to hear it.

The SPEAKER—The member for Griffith will rephrase that.

Mr RUDD—Is the Prime Minister aware of the contents of this letter from the Cole commission of inquiry, which says:

... it would not be appropriate for a commissioner to seek amendment of the terms of reference to address a matter significantly different to that in the existing terms of reference ... that the commissioner should seek amendments to the terms of reference to enable him to determine whether Australia has breached its international obligations, or a Minister has breached obligations imposed upon him by Australian regulations falls ... within the latter category.

Prime Minister, in your reply just now to my previous question, haven't you once again just deliberately misled the parliament in order to—

The SPEAKER—Order! The member for Griffith will either rephrase that or resume his seat.

Mr RUDD—Prime Minister—

The SPEAKER—The member will withdraw that.

Mr RUDD—I withdraw that. Has the Prime Minister once again misled the parliament in his response to the previous question to conceal the rorted terms of reference he has given Commissioner Cole to give his two ministers there a 'get out of jail free' card?

Mr HOWARD—I am aware of the letter that was sent by Commissioner Cole to the member for Griffith. I remember it very vividly, and I know the subject matter of it. The subject matter of that letter does not alter in

any way the substance of the answer I gave to his earlier question.

National Security

Mr MICHAEL FERGUSON (3.00 pm)—My question is addressed to the Minister for Transport and Regional Services. Would the minister advise the House of how security has been upgraded at Australian airports? Also, Minister, would you explain how effective these measures will be?

Mr TRUSS—I thank the honourable member for Bass for the question and acknowledge his keen interest in helping to secure the safety of passengers in our airline system. The Australian government has spent \$1.2 billion on upgrading security at our airports and in our aviation industry over recent times. The industry and airports themselves have also made a significant contribution. We have issued 100,000 aviation security identification cards; we screen all passengers and their carry-on luggage going onto jet aircraft; there is improved physical security at city and country airports; air security officers are on selected flights; there are hardened cockpit doors on all passenger aircraft with 30 seats or more; and we have dedicated airport police commanders and a strengthened police presence at our major airports. Those are examples of some of the initiatives that have been taken that are making a difference. I was interested to read a survey which demonstrated that the Australian public has a high degree of confidence in the security measures that we are putting in place.

That is why I think it is especially disappointing that the Leader of the Opposition and the member for Brisbane seek to undermine public confidence in our security system by making dishonest, irresponsible and reckless claims about what happens in relation to airport security in Australia. As an example, the Leader of the Opposition has

repeatedly claimed that international baggage is not subject to X-ray screening. The member for Brisbane has said it on occasions, although I note he has not said it in recent times because he knows the statement is wrong. The Leader of the Opposition has been told time and time again that all international baggage is screened—100 per cent. It has been the law since the end of December 2004. Yet, on 4 September, the Leader of the Opposition put out a press statement in which he said that baggage is not all checked. He said it in a doorstep interview outside Parliament House on the same day. Earlier this week, he went even further. On 2UE he said:

... ensuring all baggage, particularly overseas baggage, is X-rayed, and not all of it is.

He went further and said:

Only about 10 per cent of it's checked.

That is simply wrong. The Leader of the Opposition has been told time and time again that 100 per cent of it is X-rayed. He has been told that at this dispatch box. He is not listening now; he will probably go outside again and make the same inaccurate statement. The reality is that it is not 10 per cent checked; it is 100 per cent checked. It is time that he was honest about it. The member for Brisbane comes in here—

Opposition members interjecting—

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

Mr Martin Ferguson—That was a stellar performance, Warren.

The SPEAKER—Order! The member for Batman is warned! The level of interjections is far too high. I call the minister.

Mr TRUSS—Now that the Leader of the Opposition is clearly listening, let me tell him one more time: 100 per cent of international baggage is X-rayed, not 10 per cent as he said a couple of days ago. Don't say it

incorrectly again. The member for Brisbane goes on about doors at Sydney airport, and gates at Dubbo and Ballina. Each time, the council has come back categorically and demonstrated to him where he was wrong in what he said.

Mr Bartlett—Mr Speaker, I raise a point of order under standing order 91. The Chief Opposition Whip and another opposition whip are deliberately obstructing this House. I ask you to bring them to order.

The SPEAKER—The Chief Government Whip has raised a point of order. I believe all members realise that, under standing order 62, they are expected to move quickly to their seats or leave the chamber. In relation to the whips, I would expect them to exercise their moving around with discretion.

Mr TRUSS—I have been going through some of the reckless and irresponsible claims made by the member for Brisbane about airport security. Finally, I refer to his comments on Broken Hill radio this week, when he said:

People who have travelled in jets know that cockpit doors are hardened. That's not so with those propeller-driven aircraft.

Wrong again! This government has funded a program to ensure that all of those cockpit doors are indeed hardened. Once again, the member for Brisbane has invoked the wrath of a council about his irresponsible statements. This time it is the Broken Hill City Council.

Mr Ripoll interjecting—

The SPEAKER—Order! The member for Oxley will remove himself from the House under standing order 94(a).

The member for Oxley then left the chamber.

Mr TRUSS—Councillor Kennedy from the Broken Hill City Council said that for the member for Brisbane to make statements like

these is irresponsible and a case of political point-scoring. Kennedy says, 'If a terrorist does take over a flight from Broken Hill the finger will be pointed at Bevis.' I think the reality is that it is high time the opposition were responsible in dealing with these issues. We have acted constructively to improve airport security. They should recognise the improvements that have been made and not seek to undermine them with reckless and irresponsible claims.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Energy Initiatives

Mr HOWARD (Bennelong—Prime Minister) (3.07 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The Prime Minister may proceed.

Mr HOWARD—On 14 August I made a ministerial statement on energy initiatives. In the course of that statement, in referring to cost of the initiatives, I correctly estimated the total cost at \$1.3 billion over 8 years. But in relation to the particular LPG incentives there was a transposition of figures, and instead of reading into the *Hansard* \$766.1 million, I read into the *Hansard* \$677.1 million. I apologise to the House for that mistake.

QUESTIONS TO THE SPEAKER

Standing Orders

Mr TANNER (3.08 pm)—Mr Speaker, during question time you ruled out of order the following sentence in a question that the member for Griffith asked the Minister for Trade:

Does the minister accept any responsibility for this kick in the guts to Australia's hard-working wheat farmers arising from the \$300 million wheat for weapons scandal?

You ruled it out of order on the grounds that it was unnecessary. When asked, in a point of order, by the member for Grayndler on what standing order you relied, you then referred generally to standing order 100. Standing order 100 relates to statements of facts or names of persons, arguments, inferences, imputations, insults et cetera. I would like to ask, firstly, what in this sentence offended which particular subsection of standing order 100? Secondly, I would respectfully request in future, Mr Speaker, that when you are ruling sections of questions out of order you identify more precisely under which standing order they are ruled out of order.

The SPEAKER—I thank the member for Melbourne for his question. I believe that he probably found the answer in the second half of his question. It is certainly not the practice of occupiers of the chair to give a running commentary on decisions taken by the chair. I took the decision at the time and I will not revisit it.

Mr Tanner—Mr Speaker, with respect, I have asked a question and I am afraid you have not answered it. It is really not appropriate simply to refuse to answer my question.

The SPEAKER—The member for Melbourne will resume his seat. If he is going to reflect on the chair, he will resume his seat.

Mr Tanner—I was not reflecting on the chair, Mr Speaker.

The SPEAKER—The member for Melbourne is reflecting on the chair. He will resume his seat.

Mr Tanner—There is provision in the standing orders for questions to the Speaker. I have asked a question—

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

iPods

Mr BOWEN (3.10 pm)—Mr Speaker, I wonder if you could clarify this for the House. Given advances in technology, if a member is finding an answer so boring that they resort to listening to an iPod, is that in order?

The SPEAKER—I thank the member for Prospect. I am not sure that that is a major question, but I would suggest to all members that bringing in devices to listen to is out of order.

Standing Orders

Mr ALBANESE (3.10 pm)—Mr Speaker, under standing order 103 I want to follow up the point of order that I moved in question time and the question to you from the member for Melbourne. It appears to me from a detailed perusing of standing order 100 that it is important for us as the opposition to know the basis of your rulings. It cannot be just that it is the vibe of the rules; it has to be in the standing orders. I ask that you indicate under which section of standing order 100 the sentence in the honourable member for Griffith's question was out of order?

The SPEAKER—I thank the member for Grayndler. I remind him that under standing order 103 questions to the Speaker are related to administration. I will not give a running commentary on rulings, and I have made that clear before.

Question Time

Mr ALBANESE (3.11 pm)—Mr Speaker, under standing order 103 I have a further question to you. Are you aware that, up to the end of question time today, the member for Oxley was the 91st person asked to leave the chamber under the standing order for one hour's leave? Of those 91 members who have been asked to vacate the chamber, 89 have been from this side of the chamber and only two have been government members.

Further, are you aware that three ALP members, and only three ALP members, have been named and suspended for 24 hours up to this point? Are you also aware that under Deputy Speaker Ian Causley, a more balanced figure here—

The SPEAKER—Order! The member for Grayndler will not reflect on the chair!

Mr ALBANESE—I was reflecting positively on the Deputy Speaker, Mr Speaker—20 ALP members have been excluded—ordered to withdraw for one hour—and two government members, making a total now of 109 ALP members and four from the government. At the same time, there have been three ALP members and one Independent named and suspended for 24 hours. Mr Speaker, do you think that accurately reflects the behaviour in this chamber, or is it about as fair as Luis Medina's free kick in the Australia versus Italy game?

The SPEAKER—I think the last part of that question was frivolous, but I will take the rest of the question and respond to it as follows. The first point I would make is that when members are asked to leave under standing order 94(a) it is not a punishment; it is in the interests of maintaining order. If the member for Grayndler believes it reflects on the behaviour of the members, well, that may be his interpretation. I just repeat: it is administered on the basis of maintaining order. Those who feel that they have been asked to leave might reflect on how responsibly they are behaving in the chamber.

Standing Orders

Mr BROADBENT (3.14 pm)—Mr Speaker, I have a question of you. Prior to question time when the member for Werriwa was speaking the only person to pay deference to the convention of the line of sight between the Speaker and the member speaking was the opposition leader. All others walked past that line of sight, which I

thought was inappropriate for the member for Werriwa whilst he was speaking. I have been out of this House a couple of times since 1990. Has the convention changed?

The SPEAKER—I thank the member for McMillan. He raises a valid point of order. It is a standing order, not a convention. I think that, from what he has raised, all members ought to remind themselves of that standing order. This is a good opportunity to make the point. We might even circulate a note about it as well.

Ms Plibersek—Mr Speaker, I just want to correct the record. The member for McMillan suggested that we did not follow that convention. I certainly bent, and I know that many other members of parliament did as well as they did it.

The SPEAKER—The member for Sydney has made her point.

Standing Orders

Mr PRICE (3.15 pm)—Mr Speaker, I find myself in great difficulty. The honourable member for Melbourne asked a question of you relating to the standing orders which you would not encourage to go further, and you indicated you are only taking questions on administration. Yet when a government member raises what you called a point of order, you are only too happy to answer it. I am completely perplexed by one ruling about a matter where the opposition clearly needs to get a greater understanding about components that are not necessary in questions. We are seeking detail on that, and we are being told that we cannot make those inquiries of you. But, when an issue of the standing orders is raised by a government member, you not only allow it, you classify it as a point of order and give a very fulsome answer, which I do not object to, by the way.

The SPEAKER—I thank the Chief Opposition Whip. I am sorry that he feels perplexed. I have responded to the earlier

points. The member for McMillan raised a question about behaviour and I merely made an observation reminding him of the standing order. I have dealt with the matter.

Standing Orders

Mr ALBANESE (3.17 pm)—Mr Speaker, as to your response to my question re the number of expulsions in the House, you say that it is not about punishment but about keeping good order. Do you not think there might be better order in the House if there was a perception of a more balanced approach re 109 versus four?

The SPEAKER—I make the point to member for Grayndler that standing order 94(a) was instituted at a recommendation of Standing Committee on Procedure. He might want to refer to the reasons for the recommendation, but I do not propose to comment any further.

Standing Orders

Mr TUCKEY (3.17 pm)—In light of the concern that the opposition has expressed for the standing orders would you please tell the House whether in future you will give a literal interpretation to standing order 100:

- (d) Questions must not contain:
- (i) statements of facts or names of persons, unless they can be authenticated and are strictly necessary to make the question intelligible;
 - (ii) arguments;
 - (iii) inferences;
 - (iv) imputations;
 - (v) insults;
 - (vi) ironical expressions; or
 - (vii) hypothetical matter.

I am sure members would be so pleased if all those rules were applied to their questions.

The SPEAKER—I thank the member for O'Connor for his question. I do not propose to comment on that. As he would be aware,

all occupiers of the chair endeavour to uphold the standing orders.

DOCUMENTS

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.18 pm)—Documents are tabled as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the *Votes and Proceedings* and I move:

That the House take note of the following documents:

Family and Human Services—House of Representatives Standing Committee—Report—Overseas adoption in Australia: Report on the inquiry into adoption of children from overseas—Government response.

Surveillance Devices Act 2004—Commonwealth Ombudsman's report on inspection of surveillance device records for the period 1 January to 30 June 2006 (Australian Crime Commission).

Opposition members interjecting—

Mr McGAURAN—Where are your questions? Where are your MPIs? You have a few stunts to suspend standing orders.

The SPEAKER—The minister will resume his seat!

Mr McGAURAN—Where are your—

The SPEAKER—The Deputy Leader of the House is warned! The Deputy Leader of the House has moved to take note—

Mr Albanese—We don't know what he did. He's mad.

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

Mr Rudd—Mr Speaker, can I ask you how you could ask the member for Oxley to remove himself from the chamber, and just warn the member for Grayndler and leave that behaviour unattended to?

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

Mrs Irwin—There is no fairness, Mr Speaker. It is a disgrace.

The SPEAKER—The member for Fowler is warned for that too!

Mrs Irwin—Thank you very much.

The SPEAKER—I remind the member for Griffith that the member for Oxley was warned before I applied standing order 94(a). The Deputy Leader of the House has moved to take note, I believe.

Mr McGAURAN—I have, Mr Speaker. I wish to apologise for the discourtesy that I have shown you and the House. Members opposite might like to follow my example.

Ms Gillard—After that extraordinary performance I will observe the courtesies of the House, unlike the minister, and move:

That the debate be adjourned.

Question agreed to.

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.20 pm)—I present papers being petitions which are not in accordance with the standing and sessional orders of the House:

Protecting children from dangerous internet content—from the member for Warringah—22 Petitioners

Medicare—from the member for Isaacs—14 Petitioners

The Micah call to achieve the Millennium Development Goals—from the member for Gillibrand—34 Petitioners

The listing of Herceptin on the PBS—from the member for Batman—752 Petitioners

Access to Centrelink services—from the member for Gippsland—266 Petitioners

David Hicks—from the member for Berowra—31 Petitioners

Racism in Australia—from the member for Fremantle—465 Petitioners

Workplace relations legislation—from the member for Wide Bay—274 Petitioners

The need for a licensed Australian Post agency in Unanderra—from the member for Throsby—1020 Petitioners

SPECIAL ADJOURNMENT

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.21 pm)—I move:

That the House, at its rising, adjourn until 12.30 pm on Monday, 9 October, unless the Speaker or, in the event of the Speaker being unavailable, the Deputy Speaker, fixes an alternative day or hour for the meeting.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Oil for Food Program

The SPEAKER—I have received a letter from the honourable member for Griffith proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government's negligence in responding to 33 separate warnings on the \$300 million wheat for weapons scandal, its attempted cover-up of this scandal and its impact on the Australian wheat industry

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 RUDD (Griffith) (3.21 pm)—Next month will mark one year since we in this place first started asking questions of the government about the biggest corruption scandal in Australia's history—the \$300 million wheat for weapons scandal. One year later it is worth reflecting on what exactly we have managed to extract from that mob opposite—otherwise called the government of Australia. It is interesting to have a look back at just how cocky they were a year ago. Take this, for example: in December last year the Prime Minister said in this place:

I begin ... by pointing out to the member for Griffith that it has not been established that AWB paid any kickbacks.

I thought that was a little novel, a little brave, a little unusual in defence. The Prime Minister goes on in a different answer:

... the people who run that company—

that is, the AWB—

are people of—

wait for it—

complete integrity.

That is the Prime Minister's statement to the parliament, which puts a very interesting slant on the Liberal Party's definition of integrity. Then, we have the real doozy. The Prime Minister says, referring to the member for Griffith again:

... is seeking through false allegations to blacken the reputation of ... the members of the Australian Wheat Board.

Poor petals, indeed. Twelve months later it is worth reflecting on how much things have changed. Man of steel these days barely mentions the 'I' word, that is the Iraq word, the war that dare not speak its name. It is the most spectacular failure of Australian foreign policy since Vietnam. Not only do we have problems mentioning the 'I' word in this place, there is the 'A' word—the AWB, the company that dare not speak its name. It is a company that, judging by at its employment record, becomes an employment agency for Liberal Party and National Party apparatchiks once they slither out of this place. The company that used to have untrammelled access to any government ministerial office it wanted at any time and at any place over the five years that this corruption scandal ran is suddenly a company that today dare not speak its name. It is a noncompany, erased entirely from the government's public vocabulary.

There is a big linkage between these two—the Iraq war and the AWB. The Prime Minister said that the invasion of Iraq was necessary in order to deal with the global terrorist threat. That was an interesting argument in national security policy: you bankroll Saddam Hussein one day before bombing him the next. But the stupendous hypocrisy of this government's foreign policy on Iraq is this: the Prime Minister has said on multiple occasions in this place, 'The reason we have to invade Iraq is because the UN sanctions are not working.' We now know, courtesy of the Volcker inquiry, why they were not working. This government, this mob opposite, these ministers, presided over the single largest source of illegal cash funnelled into the Iraqi regime of Saddam Hussein while those sanctions were in place. The stupendous hypocrisy of this government in doing so allowed \$300 million in cold hard readies to be tipped into the Iraqi finance ministry to enable the Iraqi regime to buy guns, bombs and bullets for use against Australian troops.

I believe this entire scandal speaks volumes about the values for which this government stands. This government preaches values day in and day out but I say look carefully at what this government does, not just at what this government says. Look at what happened in this \$300 million wheat for weapons scandal: it has totally undermined wheat exports from regions like that represented by the member for Maranoa—he should hang his head in shame.

The Cole inquiry is due to report by the end of this month. More than a year later it is therefore important to draw together the facts we have thus far established in this parliament, because this is the only place we can do that, as to what complicity the government has had in this, the worst corruption scandal in Australian history.

Fact one: we now know that this government is guilty of gross negligence. There were 33 separate warnings over a five-year period about what the AWB was up to and each one of those warnings was ignored, including by the minister at the table, Minister McGauran. Fact two: once this \$300 million scandal started to leak out, they tried to cover it up. They misled our allies the Americans on at least three separate occasions and told them that everything was just fine and dandy and that there was no problem at all with the AWB, knowing full well that it stank to high heaven. But they did not seek to cover up just with the Americans; they also sought to cover up with the UN and the Volcker inquiry. They gagged Australian officials from appearing before the Volcker inquiry or being interviewed by that inquiry. This is quite staggering—they actually coached the AWB on how to answer questions put to them by the Volcker inquiry. We have put questions to the Prime Minister over the last few days about his foreign policy adviser, about how he should seek to restrict the AWB to some sort of small target: 'Do not answer too many questions; do not be too forthright.' This is quite extraordinary.

They sought to cover up their behaviour through the Volcker inquiry and to cover it up through misleading the Americans, but the grand cover-up of them all is this: the rorted terms of reference of the Cole inquiry itself. Anyone who looks at the text of these terms of reference knows that it is set up to do one thing alone, and that is to establish whether the AWB is guilty of criminal offences. There is no head of power and nothing to grant Commissioner Cole the power to determine whether ministers have done their job under Australian law—nothing whatsoever. This Prime Minister today stood at the dispatch box and tried to say that black was white yet again. So fact two is the cover-up.

Fact three is the gross damage to Australia's national security and national economic interest. Our reputation around the world, though this government would perhaps not know it, is shredded. This country has prided itself for generations on being a bunch of people who respect international law and who uphold UN sanctions. We now discover that, of 2,100 companies investigated worldwide by the Volcker inquiry, we get the gold medal as the single largest provider of illegal cash to Saddam Hussein's regime. I do not know how you blokes get out of bed in the morning and look in the mirror.

Mr Albanese interjecting—

The DEPUTY SPEAKER—The member for Grandler has been warned that the chair will not tolerate any more interjections.

Mr RUDD—That is such a staggering indictment of your nonperformance as a minister in allowing the sanctions to have been breached so grossly. Then there comes a question of our wheat exports. Here we have in this chamber the farmers' friend—at least the member for Maranoa might hang around for a bit; this bloke over here, Mr McGauran, looks as though he is about to jump ship to the Libs. They are part of the government, and the National Party describe themselves as the 'farmers' friend'. What have you done as a consequence of your failure to uphold the principles of international law and enforce UN sanctions? You have caused the new Iraqi government to penalise Australia because of the AWB. In the last 12 months alone our wheat exports to Iraq have sunk by 50 per cent. Those from America to Iraq have gone up by 300 per cent. Again, how do you blokes stare at yourselves in the mirror of a morning? You represent the wheat-growing areas of Australia and you have trashed Australia's wheat exporting reputation.

But it gets worse. We now have a huge legal case on foot in the United States and another legal case in Australia. If these things wash through and the AWB is on the wrong side of the law, the legal and financial implications and the costs to be paid, which will potentially flow through to Australian wheat farmers, are mind-boggling indeed.

Mr Deputy Speaker Causley, how do you think this government rewards itself after this spectacular record of incompetence and gross negligence, gross cover-up and gross damage to the national interest? You would think they would hang their heads in shame, but in the last few days—and the member for Corio is going to talk about this a bit later on—we discovered that the Wheat Export Authority, set up by this government to make sure all was under control with the export of Australian wheat to markets like Iraq, has just awarded itself, approved by the agriculture minister, a 15 per cent pay rise for staff. Despite this spectacular scandal—the biggest corruption scandal in Australia's history—what does this government do? It pats itself on the back and rewards its staff in the WEA.

Today in the parliament we sought to extract some truth from this Prime Minister about the exact state of the terms of reference. These rorted terms of reference represent the absolute core of this government's attempted cover-up of its political and ministerial culpability in this scandal. The Prime Minister has become the cover-up king of Australian politics. This Prime Minister makes Richard Milhous Nixon look like a rank amateur. If you put it together and look at these rorted terms of reference, the misleading of the Volcker inquiry and the misleading of the Americans when they sought to investigate these matters, you can only conclude that cover-up has become their credo. Across the board they have sought to prevent this information from reaching the

public because it is all too politically damaging for them.

In these terms of reference, these letters patent which were released at the time the commission of inquiry was established, there is no power to determine whether ministers did their job to enforce sanctions—none whatsoever. So Mr Cole cannot make any findings on that. There is no power to determine whether the foreign minister did his job. What was that? To uphold the Customs regulations to approve each export contract with Iraq before moneys were paid. There is no power to determine whether ministers were negligent in not responding to the 33 warnings they received and no power to determine when ministers engaged in attempted cover-ups—none whatsoever.

From day one these terms of reference have been deliberately rorted by the Prime Minister. They knew what they were doing; they did not want the information to come out.

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Griffith will withdraw ‘deliberately rorted’.

Mr RUDD—These terms of reference—

The DEPUTY SPEAKER—The member for Griffith will withdraw ‘deliberately rorted’ or I will deal with him.

Mr RUDD—In order to facilitate the House—

The DEPUTY SPEAKER—The member for Griffith will withdraw unreservedly.

Mr RUDD—I will do so, noting the fact I have already said that before.

Mr Gavan O’Connor—The National Party has rorted.

The DEPUTY SPEAKER—The member for Corio will remove himself under 94(a).

The member for Corio then left the chamber.

Mr RUDD—Mr Deputy Speaker, do not take my say-so for this. It is in black and white in the correspondence I referred to today with the Prime Minister in question time. The Prime Minister stands up and says black is white and white is black. Here it is, a letter from the Cole inquiry itself saying the matters that I have just referred to here—that is, whether ministers have actually done their job—do not have any head of power whatsoever in the current terms of reference.

His second line of defence is: ‘If these terms of reference are not up to it, what can I then do? It is all up to Commissioner Cole. He can request extra powers.’ Commissioner Cole’s office says in this letter that he cannot make any request whatsoever for an expansion of his terms of reference because that would represent such a grand, significant expansion of the limited powers he was given at the very outset. The nature of the cover-up embarked upon by this government is rendered for all to see. It is stark, it is clear and it is deliberate. These rorted terms of reference constitute an affront to any sense of accountability in this place.

Where does this leave Commissioner Cole? Commissioner Cole has a responsibility under law to report to the government. He has stated he will report by the end of September. The problem we face is that he has no power to act in making determinations about whether these ministers actually did their job. He only has the power to determine whether or not criminal offences have been committed, in particular by the AWB.

It would take an extraordinary act of courage on the part of Commissioner Cole to go beyond these terms of reference and make the types of findings that need to be made concerning these ministers’ complicity and the worst corruption scandal in Australia’s history. Unless Commissioner Cole ignores the constraints deliberately placed on him by

the Howard government, my prediction is that the government in all probability is going to deliver a whitewash in terms of ministerial culpability and responsibility for this scandal. That is why the terms of reference have been constructed that way.

The Cole commission of inquiry is important in the overall process of accountability, but ministers, of course, are not accountable to it. This parliament is not a source of accountability, because each time we ask a question they say it is being handled by the Cole inquiry, but the Cole inquiry is not handling it. The Senate estimates have been shut down so they cannot deal with any question concerning the wheat for weapons scandal, and no Senate inquiry can sustain itself to investigate these matters of accountability.

This is a scandal of the first order of magnitude. As a member of this parliament, I cannot understand how ministers can stand at this dispatch box and seek to exonerate themselves of responsibility for the damage they have done to the good name of this country, to the interests of our hardworking wheat farmers and to those who have depended on Australia's good and sound international reputation. They stand condemned. (*Time expired*)

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (3.36 pm)—This matter of public importance has been useful for one thing and one thing only: we now know what the member for Griffith's strategy has been over the past few days in asking repetitive and stale questions of the Minister for Trade, the Minister for Foreign Affairs and the Prime Minister. All of the member for Griffith's questions with regard to the Iraq issue have been asked before and answered repeatedly, and it has been a mystery to me for some days now as to why the member for Griffith was persisting with an ineffectual strategy. After his contribution to

this debate, we now know why: he is setting up to criticise the Cole commission of inquiry before it reports for the simple reason that he now believes that the Cole commission of inquiry's findings will not substantiate his overblown and exaggerated accusations, allegations and rhetoric. That is what this is about—a deliberate and calculated undermining of the Cole commission of inquiry with, I am afraid to say, barely disguised reflections on the commissioner himself. This is a very important point to note: the member for Griffith is attacking the Cole commission of inquiry. He is seemingly criticising an eminent judge in Justice Cole.

Mr Rudd—Mr Deputy Speaker, I rise on a point of order. The minister has just said I was attacking the Cole commission of inquiry and the commissioner in particular. I was doing no such thing.

The DEPUTY SPEAKER (Hon. IR Causley)—That is not a point of order. It is frivolous and I will not tolerate another one.

Mr McGAURAN—Let me come exactly to that point, because I listened carefully to the member for Griffith's contribution. Commissioner Cole has said he can and must inquire into the extent of government knowledge. He has also said he would seek to broaden the terms of reference if necessary. Therefore, constant claims by the member for Griffith, laboured at length here today, of rorted terms of reference are a slight against Commissioner Cole. Commissioner Cole has made it abundantly clear that he will correct the terms of reference to the extent he needs to determine government knowledge in this issue, and yet the member for Griffith persists with his accusations that the terms of reference are rorted. The member for Griffith cannot have it both ways. He has staked his reputation on his criticisms of the government, and if the commission of inquiry finds those criticisms to have been unfounded then

the member for Griffith knows his own credibility will suffer.

The member for Griffith also said during the matter of public importance debate today that we have learnt a lot over the past 12 months, and that is the fundamental failure of his allegations against the government. We have learnt a lot over the last 12 months because of the commission of inquiry headed by Justice Cole and established by the government, and that is why the Labor Party cannot gain traction on this issue. It is the government that took the step of establishing the Cole inquiry. Of the 66 countries and more than 2,000 companies that were named in the Volcker report, Australia is the only country to have established a fully transparent inquiry with extensive powers, and the government has cooperated fully, completely and unhesitatingly with the Cole inquiry. There has been unparalleled access, and rightly so, to government documents and officials.

The Cole inquiry has sat for 65 days. Over 70 witnesses have appeared before it, including the Prime Minister, the Deputy Prime Minister, the Minister for Foreign Affairs and 18 current and former government officials. There have been over 100 statements from current and former government officials. The government has nothing to hide. We look forward to Commissioner Cole's report. We have supported it, especially since we established it, and it is improper for the member for Griffith to reflect on the commission of inquiry's very existence.

The member for Griffith persists with the argument of a cover-up. Every document the member for Griffith cites is from the website of the commission of inquiry. One thousand exhibits, containing thousands of pages of documents, have been made public by the inquiry. The majority has been available on the inquiry's website for months, and obvi-

ously Commissioner Cole has access to many more documents beyond those available on the website. This is the biggest cover-up in the history of Australian politics, according to the member for Griffith, and yet it is the government that is responsible for the inquiry's very existence and for the full and unfettered access the inquiry has to every aspect of government.

Just as offensive in the member for Griffith's contribution today was something that we need to pick up on. He said, 'This country's reputation is shredded overseas'—a typical exaggeration and unfounded allegation, but I will tell you something: the member for Griffith is singing the song of our wheat competitors. The member for Griffith is giving aid and comfort to those who would undermine our wheat growers. To allege in this House that this country's reputation is shredded is exaggerated to the point of disloyalty to the interests of this country and wheat growers, and the member for Griffith must bear responsibility for the damage he does to this country's reputation by joining in the criticism of those who have a commercial interest to sustain against this country. I have travelled to Washington, I have met wheat growers and I have spoken to members of parliament. Of course some of them will seize on the issues surrounding the inquiry, because that serves their interest, but to say this country's reputation is shredded is an act of gross misjudgement, if I can put it as benignly as that, by the member for Griffith.

The simple fact is that Commissioner Cole and counsel assisting the inquiry have been fearless in every aspect of their inquiry. They have the resources as well as the capacity to get to the truth of all matters. What I am more interested in, because everything associated with the government is transparent and accountable through the commission of inquiry, is the member for Griffith's own dealings with what he now says is the com-

pany that dare not speak its name. We know the member for Griffith met repeatedly with the Australian Wheat Board. Where are his notes? Where are his recollections? He will not make them public; instead he seems to have misled people about the frequency of his meetings with the AWB. At one stage he said he had had only one meeting; now he concedes there have been several meetings.

Ms Julie Bishop—Is that right?

Mr McGAURAN—Yes, so why don't we table the member for Griffith's notes or recollections of his meetings with the Australian Wheat Board? We understand that the member for Griffith was fully informed as to all aspects of the Australian Wheat Board's interests in Iraq. I am not alleging any improper knowledge or wrongdoing—of course not—on the part of the member for Griffith, but he was simply given the same lines, as I understand it, from the Australian Wheat Board as were government ministers.

The member for Griffith, in an attempt to generate interest or even a headline, alleges that the government have participated in a cover-up to the point where we even instructed our Washington representatives to obfuscate and deceive and mislead American senators. The simple fact is that the government have never sought anything other than procedural fairness for AWB in the congressional systems. Above all else, we cooperated fully with Volcker. Every aspect of the Volcker inquiry's questions and requests for information was complied with. We provided records. Public servants were made available. We cooperated fully with Volcker and, as Volcker uncovered concerns about the Australian Wheat Board, the government told the Australian Wheat Board to cooperate with Volcker. Whether they did or not, as with all other aspects of their behaviour, will be a matter for Commissioner Cole.

The simple fact is that there was no protection of AWB from rightful, legitimate and lawful inquiries, whether in America or by Volcker from the United Nations. When Volcker reported disturbing findings, we established the Cole commission of inquiry. There has been no evidence of wrongdoing by the government presented by the member for Griffith. You can see from everything that is available through the Cole commission exactly what the government knew and what the Australian Wheat Board was telling the government. What we do not know from the Cole commission is what the member for Griffith knew and what the Australian Wheat Board was telling the member for Griffith. In fact, all the questions the opposition asked on this issue are based on documents made available through the Cole inquiry. So, instead of being hysterical, the member for Griffith should either find some evidence to back up his outrageous claims or wait for the Cole commission to hand down its report, like every other fair-minded person is doing.

If Labor had their way, Saddam Hussein would still be in power. The mass murders would still be continuing. Saddam Hussein would still be killing Iraqis, would still be working on his weapons of mass destruction programs and would still be rorting the oil for food program, with children needlessly dying as a result. We have only uncovered these scandals and wrongdoings by ousting Saddam Hussein, and we are proud of the role we played in ousting him. Apart from stopping his barbarism, preventing him from invading his neighbours, putting an end to his support for terrorism and ending his weapons of mass destruction programs, it has allowed us to uncover the rorting of the United Nations sanctions system. And we are determined to discover exactly what went on. The Cole commission—the inquiry we set up—will duly hand down its findings.

Moreover, the member for Griffith would have it that the government has failed Australian wheat growers because there is American wheat being sold to Iraq. His ignorance on this matter is pretty staggering. For a start, we know that between the Gulf Wars of 1991 and 2003 the United States had little or no trade in wheat, so the 300 per cent increase that the member for Griffith seized upon is coming from a zero base. It is now a competitive market. The Australian market share in Iraq was obviously unusually high because the United States was not a competitor during those years. Mind you, the United States had been a major exporter to Iraq before the sanctions. The government is keen for trade with Iraq to continue. The Deputy Prime Minister and the government as a whole have worked to facilitate the wheat trade while the Australian Wheat Board is excluded by the Iraqi Grains Board pending the outcome of the Cole inquiry.

The government's efforts have successfully opened the way for Australian wheat to be exported to Iraq. While sales to Iraq may be down, sales to other markets are increasing. Expected returns to growers in the 2005-06 national pool have recently been upgraded by the Australian Wheat Board. The Australian government has strongly supported our growers in accessing, to the greatest extent possible, the Iraqi wheat market. The Iraqi Grains Board is currently conducting another tender, and I am hopeful of a successful commercial outcome for Australian wheat growers. I am assured that the Australian Wheat Board will be making wheat available from the national pool on commercial terms for the current tender.

Wheat Australia, the consortium of bulk handlers who have stepped into the breach in the absence of the Australian Wheat Board in the Iraq market, is continuing to fulfil its commitments against its 350,000-tonne deal with the Iraqi Grains Board. I wish to con-

gratulate Wheat Australia for the hard work put into making these exports happen. It is a great outcome for Australian wheat growers and ensures a continued presence for Australian wheat in this longstanding market. But that is a great disappointment to the member for Griffith because, to be frank, he does not want Australian wheat growers to succeed in the Iraq market. So he goes around trashing the Australian reputation in the hope that there is a backlash that may reflect upon the government. Forget the interests of Australian wheat growers—the member for Griffith is only interested in his political interests. He is guilty of exaggeration and hype in his accusations against the government and in his lack of confidence in and his undermining of the Cole commission, and he is against the interests of Australian wheat growers. The member for Griffith knows only too well that he is guilty of a great deal of exaggeration over a long period of time, and the day of reckoning is coming. The Cole commission will do its job and will report its findings, as the government would have it do.

Mr KELVIN THOMSON (Wills) (3.51 pm)—I have made a series of freedom of information applications to the Department of Foreign Affairs and Trade concerning the AWB scandal. The minister's response has made a mockery of the government's claims, which we have just heard, to be open and transparent about the scandal. Requests for documents have been rejected on the basis that the workload would be too onerous, yet the government claims to have provided all of the documents to the Cole commission. If this claim is true then it has done the work already, and the documents it has provided to me have been heavily censored—blacked out so as to make them meaningless.

The Minister for Foreign Affairs and his colleague the Treasurer, as last week's High Court decision showed, are the Boston stranglers of freedom of information. They have

used conclusive certificates as chloroform, increased charges as a truncheon and delays in responding as a garrote in order to strangle genuine efforts to obtain information.

But sometimes not everything goes according to plan. The copy they sent me of a briefing note prepared by the department of foreign affairs for a meeting scheduled with Andrew Lindberg, Managing Director of the AWB, on 20 January 2003, shortly before the invasion of Iraq, had most of the paragraphs blacked out, as usual, but the blacking out was—how shall I put it?—half-hearted or half-baked. It is in fact possible to read many of the words underneath the blacking out. The first paragraph, under the heading ‘Key issues’, reads:

Note that the nature of any post-Saddam transition arrangements in Iraq has yet to be determined. Australia favours significant UN involvement. This would inter alia help ensure the transparency of purchasing decisions. Australian personnel could be seconded to some of the UN branches, for example the Office for the Coordination of Humanitarian Affairs, involved in aid procurement and coordination.

The timing of this note—a meeting between the foreign affairs minister and the AWB CEO on 20 January 2003—is highly significant. At the time, Prime Minister Howard was insisting invasion was not inevitable and would only be a last resort. The notes they tried to black out show the government was planning to invade Iraq and depose Saddam Hussein even though the Prime Minister was still pretending to be giving peace a chance.

Minister Downer’s claim that we invaded Iraq to stop it using weapons of mass destruction is nowadays about as plausible as a man who says he buys *Penthouse* to read the articles. The notes they tried to black out also show the government was more prepared to be candid with AWB about its intentions than it was with the Australian people. The government and AWB were bosom buddies

throughout this corrupt charade. The consequences of the Iraq invasion have been disastrous for the war on terrorism, providing an apparently endless supply of recruits for Osama bin Laden and his allies, and disastrous for Australians, leading to the Americans taking Australia’s wheat market in Iraq and being a major factor in the doubling of petrol prices.

It is hard to imagine a piece of greater Keystone Cops bungling and it would be comical if it were not so serious. On national security, the Prime Minister and the foreign affairs minister are driving in the way made famous by Laurel and Hardy: one foot flat on the accelerator but the steering wheel has come off in their hands. They are clueless as to where the war on terrorism is headed next. We have a foreign affairs minister who told the Cole commission that he does not have time to read diplomatic cables, but it turns out he has time to read the anonymous right-wing US website *Zombietime.com* and prefers to believe them than have his department check out matters with the International Committee of the Red Cross. The *Compact Oxford English Dictionary* defines ‘zombie’ as ‘a lifeless, apathetic, or completely unresponsive person’. That is Minister Downer, all right: apathetic about the catastrophe that is Iraq, apathetic about the scandal that is AWB and unresponsive to the basic standards expected of a minister.

AWB is a union. It is a union of Australian wheat growers. It is not just a union, though—it is a compulsory union. AWB has a monopoly on Australian bulk wheat exports. Australian wheat growers can only export through AWB. They call it the single desk. Every time you hear someone talking about the single desk, it is worth remembering that what they mean is a compulsory union of wheat growers. Some wheat growers do not want to be in the union.

Over in Western Australia, most wheat growers do not want to be in the union. I notice another group of farmers, called the Eastern Grain Growers, are also calling for total deregulation of the export market. They do not want to be in the union either. We have wheat growers coming to us and asking, 'Why should we have to pay this tax on our wheat to fund the Wheat Export Authority?' The Cole inquiry has shown that this body was completely incapable of discovering the corrupt payments to Saddam and shown it to be as useful as breasts on a bull, if I might employ a little agricultural parlance. But the government says to these farmers: 'No, you've got to be in the union. Everyone's got to be in the union. The union makes us strong. It is a tough world out there and the single desk—the union—is the best way to go. Collective bargaining is how we will get the best result.'

The AWB is not just a union and not just a compulsory union; it is an affiliated union. It is affiliated with the Liberal and National parties. I respect farmers. They are decent, hardworking people and I support them in their struggle to get a mandatory code of conduct for fruit and vegetable growers—something they were promised before the last election. But farmers' representative organisations like AWB have unfortunately become part of the career path for Liberal and National party personnel. This week the Eastern Grain Growers spokesman Mark Johns said:

Grower election of board members has provided a career path for agri-politicians encouraging inefficiencies aimed at political solutions.

Here are some of the names featuring prominently at the Cole commission: there is gun-toting Trevor Flugge, former Director and Chairman of the AWB, paid over \$900,000 out of the AusAID budget for a few months work in Iraq—a former National Party candidate. There is Darryl Hockey, AWB's Gov-

ernment Relations Manager, former adviser to the last National Party leader and member for Gwydir. There is Tom Harley, Liberal Party activist and author, Chair of the Menzies Research Centre and BHP executive, who was implicated in the Tigris affair: AWB's scam to pass over \$10 million BHP wanted for wheat it decided it had not really given Iraq.

Then there are the Liberal and National members of parliament, including the member for Gwydir, the former Leader of the National Party. As Minister for Primary Industries and Energy he ordered the privatisation of AWB, but it was a privatisation with a difference: he gave—not sold, gave—the 67½ thousand grain grower members of the Wheat Industry Fund A- and B-class shares in AWB, allowing these members 241 million shares or 90 per cent control of AWB. It turned out to be worth \$800 million to them. Medibank Private fund members please take note. If the Howard government really believes a privatised Medibank Private will perform better and is not doing it for the money, why does it not hand over Medibank Private to the fund members the same way it did with AWB? Minister Anderson personally received shares in AWB.

There is the Minister for Community Services, Mr Cobb, National Party member for Parkes—former President of the New South Wales Farmers Association; he held AWB shares. There is the Minister for Industry, Tourism and Resources, the Liberal member for Groom, Mr Macfarlane—former President of the Queensland Graingrowers Association; he held AWB shares. There is the National Party member for Maranoa—who is in the chamber now. His family trust had AWB shares. There is the Liberal member for Grey, Mr Wakelin; he held AWB shares. There is Senator Heffernan, Liberal senator; he had AWB shares. And it is the same deal for former Liberal Party President John El-

liot, and the current National Party President, David Russell. There is now-disgraced Andrew Lindberg, who was appointed CEO of AWB by a National Party minister after working for a National Party minister in Victoria as head of the WorkCover Authority.

The jobs, the shares and the campaign donations all add up to one thing: AWB is an affiliated union of the Liberal and National parties. If one of Labor's affiliated unions were to be involved in a \$300 million corruption scandal with anyone—much less Saddam Hussein—heads would roll. We would never hear the end of it. But, here, no heads have rolled. We are told that everything is being taken care of by the Cole commission. But the truth is: the Cole commission will not make any adverse findings about ministers or their staff, because to do so would be outside their terms of reference. It is high time ministerial heads did roll and high time the Liberal and National parties took real action to deal with the corruption of one of their affiliates.

Mr BRUCE SCOTT (Maranoa) (4.01 pm)—I rise to speak on this MPI that has been introduced by the Labor Party. It reads:

The Government's negligence in responding to 33 separate warnings on the \$300 million wheat for weapons scandal, its attempted cover-up of this scandal and its impact on the Australian wheat industry.

That is the MPI that has been presented by the Labor Party, and this side of the House rejects those allegations outright. I have a great interest in the Cole commission of inquiry, because I represent a large group of wheat growers in Australia, and I know that we on this side of the parliament are interested in the outcome of the Cole investigation—unlike those on the other side of the parliament. The matters relating to the Australian Wheat Board and its trade under the oil for food program are before the Cole

commission now, and the Labor Party should allow Commissioner Cole to do his job.

The United Nations established an independent committee of inquiry, led by Paul Volcker, to examine the operations of the oil for food program in Iraq. This government cooperated fully with that inquiry. There has been no cover-up; we are not hiding anything. We cooperated fully with that inquiry. The final Volcker report raised questions about activities of three Australian companies during the oil for food program. We cooperated with the inquiry and they raised questions about three Australian companies. In response to the Volcker inquiry, this government established a commission of inquiry led by Justice Cole.

I have been joined in the House by the member for Riverina, who I know has a great interest in the welfare of Australian wheat growers and who fully supports the Cole inquiry that has been set up by this government to investigate matters raised in the Volcker report. In the Volcker report, something like 2,000 companies from 66 countries were named. It is interesting to note that Australia is the only country that has established an inquiry that is fully transparent. This government is cooperating to ensure that Commissioner Cole can do his job. That is hardly a cover-up.

I want to touch on some of the comments and allegations that come from the other side of the House repeatedly. The Labor Party say that they are the friend of the Australian wheat grower. It is worth putting on the *Hansard* record that during the first Gulf War, when we were on the other side of the House, the Labor Party were on the Treasury bench. The now Leader of the Opposition had become Deputy Prime Minister. The Australian Wheat Board, selling on behalf of Australian wheat growers, had contracted to sell wheat into Iraq. Supported by both sides

of the parliament at the time, in order to ensure that we could help as part of a coalition of like-minded countries, and to ensure that Iraq was pushed back out of Kuwait, wheat had been forward sold into that market in Iraq. Up to 85 per cent of the value of that wheat was covered by the Export Finance and Insurance Corporation. Fifteen per cent of the value of that wheat got tied up in the failure of the Iraqi regime to honour payments to the Australian wheat growers. This was a Labor Party, in government, that could have done something about those payments to ensure that the wheat growers of Australia were not the innocent victims of the Labor Party support of our involvement in the first Gulf War, to ensure that Iraq was pushed out of Kuwait.

That debt to Australian wheat growers has since been written off. But who had to bear the brunt of that loss? The Australian wheat grower. So when the Labor Party comes into this place and says that they are the friends of the wheat growers of Australia, I say—

Mrs Hull—Tell the truth.

Mr BRUCE SCOTT—Yes, tell the truth. Their actions demonstrate to me that they are more interested in supporting the American wheat lobby.

Mrs Hull—They are the best friends the American wheat growers have ever had.

Mr BRUCE SCOTT—Yes, the American wheat growers have an ally on the other side of this House. The Australian Labor Party have become the best friend of the American wheat growers. They are not interested in the welfare of Australian wheat growers.

Every day, the member for Griffith comes into this place with another question to the Prime Minister or the Deputy Prime Minister or the Minister for Foreign Affairs. They are all questions about baseless allegations against ministers of this government; a government that has fully cooperated with the

Cole commission of inquiry. This government has absolutely nothing to hide. In fact, the Prime Minister, the Deputy Prime Minister and the foreign minister have all appeared before the Cole commission of inquiry and given evidence—that is the sort of power that we have given to the Cole commission of inquiry.

Let us talk about the wheat trade with Iraq. Wheat was Australia's 10th largest merchandise export in 2005, with almost \$3 billion worth of exports. That is a significant contribution to the Australian economy. It is a valued part of our export performance. Iraq has been a substantial market for Australian wheat growers for more than 50 years. It is a market valued by the Australian wheat grower. In 2005-06, we sold Iraq some 715,000 tonnes. We care about the prospects for future sales of wheat to Iraq. The Deputy Prime Minister cares about the prospects for future sales of wheat to Iraq.

Clear evidence of that was the Deputy Prime Minister going to Baghdad earlier this year to ensure that Australian wheat growers were able to tender for the 350,000-tonne contract that was up for negotiation at that time. The Iraqi Grains Board had banned the Australian Wheat Board from bidding for that wheat tender. But the Deputy Prime Minister went into the most dangerous war zone in the world and negotiated with the Iraqi Grains Board and their ministers to ensure that Australian wheat growers were able to bid for that wheat tender—and we were successful. Is that the action of a government that does not care about the wheat grower? Is opening a full royal commission-like inquiry into the allegations that have been made in the Volcker report the action of a government trying to cover up actions that might embarrass the government? No, it is not. We reject the allegations and we reject the MPI presented by the Labor Party. (*Time expired*)

The **DEPUTY SPEAKER (Hon. IR Causley)**—Order! The discussion is concluded.

MARITIME TRANSPORT AND OFFSHORE FACILITIES SECURITY AMENDMENT (SECURITY PLANS AND OTHER MEASURES) BILL 2006

Returned from the Senate

Message received from the Senate returning the bill without amendment or request.

FINANCIAL TRANSACTION REPORTS AMENDMENT BILL 2006

First Reading

Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day for the next sitting.

COMMITTEES

Publications Committee

Report

Mrs DRAPER (Makin) (4.12 pm)—I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report are being placed on the table.

Report—by leave—adopted.

SCHOOLS ASSISTANCE (LEARNING TOGETHER—ACHIEVEMENT THROUGH CHOICE AND OPPORTUNITY) AMENDMENT BILL (No. 2) 2006

Report from Main Committee

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

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (4.13 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

HIGHER EDUCATION LEGISLATION AMENDMENT (2006 BUDGET AND OTHER MEASURES) BILL 2006

Second Reading

Debate resumed.

Mr HAYES (Werriwa) (4.14 pm)—Before the debate was interrupted I was indicating that the government has had no commitment to higher education in the decade that it has been in office. There is no point in trying to trick the Australian public into believing that it has suddenly accepted the community benefits of higher education. Since the government has been in office, it has systematically set about cutting as much as it could from higher education in all forms. It has set about destroying an excellent health and education sector for reasons that I have to say are unfathomable to me. Since this government came to office it has systematically and clinically set about slashing \$5 billion in grants to universities.

This government has overseen, under a succession of ministers, a decline in public investment in TAFEs and universities of seven per cent, while other OECD countries have increased expenditure by an average of 48 per cent, according to the recent OECD publication *Education at a glance 2006*. The very same report went on to indicate that Australian students are now paying the second highest fees in the world. That is not a very good reflection on the way we treat education in this country. Australian university fees are now only surpassed by those of the United States.

This government has set about a process of Americanising everything and it has all but achieved it when it comes to education. Under this government we now have 100 courses which cost \$100,000. Some of the courses presently on offer in this country range up to \$230,000. As the OECD report which I referred to earlier noted:

In Australia, the main reason for the increase in the private share of spending on tertiary institutions between 1995 and 2003 was changes to the Higher Education Contribution Scheme (HECS) that took place in 1997.

Student debt is increasing by \$2 billion a year and is projected to reach the \$20 billion mark by 2008-09. What is this government doing about that? The answer is that there is no plan to meet that. This government is more than willing to continue along the path of higher HECS debts and higher fees for students. It tries to mount the preposterous argument that HECS debt is increasing because student numbers are increasing. But the main increase in student numbers is not from HECS students; it is from the full fee paying students. That is how this government has opened up our universities. That is where growth is occurring, not from our kids trying to gain their education at university and using HECS. The growth is through the full fee paying system. That is how the government has rejigged the financial balance of our university sector.

The opposition's amendment to this bill has been criticised by various government members in their contributions, but I stand by the amendment moved because the figures speak for themselves. The figures tell us the degree of havoc that this government has inflicted on the higher education sector. As the amendment rightly notes, this government is jeopardising Australia's future prosperity by reducing public investment in tertiary education as the rest of the world increase their investment. This is not an argu-

ment about what a good bottom-line budget would be for any one, two, three or so years; this is an argument about what is good for the prosperity of our country and what is designed to lift productivity for the future prosperity of our country.

The government makes it easy to stand before this House today and criticise its record on tertiary education. I have already spent some time highlighting some of the major flaws as I see it in this government's approach to higher education. But, having said that, I think it is also appropriate that I comment on the positive initiatives that the Labor Party has put forward for higher education. Unlike the government, which plans to Americanise our tertiary education sector, Labor has a plan to support it. That is the traditional way that Labor has approached education. Recently, through the shadow minister for education, Labor released a white paper which develops a new policy framework for higher education, research and innovation.

It is a landmark policy, a policy framework that will take Australia forward. It is a policy framework that recognises that tertiary education is not a burden on society but rather an investment in our future. That is the point I would like to stress: with respect to education, we need to be prepared to invest in our future. Central to Labor's plan is lifting up all universities to build a prosperous future for all Australians. Under a Labor government, all universities would be better off. They would not be, as they are now, a means for the government to extend its extreme industrial relations laws. They would not be used as a whipping horse or for blackmail, as the government is doing now with universities to impose Australian workplace agreements on lecturers and administrative staff. Moreover, they would be used as centres of learning to produce the desired results for students who are going to be re-

sponsible for delivering productivity growth for this country into the future.

Labor's white paper points the way forward on issues such as the reform of university funding, world-class and world-scale research hubs, the expansion of associate degrees and a new Australian higher education quality agency. The implementation of Labor's plan would mean that Australians would have access to the best possible education and training to compete with the rest of the world. Students want to know that they will receive a high-quality education, not a high-cost education. Employers want to know, and they want to be confident, that the qualifications that people present to them when they are applying for jobs are consistent. They want to know the status of those qualifications. It is simply not good enough for our system to be one that does not assure at least minimum standards of quality. Merit should be the means by which you get into education, not the size of your bank balance. It is not a complex idea, but it is the basis on which Australia's future prosperity must be built.

Despite the clear evidence to the contrary, the government continues to pursue its ideological agenda against universities with all of the vigour with which it pursues its industrial relations agenda. People already fear for their children in the workforce; they should not have to fear for their children's prosperity and prospects in the education system as well.

The continuation of the government's policies will mean that Australia's higher education sector will continue to lag behind the rest of the world. As I mentioned earlier, the OECD reports that since 1995 there has been a seven per cent reduction in the public expenditure on university education. In the United States, by way of comparison, there has been an increase of nearly 70 per cent. In

Japan the increase has been just over 30 per cent. In New Zealand, Austria and Germany the increase has been slightly over 10 per cent. The OECD members have shown an average increase of 48 per cent. I think that most reasonable people can see the trend here. Most countries are investing in higher education—they are investing in their tertiary sector—but Australia is going backwards.

There are some very fine universities in this country. I am particularly proud of the impact that the University of Western Sydney has on the Macarthur region. It is an excellent facility staffed by very dedicated people. I was very pleased to see that it received some additional medical student positions under the COAG agreement, and I look forward to some highly skilled medical practitioners being turned out from the Campbelltown campus. These students will be in good hands under the stewardship of the vice-chancellor, Janice Reid, and Professor Neville Yeomans. They have done a sterling job. Recently they have recruited Dr Andrew McDonald as an associate professor. Dr McDonald heads paediatrics at Campbelltown Hospital. I know what a sterling job they do. I am glad to see that they have such a talented staff to look after and oversee the development of these young doctors for the future.

Universities like the University of Western Sydney need to be supported. However, once again we are seeing important legislation introduced into the parliament in a rush. It is going to be pushed through. The government does not want time spent on its record. It does not want to discuss that, particularly when it comes to the higher education sector. It does not want any form of close examination of these proposals. I am sure that the government did not want to hear the comments of Alan Jones on the *Today* show this morning when he raised this particular issue.

In her second reading speech the Minister for Education, Science and Training said:

The bill before the House is a clear expression of the Australian government's strong commitment to higher education and will enhance the quality of our higher education system and the choices available to students. It reflects the government's commitment to ensuring that Australia's higher education sector continues to play a vital role in our economic, cultural and social development.

Regrettably, that is simply not the case. This government has systematically failed to make the necessary investment in education that will drive Australia forward. It has failed to make the necessary investment in the medical workforce. People in my electorate remember that one of the first things this government did when it came to office a decade ago was to slash the number of GP training positions. We are now paying the price for that. We are paying the price for what occurred 10 years ago. In the outer metropolitan areas of Sydney, we have one GP to 1,700 people. The federal Department of Health and Ageing's recommendation for what is acceptable is one GP to 1,200. That shows how this has impacted on the outer metropolitan areas of Sydney and—if everyone in this place is honest—on other electorates as well.

Full fee degrees, degrees with a price tag the size of the average mortgage and massive student debt are not the way to produce the highly skilled workforce that Australia is going to need to compete on the world stage. That is not what we need for the future. It is not what we need if we are seriously going to provide economic prosperity for this country.

I support the amendment moved by the shadow minister for education and training. Unlike the government, Labor knows that the best way to promote innovation—(*Time expired*)

Mr SNOWDON (Lingiari) (4.28 pm)—I realise that my extensive discussion on the

Higher Education Legislation Amendment (2006 Budget and Other Measures) Bill 2006 this afternoon will last only about 90 seconds. However, given the nature of this legislation, I want to remind the House of a question which was asked of the Prime Minister on 14 October 1999. The member for Grey asked the Prime Minister:

... does the government stand by its commitments in the area of higher education made at the time of the release of the West report into higher education and at the last election?

The Prime Minister's response was:

There will be no \$100,000 university fees under this government. That is a figment of the Labor Party's propaganda machine, and everyone knows that is what it is.

That figment is now a reality. It is a reality that the Howard government has burdened the Australian people with. There are now more than 100 degree courses in Australia with costs in excess of \$100,000. Do the Prime Minister and the government really think that average Australians can afford such a degree? What has happened, and this legislation demonstrates it, is that this government has sold out on higher education—sold out the interests of young Australians, the interests of the Australian community and the wealth of the nation.

Debate interrupted.

MR JOHN CRAIG

The DEPUTY SPEAKER (Hon. IR Causley) (4.30 pm)—Before I call on the adjournment debate, I take this opportunity to inform the House of the impending retirement of John Craig, who is at the Clerk's table this afternoon. John retires after 22 years service to the House. Many members will know John from his time as Notice Paper officer, but he has also worked in the Committee Office and most recently in the Chamber Research Office. This is his last sitting day, and on behalf of the House I ex-

tend to him our thanks for his many years of service and our best wishes on his retirement.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. IR Causley)—Order! It being 4.30 pm, I propose the question:

That the House do now adjourn.

Fuel Prices

Mr MURPHY (Lowe) (4.30 pm)—Mr Deputy Speaker, I also express my appreciation to John Craig and wish him a long and happy retirement.

The Prime Minister evidently believes that he has hit on a guaranteed vote-buying policy with his \$2,000 LPG subsidy to some car owners. On the face of it, this seems like a reasonably attractive idea wherein vehicle owners are encouraged to switch to a slightly less polluting fuel that is produced locally and which currently costs significantly less than petrol. However, there are a number of issues that the Prime Minister, in his haste, may have neglected to mention to the people queuing up to accept his handout. Firstly, the apparent price advantage of LPG over petrol is not fixed and the price of LPG has in fact experienced several steep price increases in recent times. The world price for LPG is set according to the Saudi Aramco contract price—otherwise known as the Saudi CP—and this is the benchmark price used around the world.

Over an 18-month period ending in November 2000, the Saudi contract price for LPG rose by a factor of three from 10c per litre to 30c per litre. Then, between March 2004 and March 2006, the Saudi contract price for LPG increased by a factor of nearly two, from 25c per litre to 45c per litre. At the current rate of increase, which has been stable at about half a cent a month for the last three years, the international price of LPG

will have doubled again within three years. What will then happen to the LPG price advantage at the pump? Rather than weaning our pump prices off any sort of Middle Eastern directive, we are entrenching this ludicrous situation.

The second issue is the effect of rapidly-increasing demand for LPG on local consumption and export sales. At present Australia produces 3.6 million tonnes of LPG per annum. Of this, two million tonnes is consumed locally and 1.6 million tonnes is exported. If the Prime Minister's scheme succeeds in installing LPG tanks in 10 per cent of our fleet then all of the locally produced LPG and more will be consumed at the expense of the \$600 million in export revenue from LPG sales.

Was this loss of export earnings a concern when this scheme was drawn up? I doubt it. Nowhere in this LPG scheme is there any consideration of the larger strategic issue of fuel supply security and vehicle fuel efficiency. The answer to this complex problem resides not so much in a short-term patch-up to fuel supplies such as the Prime Minister's LPG handout but in ensuring that the present and future Australian vehicle fleet uses the least amount of fuel as efficiently as possible.

When the OECD reports, as it has, that the Australian vehicle fleet has the lowest fuel economy in the developed world, it means that the Australian motorist is putting more money per kilometre into the family car's fuel tank than in any other advanced country. I ask: why? The fact that the engines in locally built cars waste more than 80 per cent of the energy in the fuel appears to be beyond the ken of the government. The latest Holden Commodore, which apparently has a poorer fuel economy than the previous model, is a glaring example of the failure of

the government's policies to improve the fuel efficiency of locally built vehicles.

The rational alternative to the obsolescent gas-guzzlers being pushed by the local industry are the fuel efficient hybrids now entering the market. With double the fuel economy of conventional vehicles and with the capacity to recharge their batteries from the mains, hybrids will come to dominate the new car market in the near term as they lead the way to all-electric vehicles in the long term. I ask: why not put an amount of money equal to that which the Prime Minister is handing out for LPG conversions into building hybrids in Australia instead of encouraging car owners to hang on to their fuel-guzzling vehicles?

In relation to this matter, I am reminded of Abraham Lincoln's famous words: you can fool some of the people some of the time and some of the people all of the time, but you can't fool all of the people all of the time.

Water

Mr BROADBENT (McMillan) (4.35 pm)—I rise to speak about the issue of water. It should be on everybody's lips today because the issue of water has crashed into the area of Gippsland. I have here a copy of a letter to the editor from John McCarthy of Pearce in the ACT, in which he refers to Malcolm Turnbull, the Parliamentary Secretary to the Prime Minister, tip-toeing around the states, trying not to offend state ministerial water wallahs such as John Thwaites in Victoria. He writes:

If anything, federal water czar Malcolm Turnbull has been way too soft when dealing with the states and territories on their failure to provide water security to our major cities.

Instead of criticising Mr Turnbull's personality ("Turnbull puts ego ahead of results", 11/9) Victorian Water Minister John Thwaites would be better occupied in detailing for Victorians just how much of the \$1.6 billion in water revenues

raised since 1999 has been spent on drought-proofing Melbourne, Bendigo and Ballarat.

And since Mr Thwaites now has his hand out for more federal water funding, many of the rest of us would also like to know how much of that \$1.6 billion went into Victorian consolidated revenue rather than critically needed water infrastructure.

I agree with Mr McCarthy. He goes on:

So Mr Turnbull is absolutely right when he says that during the current drought state and territory governments have continued pulling big dividends from their water monopolies while, at the same time, using restrictions to reduce demand rather than invest in new water supply infrastructure. To add insult to injury—

writes Mr McCarthy, and I thank him for this letter—

some governments, such as the ACT's, and water suppliers in south-east Queensland have had gall to use the reduced demand to justify increasing water rates to offset the reduced revenues—and compliant price regulators have acquiesced in this.

Mr Turnbull needs to keep the pressure on people such as John Thwaites, Steve Bracks and Morris Iemma to protect our cities from water shortages and to ensure that the monopoly water revenues are spent on ensuring that outcome.

Our state candidate for Narracan, Gary Blackwood, has called it correctly today when he says in a statement that we need to see a feasibility study conducted to analyse the cost benefits of a proposal that will see fresh water replaced with recycled water for use by large industries in Gippsland. It is not that we are opposed to reused water being used in power stations. We support that principle. But what is the state government on about? They have got the Thomson dam. They have already got the water from the Tarrago Reservoir. Now what have they announced? Secretly, they now want the water from Blue Rock Dam as well. This is a totally inappropriate response to the drought we are facing. Blue Rock water is Gippsland

water. Tarrago and Thomson have already been allocated to the city. Mr Blackwood says:

I think people in Narracan have every right to be nervous about the Bracks Government's appalling record on water infrastructure.

He has got it right too, just as John McCarthy from Pearce, ACT, has got it right. The poor infrastructure and bursting water pipes across Melbourne show that they have not spent the money. They are wasting water; it is going down the stormwater drains.

John Thwaites has sat on his hands for seven years regarding water—

says Mr Blackwood—

and now Victorians are paying for this lack of forward planning.

This feasibility study is important. The program to bring recycled water into Gippsland, which the federal government will play a part in, is important. But can I say that Mr McCarthy and Mr Blackwood are spot-on here: they have condemned John Thwaites for his inaction for seven years.

Oil for Food Program

Mr GAVAN O'CONNOR (Corio) (4.39 pm)—The Australian Wheat Board wheat for weapons scandal is one which, had it occurred in any other Western democracy, would have at least ended the political careers of the ministers who presided over it—in this case, the Minister for Foreign Affairs, the Minister for Trade and the Minister for Agriculture, Fisheries and Forestry. The simple fact is this: the Howard government has presided over the worst corporate scandal in Australia's history, a scandal that has trashed Australia's reputation in the global wheat trading market, a scandal that has seen massive deceit of our ally the United States of America and a scandal that has cost individual wheat growers thousands upon thousands of dollars. This is the stuff of political resignations by any Westminster standard of min-

isterial conduct, and the buck stops with the Prime Minister. If the Prime Minister is to uphold his own ministerial code of conduct, he too should resign, along with the ministers I have just mentioned, because this government's betrayal of Australian wheat growers, Australian soldiers and the Australian people makes this government very culpable indeed.

At a time when this government was engaged in deceiving the Australian public about the search for weapons of mass destruction, at a time when the government was priming the Australian people for the possibility of a military involvement that might put their sons and daughters in the armed forces in harm's way, government ministers and the government itself in its collective responsibility turned a blind eye to the trade in wheat for weapons. The member for Griffiths got it right in question time today: the Howard government is one of the best friends Saddam Hussein ever had.

Culpability, incompetence and negligence were not only the preserve of the government; they extended to organisations set up by the government years ago to manage export arrangements for the wheat industry. The Wheat Export Authority was charged with the responsibility of looking after wheat growers. It has failed. It has spent millions of dollars of growers' money and it is now living high on the hog. Last year growers paid Glen Taylor \$350,000—more than the Prime Minister. Recently the Grains Council of Australia recommended that an industry levy to fund the WEA could be dropped to 19c. The WEA said it could live with that, but Minister McGauran overruled them all and, as I understand it, kept the levy at 22c.

As far as the Iraq kickback scandal is concerned, it is hard to believe that the Wheat Export Authority did not examine this matter thoroughly. Officers saw a media report

about alleged kickbacks to the Saddam Hussein regime. The report related to the United States defence contract audit office. But the WEA did not even bother to get the report. It asked AWB if there were any problems. An officer went to Melbourne, was shown part of the contract, was not allowed to take any material with him and wrote a file note that was not even seen by the board—and that was the end of it. This is a massive failure.

The consequences are now flowing through. Australian wheat exports to Iraq have fallen 50 per cent over the last financial year, to 715,000 tonnes. Growers cop it again. Over the same period, US exports to Iraq have increased by over 300 per cent, to 2.3 million tonnes. And now we find that, around the time that the Volcker report was to be released, AWB entered into an arrangement with its subsidiary AWI whereby AWB would be paid \$100 million if the export monopoly was lost. This was to be funded out of the pool—that is, growers again would have to foot the bill. The WEA should have picked this straight up, but it did not. It almost beggars belief. And now we discover that the minister has agreed to a pay rise for WEA staff of up to 15 per cent—again, paid for by growers—to reward their incompetence. This is a disgrace. (*Time expired*)

**New South Wales Labor Government:
Central Coast**

Mr TICEHURST (Dobell) (4.44 pm)—I rise tonight to once again express my dismay at the total inaction of the New South Wales Iemma Labor government in addressing the issues that matter to Central Coast residents. Labor is simply not prepared to outlay the necessary infrastructure to support the region's rapid growth and the Central Coast community is suffering for it. I speak on behalf of the Central Coast residents when I say we are absolutely fed up with our state Labor representatives—Paul Crittenden, the

member for Wyong, and Grant McBride, the member for The Entrance and also Minister for the Central Coast—and their blatant disregard for the region. It is time they showed some interest in the concerns of local residents and took some responsibility for the actions of their own state government. If they are not willing to do that, they should stand down from their positions and even resign from the ALP.

In the five years that I have been the federal member for Dobell the member for Wyong, Paul Crittenden, has not shown any interest in the concerns of his electorate. He treats Wyong Shire Council with the same contempt as he treats the local residents, having ignored 70 per cent of letters sent to him since 2004. That is right, Mr Deputy Speaker, 70 per cent. Most recently, the silence of both members on the issues of the health of Tuggerah Lakes, funding for the Warnervale Family and Community Centre, coal mining in the Wyong valleys, the Wamberal powerlines, the old Pioneer Dairy site and the inadequate state of our roads and public hospitals has been deafening. As an active member of parliament who is committed to making the Central Coast an even better place to live, it is very disappointing to see another local MP take this position for granted.

Thankfully, we have three state Liberal candidates for the coast who are thoroughly committed to the needs of the region. Wyong Councillor Brenton Pavier, who is the state Liberal candidate for Wyong, was unanimously elected to the position of mayor in 2003. This was a first-time occurrence in the 52-year history of Wyong Shire. Even the three ALP councillors voted for the Liberal mayor. When Councillor Pavier was mayor he worked hard on behalf of the ratepayers and lobbied all levels of government for solutions for local residents. Councillor Pavier

worked closely with me to secure funding for the dredging of Tumbi Creek.

The federal government ended up providing two-thirds of the required funding for the project because both Paul Crittenden and Grant McBride were not interested in a three-levels-of-government approach. This is state Labor's biggest problem: they are so concerned with party politics and finger-pointing that they are not prepared to put aside differences and join the local people to get on with delivering local results. State Labor's latest attempt to lay the blame is to criticise the joint water authority, which is made up of Wyong and Gosford council representatives, for the water crisis on the Central Coast. It shows a lack of local knowledge, as the joint water authority, their elected representatives, comprise Labor Party members; so, essentially, we have the state Labor Party blaming the local Labor Party for water mismanagement on the Central Coast.

Councillor Pavier has a strong record of working for the Central Coast community and I look forward to working with him as the next member for Wyong to secure additional resources for our region. Similarly, we have the state Liberal candidate for The Entrance, Phil Walker and the state Liberal candidate for the Lake Macquarie seat, Ken Paxinos. These representatives are ready to listen and act on the concerns of local residents, and they have a proven commitment to improving the quality of life on the Central Coast—and that is exactly what we need in our community. Sadly, as long as the coast's local state members are Labor Party representatives, infrastructure needs on the Central Coast and the coast's relaxed way of life and natural environment will be compromised. As long as Labor is in power, local residents can look forward to conglomerates taking advantage of mining opportunities in the valleys, to the detriment of the Central

Coast water supply; the ever-increasing traffic gridlock on the Pacific Highway, The Entrance and Wyong Roads; and even longer waiting times at hospitals while our local state MPs wash their hands clean of their responsibilities.

Liberal Party: Epping Preselection

Mr PRICE (Chifley) (4.49 pm)—Could I, at the outset, associate myself with your kind remarks regarding the distinguished service of John Craig.

This weekend the Liberal Party will preselect its candidate for Epping at the upcoming New South Wales state election. This grubby contest has exposed an endemic corruption of process in the state Liberal Party. In the lead-up to this weekend's ballot, party operatives acting under the direction of right-wing powerbroker David Clarke have stacked at least 130 members of the Lebanese Maronite community into the Cherrybrook branch. So organised has this stacking been that the Cherrybrook branch accounts for at least 40 per cent of the branch vote in the preselection contest. What is more, to guarantee the stack's success the right-wing controlled state executive of the New South Wales Liberal Party rode roughshod over party rules to ensure new members of the Cherrybrook branch would vote in the preselection ballot.

The right-wing faction is backing Greg Smith, the New South Wales Deputy Director of Public Prosecutions. The leading moderate candidate is Pru Goward, the Federal Sex Discrimination Commissioner. Not content with corrupting the ballot, the dominant right-wing faction has dirtied up the preselection contest by leaking information designed to damage Ms Goward. Today the *Daily Telegraph* highlights the fact that Ms Goward lives on a farm at Yass, 300 kilometres from the electorate she wants to represent. Right-wing operatives are pushing the line that Ms Goward is a 'blow-in' with no

commitment to the electorate. Of course, it has not all been one-way traffic. Today's *Financial Review* says:

Ms Goward's supporters have stepped up a smear campaign against Mr Smith, alleging his sympathies lie with the Labor Party because he was a member of the party in the 1970s and appointed to his job by the Carr government.

This preselection contest has strong federal implications. The most obvious is that the corrupt practices at play in Epping will impact on future federal preselection contests. For that reason, federal Labor has called on the Prime Minister to take action against the rotters in his own New South Wales state division. Not unexpectedly, he has failed to act. Demonstrating the power wielded by the right-wing faction, the Prime Minister has not even extended public support to Ms Goward. Ms Goward is a friend of the Prime Minister and she is married to the Prime Minister's biographer, yet not one word has he uttered in support of her candidacy.

Indeed, when it was reported that he was backing her early in the preselection contest, the Prime Minister wrote a letter to the editor denying it. Not only did he deny he was canvassing for Ms Goward but he denied that anyone else was canvassing on his behalf. It is no wonder that on 23 June the *Daily Telegraph* reported that this preselection contest has:

... exposed the party's factional underbelly and Mr Howard's inability to deal with the NSW branch.

Some senior members of the government have not been so reticent about involving themselves in the Epping contest. The Minister for Employment and Workplace Relations has taken time out from shafting Australian workers to throw his support behind the Right's Mr Smith. The minister does not live in the state, let alone the electorate, yet he has intervened in this contest. Consequently, Mr Smith's preselection material is now em-

blazoned with the minister's personal endorsement.

The Epping preselection has been a dirty fight. It has not just involved ethnic branch stacking and the manipulation of party rules. Ms Goward has been offered inducements to withdraw from the fight, including right wing backing to knock off Senator Marise Payne from New South Wales from a winnable spot on the Liberal Party Senate ticket. Just a few weeks ago, Mr Smith, in his capacity as Acting Director of Public Prosecutions, was asked to reverse a prosecutorial decision by state opposition leader Peter Debnam and Senator Bill Heffernan—two individuals with the capacity to determine Mr Smith's fate in this weekend's ballot. It is the sort of behaviour the government would rail against in the Pacific. But at home and inside the New South Wales Liberal Party it is a different story.

It is likely Mr Smith will win preselection for Epping this weekend on the strength of the right wing stack. Maybe a grubby deal will be done and the result will be no different. Whatever happens, the Prime Minister must act to clean out the corruption in his party.

Mr Steve Irwin

Mr BRUCE SCOTT (Maranoa) (4.53 pm)—I rise this afternoon in the adjournment debate to talk about the disgraceful comments made about the late Steve Irwin by an animal rights activist organisation based in the United States. I have spoken out about this group before, but it saddens me that this group is using the death of a wonderful Australian as a catalyst for making such appalling statements about his tragic and untimely death.

The organisation I refer to is known as the People for Ethical Treatment of Animals or PETA. Isn't it interesting how they want to treat animals ethically but cannot even think

for a minute whether or not their outlandish comments are ethical towards their fellow human beings? The only thing these unnecessary comments do is upset all Australians and, I would say, deeply sadden Steve Irwin's widow, Terri, and his two young children, Bindi and Bob. I would like to offer my condolences to the Irwin family.

I would rather not repeat the thoughtless comments of PETA, but I feel exactly what was said needs to be documented in our parliament. PETA said:

He made his career out of antagonising frightened wild animals. That's a very dangerous message to send to children. It comes as no shock at all that Steve Irwin should die provoking a dangerous animal.

They went further to say 'He looks like a cheap reality TV star.'

This is not the first time PETA have tried to cause heartache to Australia. The organisation made accusations on numerous occasions in 2004 and 2005, and launched scathing campaigns against the Australian wool industry. The group went on an all-out campaign to destroy Australia's wool industry by claiming Australian farmers mistreat sheep with the practice of mulesing, an animal husbandry practice to protect sheep from becoming fly-blown around the breach. If a sheep does become fly-blown, its blood will be poisoned and the animal weakened, thus becoming susceptible to attacks from birds of prey while they are still alive. Surely this predicament would be far worse for the sheep than the act of mulesing, which will prevent that blowfly strike around the breach.

This time PETA is attacking the much loved Australian conservationist Steve Irwin. Sadly I never had the pleasure of meeting Steve, but I am sure he would have captured my mind as he did those of thousands of people both here and around the world. His work

with Australia's wildlife was not about provoking animals but based on his passion and love for them. He wanted to share this with everyone and through his television shows and the Australia Zoo he was able to show the world how unique, special and important wildlife is.

He was a wildlife and environmental conservationist. I believe that Steve Irwin would never have deliberately aggravated animals. In fact, Mr Irwin set up many facets of wildlife care, from regularly conducting wildlife research in order to better understand animals and how they live to establishing his Wildlife Warriors charity to raise much needed funds for the conservation and rehabilitation of wildlife and their habitat. There was also the Australian Wildlife Hospital, which was opened in March 2004. It is my understanding that the plan for this marvellous animal hospital was for it to be extended to become the largest facility in the world caring for sick and injured wildlife. Unfortunately, Steve will not see this come to fruition, but I am certain his dream will be fulfilled and will be a lasting legacy to his true leadership in wildlife conservation.

In closing, Steve Irwin was many things: a role model for young children, an ambassador for tourism, a carer of wildlife, an entertainer and, most importantly, a father, a husband and a son. However, what Steve Irwin was not is 'a cheap reality star' who 'antagonised animals' as PETA would claim. He most certainly did not deserve to die. I call on PETA to apologise immediately to the Irwin family and Australia for such heartless comments.

Queensland: Electoral Redistribution

Mr GRIFFIN (Bruce) (4.59 pm)—I would like to take the remaining moments before we adjourn to comment briefly on the finalisation of the redistribution in Queensland, in what seems to be another kafuffle in

the coalition about who goes where. It appears that a number of members are playing seat shuffling. We are not sure where the minister for community affairs is going to end up. The member for Longman appears to be in a situation of possibly eyeing off the seat of the member for Fisher, Peter Slipper. Mr Slipper would in fact like the member for Fairfax to move along to Wide Bay so he can stand in the seat of the member for Fairfax. The member for Wide Bay has been asked to consider the question of possibly moving on to the seat of Hinkler, and the member for Hinkler, as I understand it, is being asked to look at moving on to the new seat of Flynn. Where this will all end up, no-one quite knows. One thing is for sure: the member for Leichhardt, at the very end of the state, is not standing again. So if everything works out that way, there might well be a situation where it ends at the Torres Strait Islands.

The DEPUTY SPEAKER (Hon. IR Causley)—Order! It being 5 pm, the debate is interrupted.

**House adjourned at 5.00 pm until
Monday, 9 October 2006 at 12.30pm, in
accordance with the resolution agreed to
this day.**

Thursday, 14 September 2006

The **DEPUTY SPEAKER (Hon. IR Causley)** took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Pharmaceutical Benefits Scheme

Mr BOWEN (Prospect) (9.30 am)—Recently we saw the announcement from the government that the drug Herceptin will be listed on the Pharmaceutical Benefits Scheme. This is something that will bring relief to thousands of women, and their families, who are dealing with breast cancer and many others who are friends of women dealing with breast cancer. It was a good decision by the government and I am very pleased that several honourable members were able to play a role in bringing it about. Locally we obtained 28,000 signatures for the petition calling for Herceptin to be put on the PBS.

I would like to take this opportunity to thank in the House several of the ladies who helped in organising that petition: Jacqui Brinley, Norma Charlton, Thelma Daley, Lurline Garlich, Maria Frizzo, Helen Kerfoot, Pam Vallett, Anne Stevenson and Robyn McKeon. I recently had the opportunity to invite those ladies to my electorate office for a morning tea to celebrate the victory. There are other women who played a very significant role. We were not able to get to all of them in time for the morning tea, but I would like to acknowledge in the House the efforts of Anne Haydon, Matthew and Maria Stulic, Jan Cochrane, Susan Penn, Susan Mallia, Cathy Estigarribia, Iris Millard and Lewis Atalla. Ironically, Anne Haydon, who I spoke to the other day, since organising many signatures for the petition has been diagnosed with breast cancer herself. I had the opportunity to call her the other day to wish her all the best and I am sure all honourable members would not mind me mentioning that the parliament also wish her the best.

In addition, I would like to just take a couple of minutes to send some good wishes to another of the ladies who I mentioned earlier, Thelma Daley, who organised many signatures. She is turning 80 and she has a party on Saturday night to which I have been invited and to which I will be very honoured to go. Thelma Daley is an ornament to our community. She has been recognised for her community service through an Order of Australia medal and many other awards. It is great that she is celebrating her 80th birthday and I am very pleased to be able to celebrate with her.

In conclusion, I congratulate the government on this decision. It was a long time coming. It took an effort on the part of many people in the community. It was a win for people power. Other honourable members, especially the honourable member for Cunningham, the honourable member for Holt and the honourable member for Chifley, also organised petitions. I know other honourable members did too. It shows that people can make a difference. If you organise a petition and put pressure on, you can get a good result. Women should not be forced to mortgage their homes to pay for their medical treatment. People should not be forced to sell their farms to save their lives. The Pharmaceutical Benefits Scheme is there for this reason and it is appropriate that Herceptin be listed on it.

Darwin Radiation Oncology Facility

Mr TOLLNER (Solomon) (9.33 am)—I rise today to update the House on the progress of the radiation oncology facility in Darwin. I am somewhat relieved to report that the Northern

Territory government have at least agreed to work with the Australian government to build a new radiation oncology unit for Territorians. It has not been easy to get this process underway. The Australian government has basically had to drag the Northern Territory government kicking and screaming to the table.

I really cannot forgive the nonchalant attitude of the Martin government when it comes to caring for people with cancer. I remind the House it was Clare Martin, Chief Minister of the Northern Territory, who promised the radiation oncology facility to Territorians as an election promise during the 2001 and 2005 elections. It should come as no surprise to this House that I have worked hard to deliver this radiation oncology unit and I believe, after much investigation, the promises of the Northern Territory government were falsely made as a meagre vote winner for the last elections without any real intention of following them through. It is unethical and callous.

The Australian government will be working closely with the Northern Territory to get the ball rolling and the process finished as quickly as possible. So far, the Northern Territory health department have submitted a time frame which I believe is far too drawn out, and the Australian government will be making every effort to expedite the process to get this facility operational.

I can confirm to the House that it is the Australian government's intention to carry out the tender process to build and operate the facility. We are negotiating with the Territory government on those terms and we will be ensuring that all negotiations are above board. I see no reason why the tender process cannot be over by the end of this year so that construction can begin at the start of the 2007 dry season in May next year. This means that the facility should be built around the end of next year and fully operational after a service testing period by early 2008. The Northern Territory government's time frame envisages that the facility will be operational by 2009. I will be working to ensure that the facility will be built well in advance of that time frame. Territorians should have had this facility built years ago, so there is no more time for any further Northern Territory government procrastination. Until recently, there has been a complete failure on the part of the Northern Territory government.

As for cost, I advise the House that the government has always believed that \$14 million was the cost of setting up this facility. The Australian government has committed at least \$13 million in this year's federal budget. It is my understanding that at this stage the Northern Territory government will contribute a meagre \$1 million and the land on which to build the facility, when the site is chosen. In my view, Territorians should feel ripped off and let down by their government, who now refuse to contribute adequately financially to the radiation oncology unit that they promised and failed to deliver. It is now time to look beyond that. It is now time to get the facility operational so that Territorians suffering the burden of cancer will suffer no more than they need to. I will advise the House of outcomes as they occur. (*Time expired*)

Mr Charles Frederick Van Buren

Mr BRENDAN O'CONNOR (Gorton) (9.36 am)—I rise this morning to commemorate the passing of a great union man and great Labor man. Charles Frederick Van Buren passed away this week. He was a friend of mine and, indeed, a friend of the member for Calwell, who is with us this morning. He was a long-serving member of the Australian Labor Party, a great unionist and also, of course, the upper house member for Eumemmerring in the Victo-

rian parliament from April 1985 to August 1992. Freddie, as we knew him, was a very passionate person: he cared about people and he cared about the things that matter. Even well after his union and parliamentary careers, he was always concerned about the plight of working people and working families.

The last time I spoke to him was when I was the federal member for Burke and he was a local member of the Sunbury branch, which is now incorporated into the member for Callwell's electorate. Even though he was in his late 60s, he forever came into my office, which was then located in Sunbury, giving me ideas. He read speeches from *Hansard*, gave me tips about the best way I should take up industrial relations with the government, explained to me what I should be doing in local matters in Sunbury and how I should look after and attend to the problems of street kids in Sunbury. Effectively, he had concerns for people across the spectrum.

He was an organiser for the ALP for 11 years. That was probably the time when I first met him, in the period between 1974 and 1985. I was just a very young Labor member. I remember him counselling me about the way in which to doorknock and all sorts of other things. He was also a member of the PKIU, but people probably knew him best—in the latter part of his life, at least—as a unionist, as the industrial officer of the NUW. He spent some time in Tasmania and inspired people there. He will be much missed. I pass on my best wishes to his family.

Investing in Our Schools Program

Wirreanda High School

Mr RICHARDSON (Kingston) (9.39 am)—I rise today to acknowledge an initiative of the Howard government which has provided untold benefits in my local community. The Howard government's Investing in Our Schools program has picked up the baton where state Labor governments have failed our children. In the most recent round of funding, schools in my electorate of Kingston have received much needed funding for such things as carpeting, toilet upgrades, air-conditioning and the construction of shelters over play equipment to name just a few. As I have travelled around my electorate encouraging schools to apply for the funding and visiting completed projects, the appalling state of repair that some of these schools were in amazed me.

At a visit to the Aldinga Schools in my electorate some months ago, the state of a toilet block could not escape my attention. I was so appalled at what I saw to be an occupational health, safety and welfare issue—as well as a horrible environment for our children—that I wrote to the state Minister for Education and Children's Services, the Hon. Jane Lomax-Smith. Unfortunately, I have yet to receive a response. It astounds me that while we are providing Investing in Our Schools funding for small capital works—something which should be undertaken by state governments—the state Labor governments are seizing the opportunity to let down, abandon and ignore our young people by requiring them to be educated in such appalling conditions. I wonder how state governments can honestly expect to bring out the best in our teachers and students when they provide such substandard facilities.

On a much more positive note, I would also like to take this opportunity to congratulate Wirreanda High School. This school recently, in conjunction with me, hosted a morning tea for the Prime Minister where he honoured and thanked local volunteers, service groups and in

particular Meals on Wheels organisations to celebrate national Meals on Wheels day. The school choir sang the national anthem with pride and all of the students and teachers present were a credit to themselves, their families and their school. I was so very proud to have the Prime Minister of Australia in my electorate and visiting a local school full of young people with such potential. I would particularly like to thank and congratulate the principal of the school, Jenny Sommer, who worked tirelessly to make the event such a success, along with the grounds person, the parent governing chair, the staff and volunteers who assisted on the day and the home economics students who pitched in to help with catering. It was a wonderful community event simply to say thank you to so many volunteers, agencies and government and non-government organisations.

Mr Charles Frederick Van Buren

Ms VAMVAKINOU (Calwell) (9.42 am)—I want to join with my colleague the member for Gorton to also pay my respects and express my deep sympathy at the passing of my constituent and very good friend Charles Frederick Van Buren, very widely known to all of us who knew him as Freddie. Freddie was not just my constituent; he was a friend and a long-time member of the Australian Labor Party. He lived in Sunbury, in my electorate, and was a very active member of the Sunbury ALP branch. I must say that, like the member for Gorton, I sought his counsel often, but more importantly I was very lucky to have his support, particularly through the rough and tumble of politics that we are all familiar with. Freddie was always there to provide support and encouragement to me. He was a seasoned operator who knew the electorate of Calwell and understood politics very well.

He was born in Ceylon in 1936 and later immigrated to Australia where he worked as a printer. He became a member of the Printing and Kindred Industries Union and the Railways Union. He was a proud member of the Australian Labor Party and was awarded life membership of the party in 1997. Most of us will remember Freddie as a member of the Legislative Council in Victoria where he held the seat of Eumemmerring from 1985 to 1992. He was the first member to hold this seat, which had been created in 1984, and he undertook his role as an MP with sincerity, passion and honour. In fact, in the early nineties I challenged Freddie for his seat in an internal party contest and, of course, I lost—and rightfully so, I would say in retrospect—but for years later we laughed about my youthful foolishness. He was, however, proud that later I became his federal member. Freddie never left politics and when he ceased being a member of the Victorian parliament he continued to work as an advocate of the people, taking up the role of industrial officer with the National Union of Workers until his retirement in 2000.

During his life, Freddie was often involved in many community activities and was a founding member of the Broadmeadows Club. He was passionate about the union movement and the rights of workers. I want to conclude today by quoting Freddie in a speech that he made in the Victorian parliament in June 1992 when he was speaking to an industrial relations bill:

The opposition—

the Liberal Party—

does not want the arbitration commission. The APPM dispute is a recent example of what is taking place in Australia. You want to replace awards with contract labour—slave labour!

Employers want one-to-one bargaining. They are not prepared to talk to trade unions; they want to go to individual employees with a contract and say, That is all I can offer you, if you don't like it you can leave. ... Every employee must sign a direct contract with the employers.

Defending the rights of workers was Freddy's passion, and I know that he would have loved to have stuck around for the latest IR battle. Unfortunately, it was not meant to be. I want to thank you, Freddie, for your support and encouragement. I know that you did everything to protect the very things that you were passionate about. *(Time expired)*

Employment: Job Seekers

Mr HAASE (Kalgoorlie) (9.45 am)—I rise today to report on the job seeker relocation trial, the pilot scheme designed to help unemployed Australians receiving welfare relocate to take up meaningful work. I have been working on this project, in relation to development, with the Minister for Workforce Participation, the Hon. Sharman Stone, in conjunction with colleagues Joanna Gash, the member for Gilmore, and Luke Hartsuyker, the member for Cowper.

It is illogical, of course, that in the year 2004-05 the Australian taxpayer paid more than \$5 billion in unemployment benefits. The knowledge that in my own electorate of Kalgoorlie there are employment rates below four per cent by comparison with the perhaps 11 per cent unemployment in the electorate of Gilmore is totally illogical and incomprehensible. The design of the job seeker relocation trial is to encourage the unemployed in areas of high unemployment to move to and to take up employment and be productive in areas of low unemployment.

Right across the Kalgoorlie electorate, employers are screaming out for labour—not skilled labour particularly but just labour. This is intended to be a voluntary project. There will be assistance provided to those who are unemployed at this stage. Incentives will be available to help them with the cost of relocation, travel, set-up costs, and training and equipment to make them ready and able to take up work. I know that the costs of accommodation, for instance, for new arrivals in the Pilbara can be absolutely horrendous. We have three-bedroom, one-bathroom homes going for \$1,000 a week in Port Hedland right now. It is an absolutely untenable situation, contributed to by the high cost of land and the trickle-down effect onto the market of the Western Australian LandCorp.

However, we need to overcome the fact that people are aware that things are difficult in the west. We need to assist where we can. To that end, the government's new scheme will provide that assistance. I acknowledge and congratulate the many thousands of Australians who have come across to Western Australia to take up a position and to start a new life for themselves, in many situations. Those people in the past have done it voluntarily. These days we are getting down to generally low unemployment and lack of availability of labour across Australia. I am pleased to say that this project will assist those who have not found the personal motivation to shift in the first instance. It will get them motivated, we trust, and get them involved in real and meaningful employment. This government is making it more and more difficult to remain unemployed today. *(Time expired)*

Centrelink

Ms HALL (Shortland) (9.48 am)—Today I would like to raise an issue of great concern to me. One of my constituents, Corrina, contacted my office by writing to me on 9 August. I re-

ceived the letter on 10 August. It was a horror story that she told of in her letter. On 7 August, Corinna applied for parenting payment and family tax benefit. She completed all the forms; she rang Centrelink to make sure all the forms had arrived. She attended the office with her husband and was given a letter saying that her husband needed to provide an employment separation certificate within 14 days. Being the type of person she is, Corinna immediately got that separation certificate and made sure that Centrelink had it within the 14 days. Corinna then received a rejection letter dated 26 June, which was within that 14-day period. She spoke to Centrelink and was told they would resolve it. She rang customer service officers several times but nothing happened. Corinna rang again on 1 August to make a formal complaint and was told that someone would ring her back within the week. Once again, nothing happened.

In desperation she contacted my office. She also wrote to the Minister for Human Services in the hope that he might help resolve the issue. I believe that the Centrelink office that Corinna contacted is very overworked. It has a lot on its plate at the moment and it does not have the staff and support that it needs. We then took up the case. We contacted Centrelink and had similar sorts of problems: nothing happening and speaking to different people. We contacted the local liaison officer and she said: 'Well, there's nothing I can really do if Centrelink don't want to deal with the matter. It is a Centrelink matter.' We gave them two working days but finally we resolved the issue.

I received a letter from Corinna at the end of August. Corinna said that she was writing to me:

... to show my appreciation and to thank you for your help with Centrelink. I am surprised how quickly Centrelink works when we have you to deal with them.

I surprised myself at what lengths we have to go to ...

On another note, I did expect Joe Hockey MP to respond eventually, but this was not the case ... I am saddened and disappointed because my case has been resolved—

and the minister has totally ignored her and not responded to her letter. I think this is a really big issue and I think that the minister needs to be responsive to constituents— (*Time expired*)

Phillip Island

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.51 am)—I rise today to address two issues in relation to the development of the wonderful Phillip Island within my electorate of Flinders. The first is in relation to the proposal for a Phillip Island aquatic centre. I have supported this proposal since it was first brought to my attention, and I want to say two things about it. The first is that I believe that it is an outstanding item for the future of Phillip Island. The aquatic centre, which would be on land adjacent to and part of the Phillip Island Adventure Resort, is a proposal put forward by the community, developed by the community—by wonderful people such as Pam Cameron and Colin Grey—and it will have a real impact not just for residents but also for tourism on the island. It is part of the process of making the island a year-round destination. Whether it is for families, for young people, with sporting programs, or for elderly people who need the hydrotherapy and aquatic elements of the project, I think it is an outstanding project.

With Ken Smith, the member for Bass in the Victorian parliament, we are working very hard to secure a proposal from the community and the council which we can then put to the federal government for Regional Partnerships program funding. There are no guarantees, but I

am extremely hopeful. I am extremely keen to receive the application and we will fight like caged tigers to try to get a result on that. It is something to which I have a deep personal commitment.

On the counter side, however, is the recent state decision to declare working land on Phillip Island as farm zone which can no longer be developed, which I think is deeply counterproductive. There are different activities: A Maze'N Things and its wonderful tourism activities; the Adventure Resort—which is helping out with the aquatic centre; Newhaven Christian College, which is a wonderful school; and the Rhyll Fishing Park. These are all functioning activities. Their land is in reality a rural activity zone, yet it has been declared a farm zone, which means that they are frozen in time.

This is an unacceptable and arbitrary declaration over their land. At the same time, the Victorian Minister for Planning has declared farmland to be a rural activity zone elsewhere. That clearly is because there are deep links with big city money. I make no apologies for making that claim. I think it is unacceptable. What they have done is rezone farmland for rural activity and made small businesses and a school pay the price for whatever sweetheart deals they have done. It is unacceptable and these businesses must be given a go. (*Time expired*)

Mr Frankie Cunningham

Mr GAVAN O'CONNOR (Corio) (9.54 am)—It gives me great pleasure today in this parliament to acknowledge the contribution of one of Geelong's unsung heroes to the welfare of his fellow man. At the recent annual dinner hosted by the Geelong and District Vietnam Veterans Association of Australia, Frankie Cunningham was awarded the Tommy Simpson award for services to Geelong's Vietnam veterans community and other veterans. The award honours the memory of the first soldier to die in Vietnam from Geelong and is not an award that is given lightly or given every year.

Frankie Cunningham is an unassuming man but a real character and a genuine Australian who does good work for the benefit of others. It is very important that his contribution is acknowledged on the floor of this parliament. He runs the Vietnam veterans barbecue down Pakington Street in Geelong every month, which raises some \$500 to \$600 for the Vietnam Veterans Welfare Fund, which is used in a variety of ways to support the personal needs of Vietnam veterans and their families. He drives the bus for war widows and veterans. He was one of the first to volunteer to do maintenance around veterans' and widows' homes when required. Whenever veterans have a need, Frankie Cunningham is there.

I have been attending the annual dinners of the Geelong and District Vietnam Veterans Association since I became the member for Corio in 1993. I hope to continue to attend them for many years to come. Over that time I have seen the organisation grow in numbers and extend its range of services to more and more veterans and their families. It has been able to do this because of the selfless volunteers who have put their services and time at the disposal of other veterans in need and their families.

This is a well-deserved award. It was met at the dinner with acclamation from everybody in the room. A genuinely humble man, a real Australian, a genuine Australian, has been acknowledged by his peers, and I think it is fitting that his contribution be acknowledged on the floor of this House. My best wishes and congratulations to the Geelong and District Vietnam Veterans Association for the work that they do for the veterans in the Geelong community.

International Day of Peace

Mr BRUCE SCOTT (Maranoa) (9.57 am)—I rise to add to my comments in private member's business in support of the International Day of Peace, which will be occurring on 21 September. The Australian government recognises the overwhelming desire for global peace among all humanity. We as a country are involved in peacekeeping efforts in several places, including Iraq, Afghanistan, East Timor, Sinai, Sudan, the Solomon Islands and the Middle East. Overall, the Australian Defence Force contributes to the security and stability of these places and the broader global community. Closer to home, Australia is participating in the Regional Assistance Mission to the Solomon Islands. In spite of recent difficulties, the mission continues working to ensure that Solomon Islanders are able to go about their lives free from violence and intimidation.

As chairman of the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I have been privileged to visit the Australian troops that are deployed in the Arabian gulf, Iraq, Afghanistan and East Timor. What I witnessed from these men and women was nothing short of outstanding service. They love their job and are honoured to be assisting a country to strengthen its political, economic and humanitarian wellbeing. However, it is crucial for all Australians to understand that personnel deployed in these countries are there at the request of the host nation with the support of the United Nations.

The Australian government is not only supporting global peace and conflict resolution by way of deploying these troops on peacekeeping missions; Australia also supports global non-proliferation, arms control and disarmament treaties, including the nuclear nonproliferation treaty, the chemical weapons convention, the biological weapons convention and the Comprehensive Nuclear Test Ban Treaty. We have also embraced new approaches, such as the Proliferation Security Initiative developed to disrupt and deter illicit weapons of mass destruction related shipments.

It is my belief that religious leaders around the world have a role to play in assisting and supporting the efforts of like-minded countries to bring about world peace. We must all work towards a common goal where all countries are tolerant and respectful of different points of view. While global peace is of paramount importance to everyone around the world—including individuals, governments and organisations—the issues surrounding conflict are complicated, deep-rooted and, in many cases, sensitive. The challenge of global peace will require a united effort from countries, religious leaders, the United Nations and other organisations in the areas of peacekeeping and conflict resolution, and it will require understanding and empathy for the core issues that fire up the unrest. On 21 September there will be a recognition that we need to work cooperatively for world peace. (*Time expired*)

The DEPUTY SPEAKER (Hon. IR Causley)—Order! In accordance with standing order 193, the time for members' statements has concluded.

SCHOOLS ASSISTANCE (LEARNING TOGETHER—ACHIEVEMENT THROUGH CHOICE AND OPPORTUNITY) AMENDMENT BILL (No. 2) 2006

Second Reading

Debate resumed from 6 September, on motion by **Ms Julie Bishop**:

That this bill be now read a second time.

Ms MACKLIN (Jagajaga) (10.01 am)—The Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill (No. 2) 2006 is part of the federal government’s support for capital works in Australian schools. It provides funding for the three years beyond the current funding quadrennium to enable approval of capital works in advance of funding for the years 2009, 2010 and 2011. These advance approval arrangements have been in place for many years, and the opposition will of course support the bill. We will always support increased funding for schools in need. The funding provided by the bill is for the general capital grants program. The Commonwealth also provides funding for capital projects in schools through its Investing in Our Schools program. As is well known, the government has allocated \$1 billion of funding under this program for the 2005-08 quadrennium. I will come back to the Investing in Our Schools funding shortly.

I would like to make some observations about the general capital grants program, which is the focus of this bill. The Commonwealth has provided funding for school buildings and capital infrastructure in schools since the 1970s. Indeed, some would say that the Commonwealth has funded capital infrastructure since 1964, when the Menzies government introduced funding for science laboratories and equipment for secondary schools. This investment was significantly enhanced when the Whitlam Labor government introduced major capital funding for government and non-government schools in 1973. The Commonwealth’s capital grants program has continued since then, and in 2006 provides just over \$350 million for government and non-government schools—that is in 2005 prices. This amount is supplemented each year by the building price index, which, according to the administrative guidelines for schools, ‘reflects movements in an index of building prices and an index of wage costs published by the Australian Bureau of Statistics’.

This bill extends capital funding for government schools for each of the years 2009, 2010 and 2011 and provides \$249 million for each of these years, in 2005 prices. This is the same annual amount in real terms that the government has allocated for government schools since 1996, and it certainly continues to be an inadequate response to the critical needs of our government schools for quality buildings and other school infrastructure. The Commonwealth’s \$249 million per annum represents just \$110 for each of the 2.2 million students in government schools across Australia.

The latest *National report on schooling in Australia* says that per capita expenditure on capital infrastructure in government schools in 2005 was \$493 per student. By comparison, total funding per student from all sources for independent schools in 2004—that is the latest available published data—was \$1,971, more than four times the per student expenditure on capital works in public schools. The Commonwealth’s contribution from the general capital program is currently about 22 per cent of total funding for capital works and infrastructure in government schools. This proportion is down from average Commonwealth capital funding in government schools of 32 per cent over the years 1987 to 1997. The Commonwealth is clearly a major source of public funding for these purposes.

There continue to be very real concerns about the quality of capital infrastructure in our government schools. Professor Brian Caldwell, a regular consultant for the government and a contributor to the Menzies Research Centre, has researched the state of capital infrastructure in Australia’s government schools. His conclusions: that the overall state of facilities in government schools is, to use his word, ‘deplorable’. To quote him again:

We've got hundreds, if not thousands of schools that were built 30 or 40 years ago that have long passed their use-by date. They should be bulldozed and replaced by schools that are suited to learning in the 21st century.

The editorial response in the *Age* to Professor Caldwell's earlier research was as follows:

According to one of Australia's leading education authorities, Professor Brian Caldwell, the "deplorable" condition of government school buildings is having an adverse effect on the morale and wellbeing of teachers and students. Indeed, it would be surprising if it did not. We do not expect people in other professions to work in dingy, draughty, unheated environments, so why should we expect teachers and students to?

The Commonwealth's response to this is \$110 a student. There has been no increase in real terms to the general capital grants program for government schools since the Howard government came to office in 1996. It really is not good enough. Yes, it is true that the government has provided additional funding in this quadrennium, starting in 2005, for minor school projects under the Investing in Our Schools program. This funding is directed at small-scale projects and of course is very welcome. But it is not a strategic response to the fundamental needs for infrastructure renewal in our government schools. This would require a serious partnership between the Commonwealth and the states towards an agreed vision of capital infrastructure improvement over the years ahead.

Unfortunately, all we hear from this latest education minister is a repeat of the mantra adopted by her predecessors, Ministers Kemp and Nelson, that it is all the states' fault. Of course state governments have to answer for their budgetary decisions and the quality of the facilities and services they provide. But the federal government also has to accept that it and it alone is responsible for its decisions on budgetary priorities when it comes to funding decent buildings in our government schools. It is clear that the provision of quality improvements in the capital infrastructure of government schools has been a very low priority for this government for 10 years.

The Minister for Education, Science and Training made much of the government's schools funding record in the last federal budget. In the glossy that came along with the supplementary budget papers, she trumpeted the record \$9.3 billion to be spent on government and non-government schools, noting that this represents a 158.2 per cent increase in funding since 1996. What the minister's publicity does not say—of course, we are used to the sort of spin that does not tell the whole story from this government—is that virtually all of this increase was for real increases in recurrent funding for non-government schools, indexation of grants for cost increases and the Investing in Our Schools program. I say to the education minister: do not just blame the states; actually face up to your own responsibilities. If there is one thing the Australian people are absolutely fed up to the back teeth about, it is governments flicking responsibilities to other levels of government in our federal system rather than taking responsibility themselves.

Adequate capital facilities are not just about making schools and students comfortable, even though that is important. We know from research that there is a causal link between building quality and design and student outcomes. The former head of the OECD Program on Educational Building, Dr Kenn Fisher, reported in his digest for the former Commonwealth Department of Education, Training and Youth Affairs that research clearly demonstrates that student academic achievement improves with improved building condition and that factors

such as lighting, air quality, temperature and acoustics have an effect on student behaviour and learning.

Fisher reports on studies that demonstrate the link between building age and student achievement. These studies show that students in newer buildings achieved academic results that were some seven per cent higher than similar students in older buildings with poorer maintenance, lighting, temperature control and floor coverings. Fisher's work also refers to the importance of such factors as acoustics, colour and furniture design for students' health, comfort and learning. UNESCO research also advises on the effects of unsuitable furniture on students' discomfort, backache, concentration span, writing difficulties and learning opportunities. One of the key messages of this research as summarised by Fisher in his paper for the minister's department is that governments are underestimating the effects of school design on student and teacher performance.

The Australian based Education Foundation has taken up these themes in its recent paper *New spaces for learning*. The foundation points out the significance of students' learning environments and the educational importance of the quality and design of school buildings. I quote from the foundation's paper:

Public schools are public places with which people form relationships full of meaning, memories and values, yet in Australia, school design arguably remains the most neglected aspect of public education reform. From the outside, the typical Australian public school is fenced, inward looking and unwelcoming. On the inside, it is industrial and inflexible ... These buildings operate as a hidden curriculum, transmitting messages about how and for whom learning takes place. They work against innovative teaching, restrict student learning, inhibit greater connection between the school and its community, perpetuate a negative public perception of the school and in worst cases, give the message that they are poor resources for an undervalued community.

Personally, I do not know that I would go quite as far as those remarks, because it is the case that there are some excellent and well-designed public schools and some of our older public schools have been innovatively renovated. But, nevertheless, there is an underlying truth in that quote from the foundation's paper.

The Fisher paper has been influential in many other countries and is now a reference point for school authorities in England, Scotland, the United States and New Zealand, as well as in some of our Australian states. But, unfortunately, it would seem that it is not a reference point for the government that actually sponsored the paper—our federal government. The Howard government, unfortunately, has done nothing more with its commissioned research than put it on the department's website—a virtual but not very virtuous response. That seems to be its preferred strategy.

We hear it time and time again from the minister: let somebody else—preferably the states, from her point of view—take the necessary action. When it comes to the fundamental capital needs of schools, this federal government's key strategy is basically to offer advice—and the advice it commissioned is good advice—but then blame other people, mainly the state governments, for any deficiencies. I must say that it would be better if the minister could just take even half an hour out from threatening state authorities with withholding her funding if they do not comply with her latest thought bubble or media release and instead took a bit of time to actually read her own commissioned paper.

Undoubtedly, the minister will respond that all this money has been put into Investing in Our Schools, and it is true that a substantial amount of money has been put into both our government and non-government schools through this program. But, as I said, it is really in the main for minor capital projects, and that is particularly the case in our government schools. It is valuable funding. It has enabled our school communities to fund projects of up to \$150,000, and many of those have been useful. However, the maximum funding of \$150,000 cannot deliver on the fundamental needs for improvements in school building quality and design in our government schools. The \$150,000 is the maximum amount of funding available to a school. To date, the average grant seems to be lower than that, and I would appreciate it if the minister, when she is summing up the debate, could give us more recent information on the range and average grants made under the program.

The Investing in Our Schools program, as we all know, is due to finish at the end of 2007. That is not very far away, and school communities and authorities are facing uncertainty about the future of this program. This bill contains no advance approval opportunities for the Investing in Our Schools projects. School communities would be greatly helped by early advice on the future of this program as many valuable projects will be jeopardised as a result of the uncertainty about the program beyond 2008.

The previous amendment bill, the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill 2006, redistributed the funding for government schools so that more than \$500 million will be allocated by the end of this year and all of the funding from the Investing in Our Schools program committed in 2007. That means no funds are available for 2008, and there is no sign of anything for 2009, 2010 or 2011. However, there will be funds for the general capital grants element, which is a smaller program. So there is no advance approval for the Investing in Our Schools funding beyond 2007. For the health of our schools, I say to the minister: it is time we had a very clear indication about whether or not this program is going to continue so that schools can plan for the future.

This bill also allocates just over \$86 million for capital works in non-government schools for 2009, 2010 and 2011. This is down from almost \$102 million in 2006 and \$90 million in 2008. These are projected figures and, once again, they are in 2005 prices. The *Bills Digest* for this legislation explains that the reduction in funding for non-government schools arises from the lapsing of two program elements for those schools. Firstly, the government has augmented the base funding for non-government schools by around \$10 million a year for a number of fixed-term elements, such as hostels and technology infrastructure for Indigenous students. That would have ended after the 1996 election. This funding lapses in 2007 and its funding beyond then is subject to review.

Secondly, the government introduced an additional \$17 million in capital funding for non-government schools in the Northern Territory in 2004. This funding was provided in recognition of the fact that none of the Catholic systemic schools in the Northern Territory received increases in general recurrent funding when the previous minister announced the Catholic systemic schools would be brought into the SES funding scheme from 2005. The fact is that all of the Catholic systemic schools in the Northern Territory had to be categorised as maintained or they would have lost funding if they were funded at their assessed SES rate.

This situation is not much better for all of the non-government schools in the Territory. There are currently 30 non-government schools in the Northern Territory. Of these, only eight

are funded at their assessed SES rate. The remaining 22 schools are categorised as 'funding maintained', or 'maintained Catholic' to preserve their entitlement to continued funding at their 2000 rate and ongoing indexation against increases in average government schools recurrent costs.

This state of affairs says much about the policy fragility of the government's general recurrent funding scheme. It is a scheme that is unable to cater for the real needs of schools such as those in the Northern Territory. So we would certainly hope that the minister's current and closed review of the SES funding scheme would resolve this situation for non-government schools in the Territory. It says even more about the government's piecemeal and stopgap approach to policy development. Its response to the failure of the funding scheme for general recurrent grants to non-government schools in the Northern Territory was to just plaster it over with some funding for capital works in those schools. Of course, this patching-up is not going to last. The chickens have now come home to roost in this bill. The compensatory funding for capital works in the Northern Territory will end in 2008 and the funding levels for non-government schools will go down from \$102 million in 2006 to \$86 million in 2009 and beyond. This bandaid approach does need attention from the minister. It needs much more strategic and integrated thinking both for recurrent and capital funding into the next quadrennium.

There is one final point I want to make on accountability. To say the least, accountability for the capital grants program remains thin. Decisions about the projects to be approved by the minister under the capital grants program are made by the relevant school authorities: the state and territory departments for government schools; and the Catholic and independent schools' block grant authorities for non-government schools. These authorities make their decisions against guidelines issued by the minister's department. These guidelines require the authorities to recommend projects that are consistent with the Commonwealth's objectives, and these include the specific objective that grants would 'provide and improve school capital infrastructure, particularly for the most educationally disadvantaged students'. So far, so good.

Labor supports the emphasis on need in the guidelines and the devolution of administrative responsibilities to the states and the territories. In fact, it was a former Labor government that established the block grant authorities for non-government school capital grants. But the objectives for the capital grants program are not covered by legislation. There is no legislative provision that requires the program to give priority to educational need. This is left just to administrative guidelines and ministerial discretion. I would say to the minister that this should be rectified in the legislation for the new funding quadrennium.

Where, you might ask, is the evidence that the capital works program funded by the Commonwealth is actually meeting its objectives, especially the priority for educationally disadvantaged students? The latest formal evaluation of the capital grants program appears to be the 1999 report of the department's research and evaluation branch called *Capital matters: an evaluation of the Commonwealth's capital grants programme for schools*. Well, 1999 is quite a long time ago. Even so, that report concluded that even then there was an urgent need for a national picture of school infrastructure. In other words, the Commonwealth did not have then, and certainly does not have now, enough information about capital needs to make a proper assessment of the program's impact and to provide a sound basis for future funding

decisions. This report back in 1999 also recommended greater clarity in program objectives, noting in particular that the focus on educational disadvantage requires a stronger set of criteria. I quote from the report:

Assessment of educational disadvantage should be re-focused on more immediate assessments of needs for facilities (based on some benchmark or standard) and on whether or not a particular school has the financial capacity to undertake the project without assistance.

Labor agrees with these findings. Assessing need for Commonwealth funding should be based on a relevant standard and should take into account the resources available to a school.

I have read the current accountability requirements for Commonwealth capital grants, and the specific requirements go to financial accountability procedures while the educational accountabilities are swept up in the requirements for the general recurrent and targeted programs. Unfortunately, there is no mention of the issues raised in the 1999 evaluation. Again, the Commonwealth's main response appears to have been to put its report on the department's website. Whether or not it has been read by the minister, who would know? Certainly, it has not been taken seriously and is not reflected in this bill or in the government's policy.

Another accountability issue is: where is the information on the projects that have been funded and how do they meet Commonwealth objectives? To my knowledge, the last available public report on the schools that have benefited from Commonwealth capital funding is the department's report to the parliament on expenditures under section 116 of the States Grants (Primary and Secondary Education Assistance) Act 2000 for the 2004 calendar year. I certainly expect the report for 2005 to be tabled in the parliament in the near future. It would be helpful if the minister could indicate when that will happen.

The report sets out the Commonwealth's objectives for the capital grants program, noting in particular that the 'determined priority for funding of schools' capital projects is based primarily on the basis of the relative educational disadvantage of students'. But, as I said, reporting on funded projects is, to say the least, vague about how these objectives and priorities were met. The descriptions of the projects make it pretty hard to make that assessment. They refer to things such as 'learning areas', 'walkways', 'hospitality areas', 'parking', 'landscaping', 'bathroom fittings' and 'hard surface games courts'. There is no mention of funding benchmarks or how the projects actually meet needs criteria.

We know that the minister is very keen, copying the previous minister, on plain English reporting. She seems to go from one requirement to another on this matter. I would suggest to her that she actually impose this plain English reporting on herself and on how her own projects meet Commonwealth objectives. Could we have some plain English reporting that actually enables the public to see whether or not needs criteria are being addressed by the funding allocations? The grants provided to the individual schools listed in the report may or may not meet the needs of educationally disadvantaged students, but that certainly cannot be assessed from the information provided by the major accountability report to the parliament. So some plain English reporting by the minister to the parliament would be helpful. We also do not have any information about the educational outcomes that have improved as a consequence of the Commonwealth's capital funding. Of course, we cannot say anything about whether or not any of the projects that have been funded have necessarily been bad. I am not suggesting that. My point is that the process is certainly not transparent.

In conclusion, I reiterate that we will support this legislation to allow funding proposals for capital works in schools in the three years after the current quadrennium. But I want to say again that this bill does nothing to tackle the issues that really need to be addressed: the significant capital needs of public schools, the absence of a government commitment to continue the Investing in Our Schools program beyond 2007, the funding disruptions to elements of the capital grants program for non-government schools and the absence of accountability criteria and arrangements that demonstrate the effectiveness of the Commonwealth's capital funding for schools. I certainly call on the government to attend to these very serious matters.

Mr RANDALL (Canning) (10.29 am)—I am pleased to speak today on the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill (No. 2) 2006. At the outset, I would like to say: thank goodness the coalition government won the last election in 2004, because, if we had not won the election in 2004, we would have had placed upon us, from the Socialist Left of the Victorian Labor Party, all of those ideological problems that they brought to us in terms of the school hit list, which the representative oppo-

Ms Macklin—Mr Deputy Speaker, I rise on a point of order. This bill is about capital funding; it has nothing to do with the matters that the member is raising.

The DEPUTY SPEAKER (Hon. IR Causley)—The member will come back to the terms of the bill.

Mr RANDALL—The bill is about education and funding for schools. With regard to funding for schools, as we know, the Deputy Leader of the Labor Party had a hit list, along with Mr Latham.

Ms Macklin—Mr Deputy Speaker, I rise on a point of order. This is entirely about capital funding—funding for buildings of schools. You should bring the member back to order.

The DEPUTY SPEAKER—I think the member for Canning is addressing the funding issue.

Mr RANDALL—Thank you, Mr Deputy Speaker. Capital funding is the nature of the bill and, as we said, we do not want any schools on the hit list. In fact, the Australian electorate rejected having any schools on any hit list.

Ms Macklin—Mr Deputy Speaker, I rise on a point of order. Once again, the member is not referring to the matters that are related to this bill.

The DEPUTY SPEAKER—There is no point of order.

Ms Macklin—On the point of order, Mr Deputy Speaker: this bill has nothing to do—

The DEPUTY SPEAKER—The member for Jagajaga, I have ruled.

Mr RANDALL—At the beginning of addressing this bill, I point out that thank goodness the coalition won the election of 2004, because we would have been subject to these sorts of ideologically driven nasties from the opposition had they come to government. But the purpose of this bill today, as we know—and the member just said that the opposition supports it—is to address a number of issues. The issues—

The DEPUTY SPEAKER (Mr Wilkie)—The honourable member for Canning will resume his seat. Is the honourable member seeking to ask a question?

Ms Hall—No. I am actually going to speak to the point of order that the shadow minister spoke to. I can see absolutely no connection whatsoever between this bill and the issues that the member for Canning is raising. He is talking about nasties prior to the last election when we are talking about capital works. Mr Deputy Speaker, I really ask you to draw him to the bill.

Mr RANDALL—On the point of order, Mr Deputy Speaker—

The DEPUTY SPEAKER—I am quite happy to rule, and I think you will be pleased with the ruling. Having only just taken the chair, I am unable to establish at this point in time whether the member for Canning is relating to the bill or not. I understand from Deputy Speaker Causley, who was in the chair, that the debate has been quite wide ranging, so I will allow some latitude. But I will be listening carefully to the member for Canning during his contribution.

Mr RANDALL—What I wish to raise, not as a point of order but as an observation, if you wish, is that the previous occupier of the chair just ruled on that point of order. However, as I said, the purpose of this bill is to do several things and it will be a wide-ranging debate. The wide-ranging debate will obviously address, for example, the provision of a new category of non-government school, which is going to be called a special assistance school. The reason for providing a special assistance school is that, currently, recurrent funding for non-government schools under the SES systems enables the maximum level of funding for those schools mainly catering for students with disabilities rather than students with social and emotional problems.

There is also the issue of schools which have serious problems with retaining students. We know the retention of students is the desirable outcome because, if students get a good education, they are able to benefit far greater in life by getting a better job and staying in a job, and their earning capacity is far greater. The creation of this new category of non-government school or special assistance school is something that is desirable because it helps schools that have fallen through the cracks in terms of the assessment model. I think it is great that those schools in need will get maximum general recurrent funding on that basis once this bill passes through these houses.

The bill also seeks to redistribute the funds in the Investing in Our Schools program as it applies to government schools, carrying over some of the 2005 funding and bringing forward the 2008 funding to 2006. We know why that is. I will address that shortly. It is because it is so popular. Every school in this country wants a piece of the Investing in Our Schools program. There would not be a member in the House of Representatives that has not been contacted by many of their schools, both government and non-government, who wish to avail themselves of those funds.

This bill also seeks to reallocate unspent tutorial vouchers, which we know have not been taken up at the rate that they might have been. It reallocates the availability of this tutorial voucher initiative into the 2006 year for the national project elements of the Literacy, Numeracy and Special Learning Needs program. That is a great idea because, firstly, we do not want people saying that we did not maintain the level of funding and, secondly, if there is a need then we want to see that funding maintained and going ahead.

The bill also inserts a new provision in the act to enable the minister to redistribute program funds between particular years by regulation rather than by legislative amendment. That gives the minister flexibility. We know that that flexibility comes with certain responsibilities, but the 2003 legislation allowed for disallowance mechanisms should they not be adhered to properly. Given the fact that this bill is deemed noncontroversial, that means that the opposition also agrees with that operation. Finally, this bill seeks to carry over to 2006 minor unspent 2005 funds for the national project elements of the Literacy, Numeracy and Special Learning Needs program and languages education.

The previous member endeavoured to say, as she always does, that this government's commitment to educational funding in this country has diminished. Nothing could be further from the truth. In fact, since 1996 the Australian government has continued its trend of providing increased funding for schools education. In the 2006-07 year, nearly \$9.3 billion will be provided in funding for both state government and non-government schools, representing a \$760 million or 8.9 per cent increase in the funding from last year and—and here is the rub—a 158.2 per cent increase in funding since 1996. So when the opposition say that the federal government's commitment to education in this country has been diminished, we know that the figures tell the truth. And the figures tell the truth by saying there has been a real increase of 158.2 per cent. So we stand proud on our commitment to both government and non-government education.

This is where I must give some background information in terms of the roles of the federal and state governments. There was a very good article written by Paul Kelly some years ago called 'States Cry Wolf Over Public Funding' that I recommend to anybody who wants to read an unbiased report. Nobody could call Paul Kelly, the national affairs writer of the *Australian* newspaper, anything but straight up and down. He pointed out quite clearly the obligations of the state governments and of the federal governments. We know that much of this has come about from a historical point of view. Since 1901, federal governments have gradually taken up the responsibility for the major funding of non-government schools. By their very name, the state governments have been responsible for the funding of state government schools.

Unfortunately, in this process, it seems that health and education suffer from this hybrid sort of funding mechanism in which both state and federal governments take some responsibility. There are always arguments at the margins about who should be paying more and who should be paying less. I am a product of a state government school. Please believe me: I am an enthusiastic product and supporter of state government schools. In fact, my whole family came through the North Merredin Primary School—whose anniversary I will be going to next year—and also through the Merredin high school. We all got a good education and unfortunately we all ended up as teachers, but that is a product of being in a small country town, I suppose.

State government schools do a fantastic job. The federal government puts more money into state government schools per capita than it puts into non-government schools. The opposition has a voracious 'them and us' mentality. The opposition always picks out the King's School on the eastern seaboard as an example of a luxury school that gets too much funding.

My son goes to a state school, my wife teaches at a state school and my daughter goes to a non-government school—and I can assure you that a lot of the \$14,000 a year I pay goes towards her education. Thank goodness she is finishing year 12 this year and the pain will stop!

But one of the reasons why some non-government schools are able to provide so much more—and the previous speaker talked about the quality of the buildings being a significant factor in the quality of education for students across Australia—is that the parents pay the difference. Parents pay something like \$4 billion a year out of their own pockets to support their children's education in non-government schools. That is why they get quite a bit more opportunity in terms of the things that are available.

As much as it pains me to say it, we all pay—because we make choices. I am proud to say that the government I am a part of provides choice in education. We do not want to send all students to government schools and, of course, no-one would support the elitist attitude that everybody should go to non-government schools—and that includes Catholic schools. Right from the beginning, Catholic schools did not receive one cent in public funding. In fact, for years they were run almost as charities. Over time, the federal government picked up some of their funding and, as we know, we have now put them on an equal footing with all other non-government schools. That is only fair, because their parents pay taxes as well. Why shouldn't you receive back a proportion of that tax if your children go to a Catholic school?

The whole capital grants program, as part of this legislation, should be endorsed, because the minister should be able to make long-term funding commitments outside the current triennium. We need to be able to predict funding for the years ahead, because there is a long lead time for capital funding in schools.

I have an anecdote to share with you. When I was sitting amongst the audience at one of the high schools in my electorate last year, the state member for Armadale, Alannah MacTieran, who is also the Minister for Planning and Infrastructure, stood up and said that the school was going to get \$3 million in capital funding. I sat there thinking it was fantastic that the state government was going to come up with \$3 million to do up this tired, old school. I found out about six months later that \$2 million of that \$3 million was federal government money—I had not been told. We give block grant contributions to education departments and they decide where they are going to spend the money.

Without the courtesy of letting the federal government know where the state government was going to spend the money, the local member and minister jumped up and, making a big person of herself, said, 'We're going to spend \$3 million on your school.' But she did not say, 'By the way, we're only putting in \$1 million of that money.' So I got myself into action and mailed all the people around that school to tell them who was actually giving the majority of that money and who was being disingenuous about how they were going to distribute the money. As a result, I will be opening the extensions to that school.

The protocol is that the federal member does the opening if the federal government puts in the majority of the money. I will be making sure that Cecil Andrews Senior High School makes sure the protocol is observed and that the state member, rather than being disingenuous, realises her role in the whole program. It is only proper. I attended an opening at Campbell Primary School in my electorate. The state government had contributed the majority of the money so, of course, the state member, Paul Andrews, took the lead that day—as he should have done. At the time, the Premier of Western Australia, Alan Carpenter, was the Minister for Education and Training. They made sure I sat in the back row and that any photos taken of me, the federal member, were not included in the coverage. That is how churlish Alan

Carpenter was as state education minister. We will not be playing those sorts of games, but that is the mentality you have to deal with at the state level.

In the last few minutes left to me I would like to deal with the Investing in Our Schools program, which, we know, has been an outstanding program. Everybody wants to be involved in it. The funding goes directly to schools. But, because it goes straight into schools, we have a problem with the program in Western Australia, because the schools decide, through their state based authorities, who gets the funding. We have found that that is a problem in a few cases, particularly in outer metropolitan schools—such as Mandurah, which is a case in point in my electorate, and Falcon Primary School, which is a further case in point—where the schools determine what they would like and put that forward. Strangely enough, Falcon Primary School did not get all the things that they put in for, and the things they did not really strongly endorse they got. They then tried to work with the local member for Dawesville, Kim Hames, and me to try to reverse that. The minister of course said, ‘I have to take advice from the recommending body.’ So it is not a flawless program.

The previous speaker, the member for Jagajaga, tried to say that we need some commitments about this program extending past 2007. I do not have the authority to say whether it will or not, but I can be a Nostradamus on this issue and predict that, because of the absolute passion that the schools have for the Investing in Our Schools program, it will be carried on past 2007, because it fills a need. As a former schoolteacher, I can tell senators that, based on the years that the Labor Party ran the state government schools, you can always tell when they are in power, because the maintenance and the amenities stop. The paint starts peeling. The gutters start falling off. But when the coalition get into government they start spending the right amount of money on schools in making sure they are maintained properly et cetera.

The Investing in Our Schools program has been so popular that there is increasing response every time a round comes out and we are asked to provide funds towards the program. To give an example of some of the projects which have been outstanding in my electorate of Canning, out of the \$28.4 million provided to Western Australia—not an insignificant amount of money—\$10.6 million went to non-government schools. There was also the Canning Vale College, a government school, which received funding of \$4 million, which is not insignificant, for stage 2 of the construction of a senior teaching block. That was part of the capital grants, not the Investing in Our Schools grants.

In terms of the Investing in Our Schools program, there were 77 applications received from Canning in the recent rounds. I am very keen on promoting the prospects of the schools in my area, because P&Cs cannot raise those amounts of money. If they need \$15,000 or \$20,000 for certain structures or technology, they cannot raise it. I come back to the point that the problem in Western Australia is that the state education department got a bit churlish and said, ‘We will take a handling fee of 11 per cent off you.’ That causes a lot of problems, because, if there is a \$100,000 project and they take 11 per cent, the P&C has a real problem trying to raise the funds. The department also said, ‘You have to use the recommended contractors that we have at central office.’ If you are down in Mandurah and you have to use someone from Belmont it does not work because, No.1, they do not want the work as it is too far away and, No. 2, it is too expensive. But it is a great program and we want to see it keep going. The federal government’s commitment to funding in this area is outstanding and will be maintained. (*Time expired*)

Mr BOWEN (Prospect) (10.49 am)—I welcome the opportunity to make some relatively brief comments on this bill before the House. The Commonwealth provides around 30 per cent of the total funding of capital works in government schools, and this has been the case since the 1970s. The Whitlam government increased the amount of Commonwealth funding to government schools. Commonwealth funding has been a major source of funding to government schools since the 1970s or before.

Commonwealth funding as a percentage of the total capital works spending in government schools has fallen since this government came to office. There has been no increase in a general capital works program since 1996. If you listened to the daily rants of the Minister for Education, Science and Training in question time you would think that it was this government that started federal government funding of capital works in public schools or that they had dramatically increased the amount of capital works funding in Commonwealth schools. The opposite is the case, but you would not know that if you were a disinterested observer of question time. You would assume that it was this government that had invented it and it was this government that had increased it dramatically.

The Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill (No. 2) 2006 extends the funding under the general capital works program for 2009, 2010 and 2011. This is in accordance with normal practice and it has been the administrative arrangement for some decades. This allows for long-term programming, scheduling of works and efficient project management. I am confused as to why there is no similar bill coming forward for the Investing in Our Schools program. I was glad to hear that the member for Canning had promoted himself to minister for education and announced it was continuing, but it would be nice to hear it from the real minister for education.

Mr Randall—Mr Acting Deputy Speaker, I rise on a point of order. In terms of relevance and accuracy, I did not announce future funding; I speculated that that would be the case. It needs to be corrected.

The DEPUTY SPEAKER (Hon. DGH Adams)—Order! The member for Bowen.

Mr BOWEN—Thank you. I note that the member at the table indicated that the funding would be continuing, but it would be nice to hear an official announcement from the government. This would enable forward planning on behalf of the education bureaucracy and on behalf of schools themselves. Investing in Our Schools provides funding for minor but important works in schools. I have worked closely with several schools in my electorate, both government and non-government, to obtain that funding—as I am sure all honourable members on both sides have. Certainly I think I speak for all honourable members when I say that we will work to get funding under any project or program if it benefits schools in our area. While principals in my electorate have been frustrated with the administrative delays and problems, nevertheless we have been able to secure funding for some very worthwhile projects, and nobody is going to criticise that. But advance approval for the next three years might avoid some of the administrative hassles that we have seen and that have plagued this program.

There needs to be a serious national effort to upgrade the physical quality of our schools. This is not a measure for posturing. It is not something that should be used to score political points. This is something that all levels of government should be working together on. Parents do not expect their members of parliament and ministers of governments to be posturing on this. They do not expect to see question time used as a great political point-scoring exercise.

They expect the Commonwealth minister and the state ministers to sit down together and to look at the extent of the problem of the lack of capital funding of government schools.

Professor Brian Caldwell, the former dean of education at the University of Melbourne and a consultant to the Commonwealth Department of Education, Science and Training has said ‘these schools should be bulldozed and replaced by schools that are suited to learning in the 21st century.’ I do not say it is the Commonwealth’s job to fix that in its entirety. It is not the states’ job to fix it in its entirety. But why don’t we have a summit on this? Why don’t we have a summit about the state of capital works in our schools? Why doesn’t the federal minister sit down with the state ministers and have a summit on that? Why don’t we see some constructive work going into it? Instead we see this constant and consistent opportunism and point-scoring from the Commonwealth. We had a history summit. I do not have a problem with that, but why don’t we have a summit about capital works in schools? Why don’t we have a summit about the physical quality of our schools? I think the opposition would join with the government and congratulate them if they did that, and we would see a bipartisan effort.

I think the general reputation of people on both sides of parliament—state and federal—would be improved in the community if there were a bit of commonality and if the community saw us working to improve the schools, both public and private, that our kids go to. If there were a bit of that, the reputation of the government might improve and parents might say, ‘At least they are getting along together and working together to improve the quality of the physical being of our schools.’

As I said, this is part of the consistent opportunism we see from the government on this matter. We saw it in the history summit. I speak as somebody who thinks that history should be taught as a discrete and individual unit in every state. It should be taught as a stand-alone subject. I support the concept of a history summit, but why were the states not invited to the history summit? We have a situation where the Commonwealth minister holds a summit and does not invite the state ministers who actually have carriage of the delivery of the program. This is the sort of non-cooperative opportunism that we see from the government. We see it again with reports. We have seen this minister and the previous minister threatening to withhold funding from the states unless they agree with the federal government’s position on reports.

I do not have a problem with plain English reporting. I think there should be plain English reporting in high schools. I do not have a problem with A to E gradings in high schools. I think we could sit down with the states and talk about whether it is really fair to say to a five- or six-year-old, ‘You are going to get an F.’ We should discuss whether that is really the way to encourage them to do better and whether we can come up with plain English reporting which does not pigeonhole kids as young as five and six into being failures. If the federal and state ministers actually sat down together and worked through some of those issues, I think we could get a result through consensus. I think A to E is appropriate for high schools but I think it is inappropriate for primary schools—certainly for the early years of primary schools. If the ministers sat down together with the stakeholders, we could see some results. But we see this opportunism and this constant narking from the Commonwealth government.

We saw it again this week when it came to training. Honourable members may not have all seen it, but the minister for education announced that, unless states sent their teachers for

more training, funding would be withheld. Again we see this belligerent attitude. Nobody is opposed to more training for teachers.

Ms Vamvakinou—Neither are teachers.

Mr BOWEN—Teachers are not opposed to more training for teachers. When I heard that announcement, I thought, ‘That is a lovely announcement. Who is going to teach the kids when the teachers are off doing all this extra training? Where are the resources coming from for the extra teachers to cover the load?’

I thought the member for Jagajaga, in her contribution this morning, expressed it very well. She said, ‘These are the minister’s thought bubbles.’ The minister has a thought bubble and the states are threatened: ‘Unless you do what I say, your funding is going to be withdrawn.’ We see it with the history summit, we see it with reports, we see it this week with training and of course we see it with capital works.

The Commonwealth could be doing something constructive about the drift of students out of public education. Instead of saying, ‘We are going to fund private schools to a greater and greater degree’—of course I support funding for private schools—why don’t we have a summit about the future of public education in this country? Why don’t we say, ‘Let’s look at some innovative things to rejuvenate public schools’ so that we have a genuine competition—for want of a better word—between government funded and private schools? Through competition, we will get much better educational outcomes and parents and children will be the winners.

I am going to be a little bit controversial here and say that I think there needs to be a debate in this country about charter schools, about public schools having their own charter, about parents having more of a say in running public schools. I go to schools in my electorate and ask, ‘How is the P&C going?’ Some say, ‘It is going great—we have got lots of members and we are raising lots of money.’ Others say, ‘Actually, our P&C has closed down—we can’t get parents to come.’ If parents felt that going to the P&C meant they had a stake in running the school—if they had a say on who the principal was going to be, if they had a say on the values of the school—we might see more parent involvement and we might see public education becoming more attractive to people who are moving to private education because of its values.

The honourable member for Canning said, ‘On this side we believe in choice.’ Newsflash: there have been Catholic and private schools in Australia for 150 years or more.

Mr Randall—I said that, you clown!

Mr BOWEN—Both sides agree with choice. When you are called a clown by the honourable member for Canning, you really know you are in big trouble.

Why not have a debate on charter schools in this country? The Commonwealth could initiate it. Charter schools have worked very well in places like Washington DC, where some of the most disadvantaged people in the community go to public schools. We have seen excellent educational results in charter schools.

Whenever you go to a school, as I am sure all honourable members would agree, you find energy and commitment. It does not matter how tired I am when I walk into a school—whether it be government or private—I always walk out feeling better, because teachers and students are dedicated and there is a lot of energy around. It is always an uplifting experience.

If we had a proper debate and some trials of charter schools in this country, we could see a very good development in the reputation and governance of public schools.

I know that many people would be unhappy with that. I know, for example, that some elements of the teachers federation are unhappy with that. I know that some of the educational bureaucracies, both state and federal, are unhappy with that. And I am not here to defend every element of state education department bureaucracy. But, instead of wanting to score points off the states all the time, if the Commonwealth wanted to have a national dialogue, it could have a summit about the future of charter schools and it could have a summit about the capital funding of our government schools. It could sit down and make some progress in relation to the capital funding of our schools. Instead, we see the minister for education walking into question time every day and attempting to score points off the state governments. I have no doubt that, in state parliaments around the country, state ministers are walking in every day and criticising the Commonwealth government. I do not think that is particularly fruitful either. I do not think that is a particularly helpful way of engaging in the debate. We are seeing this constant carping and criticism, when we should be getting on with the job.

The government talks about the Investing in Our Schools program ad nauseam. As I have said before, we on this side of the House welcome any initiatives to improve capital funding for any school, particularly in our own areas. We will fight to get that funding. I have worked very hard with principals of both sorts of schools in my electorate to get funding. I have been on the phone to the department and the parliamentary secretary's office—and I have to say that I have always had a good response from them and a good working relationship with them. But we see the government winding down the general capital funding in real terms. We have seen no increase in real terms in capital funding since 1996. We have seen the percentage of the Commonwealth contribution to general capital funding in public schools fall quite substantially over the last 10 years. Yes, some of that has been made up through the Investing in Our Schools program, and we welcome that. But let's not claim that Investing in Our Schools is this new invention, that it is the first time the Commonwealth has ever been involved in funding the capital works program of government schools, because it is not. It has been happening for over 30 years.

In fairness—I always like to give credit where it is due—the government has commissioned a report. We have seen Professor Caldwell's recommendation that schools should be bulldozed and replaced by schools that are suited to learning in the 21st century. Nobody has suggested that that is going to happen overnight—of course it is not. It is going to take years to happen. I have seen estimates of billions of dollars for doing that. No government has the resources to do that quickly.

That underlines why the Commonwealth and the states should not be scoring points off each other. The minister should not be waltzing into question time to say that the states have let the system down. I see that the minister's latest tactic is to refer to every school as a state government school and not a public school, just to underline the point that the Commonwealth, out of the goodness of its heart, is giving back Commonwealth funding—when the Commonwealth has been involved in funding government schools for more than 30 years. Instead of this constant point-scoring and political posturing on the issue of capital funding, it would be better if we had a summit and sat down with the state governments and worked together to fix the capital funding crisis in this country.

Mr TUCKEY (O'Connor) (11.05 am)—It was interesting to hear the member for Prospect repeating at least five or six times the word 'summit'. I well remember the first summit that Bob Hawke called, which was before the parliament had convened. I stacked on a show at the time and said, 'Why are you going to fill the parliamentary chamber up with non-elected people?' I was not supposed to be there, so I turned up and occupied a seat for the day. It was the most boring situation that I have ever been involved in; it was a talkfest. If you ever want not to do anything—if the determination of a government is to do nothing—you hold a summit or an inquiry. The Hawke-Keating government was full of it.

I might add that the last Labor Prime Minister since I have been here continues to advise us—and sometimes I think correctly so—that you should never give untied money to state governments. That is a Paul Keatingism: you never do it because it will be wasted. He and I have a generic view about that. I do not restrict it to one side of politics or the other. The great Treasurer of the Labor Party over time, Keating, gives us strong advice about that.

Consequently, whenever we have debates about education funding, it is the wont of the Labor opposition to deal only with specific grants when in fact I can well remember the Prime Minister, in fighting for a sensible tax reform agenda incorporating a GST, made it very clear to the Australian community that this was going to be a growth tax to give adequate resources to the state governments to do their job. Their job, constitutionally as I understand it, is to provide adequate public education, adequate public hospitals and adequate policing and to deal with issues related to land management et cetera. They were the responsibilities the colonies preserved for themselves at the time of Federation. And yet schools are falling down in my electorate.

So the Australian government has to turn to the Australian taxpayer—you would think we manufactured this money to hear some of these people talk. When the government extracted the GST—and I might add that in a political sense we sacrificed about 15 seats in parliament to get it through—the government lacked the support of the present Leader of the Opposition. But when Paul Keating confronted John Hewson on this issue he said, 'If you vote Hewson in, I will support a GST.' That is what he said. And he was the first to promote a GST. They had another summit about a broad base consumption tax. Keating was called over to a motel room one night and sitting there was Bill Kelty, the trade union heavies and the Prime Minister, and they pulled the rug out from under the Treasurer. I think he was proposing a 12 per cent tax at the time.

Here we are forcing the Australian taxpayer to pay the GST to fund state governments to do their job, yet we are today debating a bill—which is apparently being criticised for its inadequacy—to give extra money. We had a lecture from the member for Prospect about us all getting together. We are going to have a love-in or a summit and we are all going to love one another. But if you go back and look at the *Hansard* record you see that the government was pilloried day after day—it is the tall poppy syndrome—about funding non-government schools, sometimes called private schools. We had criticism from the member for Jagajaga, who was lauded a moment ago by the member for Prospect and others, but she identified only the specific grants that we provided to government schools—which, as I will point out in a moment, are very substantial. She totally ignored the GST.

The present Treasurer in the Western Australian government, Mr Ripper—well named—stood up one day and discovered that he had a \$700 million surplus. It was a bit of a surprise

to him. The *West Australian* published a table showing where the money came from. When you added it up, 50 per cent of the total revenue of the WA government came from the Australian government—in reality from the Australian taxpayer. That is commonplace throughout the country. So any analysis of the cost of funding a government school, and who provides the money, must be made on that basis. In other words, if it costs—as has been mentioned in the past, and it might have increased a little—\$10,000 to educate someone in a secondary school, \$5,000 of that comes from the initiatives of the Howard government, including the GST. I quote the remark of Mr Keating, who said: ‘You should never have given them the GST untied, Mr Howard. You should have stipulated every cent.’ We did not believe in that, and you could argue the pros and cons of that for a long time; but the reality is that 50 per cent of the cost of educating and housing, in terms of school buildings and other facilities, is provided through the initiatives of the Howard government. Of course, we are coming to that today, particularly in capital works.

Considering the restrictions on time that I have, I would like to have incorporated in *Hansard* a list of projects in my electorate of O’Connor which have been funded through government initiatives, including the Investing in Our Schools program. I seek leave from the representative of the Labor Party who is sitting here at the moment to have that list incorporated in *Hansard*. I am extremely proud of it, and I take every opportunity to attend in those areas.

Leave granted.

The document read as follows—

ELECTORATE OF O’CONNOR

Capital projects (EXAMPLE)

Government

Mount Barker Primary School, Oatlands Road, MT BARKER, WA 6324

Funding of \$2 million in 2006 for construction of new facilities for years 4-7 including a library, cafeteria, eight class rooms and music and art facilities.

Non-government

Great Southern Grammar, Nanarup Road, LOWER KALGAN, WA 6330

Funding of \$275,000 in 2003 for the construction of eight secondary classrooms, student amenities and change rooms, walkways, stores, offices, professional fees, furniture and equipment, fire services and siteworks.

Investing in Our Schools Programme

In Round One 63 projects for the electorate of O’Connor were approved.

In round Two 53 projects for the electorate of O’Connor were approved.

A total of \$4.4 million for both rounds has been approved.

Round Three for Western Australian schools closed on 29 March 2006 with 1180 applications received. 230 applications have been received from the electorate of O’Connor.

The applications have been checked for compliance with IOSP Guidelines and also reviewed by the State Government Advisor. The SAAP meeting to finalise the recommendations of these applications is scheduled for 12 October 2006.

Round One approved projects —O'Connor, WA

Client Name	Project Name	Total Grant Amount
Mukinbudin District High School	Information Technology & Power Upgrade	53601
Dowerin District High School	Upgrade of the Design and Technology room	45100
Dowerin District High School	Upgrade of Cooling and Heating	22102
Gnowangerup District High School	Performance Centre	40652
Kellerberrin District High School	Shade Structure over Primary play equipment	9499
Wagin District High School	Playground equipment upgrade	40776
Broomehill Primary School	Reticulation of School Lawns	10000
Mount Manypeaks Primary School	Playground shade sails	5000
Flinders Park Primary School	Paving undercover area	21436
Jerramungup District High School	Reticulation of School Sports Oval	29896
Jerdacuttup Primary School	Senior Playground Enhancement	11220
Ravensthorpe District High School	Bike Track	4000
Ravensthorpe District High School	Shade Sail	2790
Ravensthorpe District High School	Media Production Computers Facility	12680
Ravensthorpe District High School	Carpets	9000
Ravensthorpe District High School	Library Airconditioning	7360
Ravensthorpe District High School	Shade structure	2790
Dumbleyung Primary School	Shade Structures	41420
Newdegate Primary School	Purchase School Photocopier	11159
Kondinin Primary School	Playground Equipment Upgrade	20345
Babakin Primary School	Computers Desks & Chairs	4089
Babakin Primary School	Garden and Paving Improvements	2272
Babakin Primary School	Musical Instrument	8667
Babakin Primary School	Furniture	2091
Meckering Primary School	All-weather cover to play area	9711
Meckering Primary School	ICT Upgrade	17401
Cunderdin District High School	Playground Shade	23265
Cunderdin District High School	Portable Shade Structures	5083
Tammin Primary School	Shade structure and upgrade to playground	45675
Cadoux Primary School	Playground & Shade	18361
Cadoux Primary School	Sport & Technology Facility	26600
Kalannie Primary School	School Computer Equipment upgrade	27000
Kalannie Primary School	Upgrade to lighting and electrical work	4540
Kalannie Primary School	Upgrading of Classroom Furniture	8640
Beacon Primary School	Technology Improvement Project	12054
Beacon Primary School	School Ground Improvement Project	24368
Trayning Primary School	ICT Upgrade	26100
Trayning Primary School	Upgrade to security measures	7479
Trayning Primary School	Paving and upgrade to outdoor area	17719
Nungarin Primary School	Playground and Shade Construction	24106
Moora Primary School	Air-conditioning Upgrade	17014
Moora Primary School	Computer resource upgrade.	33568
Cervantes Primary School	Sport and recreation enhancement	50000
Watheroo Primary School	Playground Equipment	23700
Eneabba Primary School	Computer Network Upgrade	8861

Client Name	Project Name	Total Grant Amount
John Willcock College	Shade Structure	13000
John Willcock College	Replacement of whiteboards	776
John Willcock College	Security Improvements	10420
	Television with VCR/DVD combination player for	
John Willcock College	Library	710
John Willcock College	Multi-purpose library cart	338
Mount Tarcoola Primary School	Initial Planning Costs – Learning Technology Room	3909
Mount Tarcoola Primary School	Fencing Playing Courts	6740
Bolgart Primary School	ICT Upgrade	22436
Bolgart Primary School	Seating/Storage Shed and Workshop	6474
Bolgart Primary School	Updating Reading and Library Resources	6350
Bolgart Primary School	Classroom Resources and Equipment Improvements	5955
Miling Primary School	all weather undercover area	32599
Miling Primary School	Adventure Playground Upgrade	32900
Buntine Primary School	Provision of Play and Fitness Equipment	14557
Ballidu Primary School	Air Conditioning - Electrical Upgrade	1626
Ballidu Primary School	Playground Equipment	21627
Holland Street School	ICT Improvements	37305
Spencer Park Education Support Centre	Playground upgrade	45000

Round Two Approved Projects —O'Connor, WA

Client Name	Project Name	Total Grant Amount
Morawa District High School	Sporting Infrastructure Upgrade	55550
Morawa District High School	Classroom Improvements (Home Economics)	93650
Corrigin District High School	Walkway Upgrade	38280
Dowerin District High School	Sporting Infrastructure Upgrade and School Ground Improvements	82798
Gnowangerup District High School	Air-conditioning	108589
Goomalling Primary School	ICT Upgrade Play Equipment and Refurbishment of Buildings	76456
Narembeen District High School	Shade Structure	78181
Boyup Brook District High School	Play Equipment and School Ground Improvements	57131
Woodanilling Primary School	Air conditioning Shade Structure and Water Cooler	89580
Braeside Primary School	Play Equipment and Shade Structures	109989
South Stirling Primary School	Small Scale Extension and Classroom Improvements	128505

Client Name	Project Name	Total Grant Amount
Wellstead Primary School	Playground Upgrades	24400
Mount Lockyer Primary School	School Ground and Classroom Improvements	141383
WA College of Agriculture - Denmark	Shade Structure	18128
WA College of Agriculture - Denmark	Amenities Refurbishment (Sick Bay)	10070
WA College of Agriculture - Denmark	School Ground Improvement (Gazebos)	8500
Borden Primary School	Small Scale Extension (Assembly Area)	63609
Pingrup Primary School	Shade Structures	13433
Tincurrin Primary School	Shade Structures	80000
Kulin District High School	Playing Fields Upgrade	109143
Wickein Primary School	ICT Upgrade	94914
Quairading District High School	Small Scale Refurbishment of Building	9047
Quairading District High School	Shade Structure	15150
Quairading District High School	Classroom Improvements (Floor Coverings) (A)	10842
Quairading District High School	Classroom Improvements (Floor Coverings)	10361
Quairading District High School	Shade Structures	33265
Darkan District High School	Play Equipment and Shade Structure	87988
Frankland Primary School	Small Scale Extension (Multipurpose Room)	112524
Bencubbin Primary School	Shade Structures Classroom improvements and ICT Equipment	97331
Dandaragan Primary School	Small Extension (Portable Classroom) and ICT Equipment	150000
Three Springs Primary School	Shade Structures	15950
Dongara District High School	Play Equipment and Sporting Infrastructure	126339
Beachlands Primary School	Air Conditioning	121000
Bluff Point Primary School	Small Scale Extension (Library)	150000
John Willcock College	Musical Instruments	28765
Mount Tarcoola Primary School	Sporting Infrastructure and Playing Fields Upgrade	13281
Waggrakine Primary School	Small Scale Extension (Art Room)	59730
Bolgart Primary School	Small Scale Extension	82500
Calingiri Primary School	Shade Structure	146580
Wongan Hills District High School	ICT Facilities and Equipment	142361
Jurien Bay District High School	Sporting Infrastructure Upgrade	4400
Jurien Bay District High School	School Ground Improvements	4180
Jurien Bay District High School	Play Equipment and Shade Structures	54890
Jurien Bay District High School	School Ground Improvements (Seating)	2444
Ballidu Primary School	Sporting Infrastructure (Storage Shed)	38258
Denmark High School	Small Scale Extension and Classroom Improvements (Manual Arts Room)	73017
Denmark High School	ICT Equipment	29280
Denmark High School	Vehicle (School Bus)	40000

Client Name	Project Name	Total Grant Amount
Little Grove Primary School	Outdoor Area Upgrade	3090
Little Grove Primary School	Small Scale Extensions	18400
Little Grove Primary School	Sporting Infrastructure (Shed)	7680
Geraldton Senior College	Outdoor Area Upgrade	85470
Geraldton Senior College	ICT Facilities and Equipment Upgrade	64530

Mr TUCKEY—I thank the member for Rankin, because I am just so proud to see how the P&Cs, the school principals and others in my electorate have responded to this Investing in Our Schools program. I think it is worth putting on the record a most delightful experience that I had. I went to the Buntine School, which now has 17 pupils. They asked, quite modestly, for about \$14,000 for new playground facilities, because under OH&S all the old playground facilities are no longer adequate. Five little kids got up and showed me their project. Their project, including a painting on the front, was a handwritten letter to the Prime Minister, to the Treasurer, to Dr Nelson as the former Minister for Education, Science and Training, to Julie Bishop and to me.

I asked the school principal whether I could have those. She said, 'It's their school project, but I'll photocopy them.' She made them available to me. I sent them to each of those ministers and asked whether they would reply. I thank each of those ministers for their reply to those individual students. They were great little letters. They said, 'We love this playground. We get puffed out on it.' They were real kids' letters. I might add, to the credit of those school teachers, that the handwriting was much improved on my own letter. It was very legible.

It was a wonderful thing to see the kids recognising that the government had done something in their school. Minister Nelson, now the Minister for Defence, tells me he has his letter on his wall in his office. He felt so good because it was his initiative in the first place. I am proud to have this list incorporated in *Hansard*. The total for these Investing in Our Schools projects, which, at a glance, range from \$2,000 to \$50,000—and there are others that I note here—for the electorate of O'Connor in the two rounds granted to date is \$4.4 million. I am very proud of the fact that—

Dr Emerson—Are you in a marginal seat?

Mr TUCKEY—I have a very aggressive policy on grants. I constantly get criticised for the fact that O'Connor does very well out of it. But that is a great credit to the people in my electorate. We, as members of parliament, make sure that they know about it. I have to say to the member for Rankin—and I thank him for his accommodation moments ago—that sometimes members of his party tend to try to hide the initiatives of the Howard government, to the detriment of their own constituents. I never did that when in opposition. Every time I saw something pop up that I thought was beneficial to my electorate, I could not get my fingers into the till quick enough and my people were always informed—

Mr Randall—I thought you only got \$1.4 million.

Mr TUCKEY—The list says, 'Investing in Our Schools program: round 1, 63 projects; round 2, 53 projects; a total of \$4.4 million for both rounds has been approved.' There you go. You might be a bit behind on this, Member for Canning.

Mr Randall—You are a Prime Ministerial favourite.

Mr TUCKEY—That is what it is, I am sure! It is most important that people in my constituency are recognised for their efforts. There is paperwork involved in applying for these schemes. It takes community effort. Typically, when you go to the school, you find that the P&C members and the local authorities have been there, all making contributions. I always thank the volunteers in my electorate because typically, and throughout the community, the contribution of we politicians, with the cash of the taxpayers, pales into insignificance when you look at the personal effort that is being contributed to all of these schemes.

The foundation of it is initiatives of this nature by the government which put the cash up. That is frequently so difficult for people in all communities, but particularly in rural communities, to find. They will give of their time. They will come in with their trucks. They will come in with their front-end loaders. They will do all of those things for their community. But, if they have to write a cheque, the bank manager has a bit of a say in that. Frequently that is very difficult.

I just wanted to make those points about a component of this funding. I could not close without further speaking to the other factor here—that is, the record of the Howard government and its contribution to the state government school sector in particular over and above its GST contributions and the others that I have mentioned. The record is that, since 1996, the Australian government has continued its trend of providing increased funding for school education each year. In 2006-07, nearly \$9.3 billion will be provided in funding for both state government and non-government schools, representing a \$760 million or 8.9 per cent increase in funding over last year, and a 158.2 per cent increase in funding since 1996.

The member for Prospect said that we were falling behind in real terms. Unless I have missed it, the last time I saw the CPI figure it was running at around four per cent and we have just had an increase of 8.9 per cent. My arithmetic is not bad. I did not have to get the OBE treatment when I was at school. We repeated the tables until we knew them. I can still add a row of figures quicker than anybody can do it on a calculator and I thought that was not a bad way to teach kids, to be honest. I did not object, in hindsight, to the bloke that used to give me a hiding about twice a week at Perth Boys School for well-deserved punishment.

Mr Broadbent—Not enough, obviously.

Mr TUCKEY—I usually gave them good reason. But the fact of life is that, on simple arithmetic, if I take four from 8.9, I have a real term growth of 4.9—let us say five per cent—and I do not think we have hit four per cent in CPI growth as yet. But, more importantly, are these capital grants programs? Under the capital grants program, an estimated \$1.7 billion is being provided over 2005-08 to assist the building maintenance and updating of schools throughout Australia. Government schools will receive an estimated \$1.2 billion over 2005-08 from the Australian government under the capital grants program. Specific responsibility for establishing and maintaining government schools rests with the states and territories, with the Australian government providing supplementary funding.

You cannot have it three times. If you are getting 50 per cent of all your expenditures from the Australian taxpayer, you should not try to make comparisons with private non-government schooling, arguably whose only resource of government assistance comes from the Australian government. But it is wrong to compare the funding that states get through the specific grants

with those specific grants available to Catholic and other non-government schools, which of course are the only funding they have got.

Again, on capital works, I noted with great approval when recently attending the Christian school in Geraldton—600 kids attending; not a little school by any measure—that they were opening two or three new classrooms. Our contribution was a couple of hundred thousand dollars, as I recollect. I said, ‘Where did the rest of the money come from?’ ‘Oh, we got an interest-free loan from the state government’—they are not going to charge interest, but send the money back. In other words, load up the fees to your parents in a Catholic school—I am sorry, it was not Catholic; it was a Christian school. Those sitting in the audience did not look like the wealthy and the *creme de la creme* of Geraldton. They looked like pretty ordinary people wishing for a Christian education for their kids, with a delightful staff—young people—teaching.

I will also put on the record in this regard that I write about 2½ thousand letters to schoolkids every year. It is a labour of love, but they are the ones who have achieved at school. While I was at one of the schools for the Investing in Our Schools celebration, I met what I thought to be a fairly young school principal, a very enthusiastic young man. I said to the kids, who were all primary schoolkids, ‘How many of you kids have got a letter from me?’ and up went some hands, including that of the school principal. It tends to date me a bit, but I thought that was a lovely example. I have been doing it for a long time and, while I stay in this place, I will continue to do so. My favourite reply was from the kid who asked whether I could please reply to this letter so his mum and dad would freak out again. When you get those sorts of letters, it makes this job very worth while.

In closing, this is good legislation because it authorises very substantial and increasing expenditure in real terms. We did not have a summit to come to the conclusion, and I could have talked for the same period of time on my objection to the dumbing down of educational processes. I think the member for Rankin and I have some common ground, and it was somewhat interesting to hear the member for Prospect talk about charter schools.

I am a great believer in vouchers. I say: fund parents. This discontinues all the argument about what one school gets and what another school gets. I repeat: you give funding targeted on both economic and geographic grounds to parents by way of a piece of paper only cashable at a school. You then get people making some decisions about the education they want.

In another context in this place, I talked about the role of local government in managing schools. This is commonplace around the world and it gives a lot more ownership of a school to the local population. They have a lot more influence over their local government people than maybe they do over a minister in this parliament. I do not agree with summits. I certainly agree with telling people that if they do not run a decent education system they do not get the money. It is the only influence we have over state governments—we have the constitutional divide—and it is not right that an Australian government minister should spend money on outrageous programs like outcomes based education, which is virtually no education. I thank the House.

Dr EMERSON (Rankin) (11.26 am)—This legislation provides for capital grants for government and non-government schools for the three years 2009-2011. The reason that it allocates funding for that period is that schools, both government and non-government, need some lead time so that they have greater certainty in their own planning and construction pro-

grams. I unreservedly welcome this legislation. I have had occasion to say in the past that sometimes the general public watching question time would come to the conclusion that Labor and the coalition agree on nothing and argue about everything. The truth—and that truth is especially encapsulated in the proceedings of the Main Committee—is that there are matters on which we do agree. Funding capital works for our schools is a matter upon which there is unanimity across the chamber. We can and do debate the adequacy of such funding, but any legislation that allocates extra funding to schools is legislation that I would strongly support.

I note that the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill (No. 2) 2006 allocates funding both to government and non-government schools and it does provide an opportunity to debate the funding patterns of various federal governments over the years. The truth is that since this government was elected there has been a very substantial shift in funding towards non-government schools and away from government schools, at least in relative terms. It reminds us that there is nothing in the Constitution or in pre-existing legislation or practice that determines absolutely how much funding a Commonwealth government should spend on government schools and how much on non-government schools, nor is there a strict formula for how much the Commonwealth government should spend on schools compared with how much state governments should spend on schools.

We do hear from some coalition members that state governments should fund state schools, and that then frees the Commonwealth to fund the non-government schools. But, in reality, states increasingly have become involved in funding non-government schools and the Commonwealth increasingly has become involved in funding non-government schools as well. So if you step back to have a look at the rhyme or reason that guides these funding allocations you will fairly quickly come to the conclusion that there is none.

That opens up the possibility of contemplating a new funding model based on pooled funding. Why do we obsess about how much the Commonwealth is giving the government schools compared with states and how much the Commonwealth is giving non-government schools compared with the states? Surely the overall responsibility of both levels of government is to ensure that every young person in this country has the same access to a quality education, whether it is in a government or a non-government school.

I note that Kim Beazley Sr, the father of the Leader of the Opposition, buried the state-aid debate back in the 1970s. I would like to see it remain buried, because we should be funding, fundamentally, according to the needs of the child. Having said that, it is true that there is a concentration of needy students in government schools in poor communities. This residualisation of government schools in poor communities is having a severe impact on the opportunities for those students to get a decent education that sets them up for life.

In part, this residualisation has come about by a movement of students from government to non-government schools. Over the last 20 years, all of the enrolment growth has been in non-government schools; there has been none in government schools. Parliamentarians from both sides of the chamber need to acknowledge that parents are voting with their children's feet and are taking them out of government schools and putting them into non-government schools. And it is not just those with a very large amount of income that are doing so. Parents with low incomes are still scraping enough money together to pay the fees in low-fee non-

government schools, especially Catholic schools, which tend to charge much lower fees on average than independent schools, but also in independent schools.

Because parents are voting with their children's feet, the government schools in poor communities are left with a very high proportion of students with behavioural problems and learning difficulties, and a large preponderance of students who do not have English as a first language—the sons and daughters of migrants. That does not create a wonderful learning environment. If there is a lot of classroom disruption and bullying then those students who are trying to get ahead are disrupted and distracted. Not only that, but the principal of the school, or often the deputy principal, will spend a lot of time on pastoral care. By that I mean tending to the needs of young people who might have very sad and unfortunate lives at home in dysfunctional families. They can often be subject to domestic violence. All of that means that students arrive at school almost taking refuge, I have to say. School offers them a period of respite, where they can have a peaceful time, only for them to go home and resume a very tough life. I say this not from the abstract but from direct experience in a number of government schools in my electorate of Rankin.

Unless we as a community are prepared to face up to these realities and not glance at the ground and duck our heads and pretend that it is not happening, those young people will not get a decent chance in life and will not get a quality education. That is why I have advocated a needs based funding model for schools, both government and non-government, such that extra funding would attach to the neediest children. All children would receive funding, but extra funding would attach to the neediest children—those children with learning difficulties, with special needs, with behavioural problems or with English as a second language because they have recently arrived from a non-English-speaking country. It is possible to create a formula based on those criteria, such that extra funding does flow to those children.

Unlike the previous speaker, who argued for a voucher which is payable to the parents, I would still argue that the funding should be made available to the school, but as the child moves the funds move as well. He did not actually mean that; he said that the money should be paid to the parents and be redeemable only by spending it on school education. My model is different from that: the money would be payable to the school, but as the child moves the money moves as well. The great benefit of a needs based funding model along these lines is that the situation for disadvantaged students in accordance with the formula would change dramatically, from one of them being considered to be a problem or a liability to being an asset—that is, schools would start competing for disadvantaged students because substantially larger funding would attach to those students.

If you consider the dynamics that are unleashed as a result of that, it is very easy to imagine non-government schools, including some that may be quite well-off, working out how they can get their hands on some of these disadvantaged students. If they get their hands on the disadvantaged students, if they are able to persuade the parents to bring those disadvantaged students out of poor government schools into somewhat better-off and non-government schools, that can only be good news for the those kids and also for the students who remain in the poorer government schools. The classes in the poor government schools will become more regularised, if you like, and if those classes are more regularised, there is a lesser concentration of behavioural problems and learning difficulties, creating an environment much more conducive to learning and excellence.

In effect, you would have government and non-government schools bidding and competing for disadvantaged students rather than the current situation where they are being pushed into or kept in poor government schools in poor communities. In addition, not only would some of those students be attracted into other schools but those who remain would be generating extra funds for the poor government schools, so the poor government schools would be less poor—that is, more money for poor government schools and more money for those schools who attract disadvantaged students.

What would the money be used for, particularly in poor government schools? This, in my view, should be a matter for those schools, subject to an overall curriculum and some generally accepted programs such as Reading Recovery. In those schools that receive the extra funds, they would be able to hire teacher aides to assist in Reading Recovery programs to ensure that, wherever possible, literacy and numeracy standards are raised in those poor government schools. They could put on extra teachers in those schools where class sizes could be reduced.

I am not an advocate of across-the-board reductions in class sizes. I do not imagine for a moment that reducing class sizes across the entire schooling system, say from 30 to 28 students, would make much difference at all to learning outcomes. But, in schools where there are concentrations of students with behavioural problems and learning difficulties, instead of one teacher having 30 students, one teacher might be able to take 10 students and give them one-to-one support and tuition. I believe that that would produce real results.

So the extra funding could be used on teacher aides, on extra teachers. Controversially, I am a supporter of paying our best teachers more. I do not care what you call that. We can get into stifling debates about terminology, but I believe it is important that our best teachers be attracted to and retained in our most disadvantaged schools. If that is controversial and it makes me unpopular within my side of politics, so be it, because I fundamentally believe that it is important that the best teachers be attracted into and retained in our most disadvantaged schools, and that can and should involve paying them more.

I know that most teachers are motivated by a sense of altruism, a commitment to learning and teaching and because they feel good about it. We as Australians should be very proud of the teaching profession in this country, but it also helps for those teachers to get a bit of extra acknowledgement through a bit of extra remuneration. I have never heard anyone say they do not want the money. I think it is a good thing that they get extra remuneration as acknowledgement of their wonderful contribution to turning around the lives of children. I would argue strongly that our best teachers should be given incentives to work in our most difficult and challenging schools.

We should be having a genuine debate about this rather than having ridiculous debates on shocking terminology such as ‘performance pay’, ‘merit pay’ and ‘vouchers’. These debates are small-minded, because they are about labels. Across the chamber, and in the broader community, we need to have debates about quality and about ensuring that our young people have a flying start in life.

The extra funding in respect of disadvantaged students could also be used on a ‘full service’ school model—a school that is financially able to provide on campus a nursing service, a visiting GP service and, indeed, police services. In very disadvantaged schools, and in other schools, it is quite common for young girls to get pregnant. They are very worried about how

they are going to tell their parents. They are anxious and distressed about it, and often they have no-one to talk to except the principal or deputy principal—who then spend all their time on pastoral care instead of teaching. But if you had a resident school nurse—or a school nurse rotating amongst, say, three schools—they could help with the pastoral care. A psychologist could help with pastoral care. A GP could help with the pastoral and physical care needs of students.

All of these wonderful opportunities exist. I believe we should move beyond the stifling political debate about tags and labels. We should work out the best ways of delivering these services. We should work out the best ways of rewarding teachers and having them come to, and stay in, our most disadvantaged schools. Instead we are straitjacketed by these ridiculous debates.

I said at the outset that I welcome this legislation because it provides extra funding for schools—and that is a good thing. I would now like to comment on a very good document, provided by the Australian Education Union, which sets out in a most rigorous way the extra funding requirements of our government school systems in order to ensure that disadvantaged students are given a reasonable opportunity. In today's dollars, that extra funding comes to about \$2.9 billion. That gives us an indication of the magnitude of the task. In a budget of well over \$200 billion—and that is only the federal budget—we should be looking at ways to accommodate that task. It will happen not overnight but over time. There can be no greater investment than investing in the talents of our young people.

Why is it that people say the kids are not as gifted and talented as kids in better-off communities? That is absolutely repugnant. It is an absolutely disgraceful attitude, yet I have to say that many people hold that attitude, including some people who live in the poor communities. We should be able to lift up the spirits of every young person in this country. We should be able to develop and nourish their talents so that they can be great contributors to our society and so that they can have a wonderful life.

If we move to a needs based funding model that makes sense, is practical and gets rid of all this stupid debate about tags and labels, we will have done a great thing for this country. I do not see any real signs of the coalition government doing it. The Labor opposition is committed to a needs based funding model. I have to say, I think that the likelihood of that happening will be real only upon the election of a Labor government. In the meantime, I fully welcome this legislation.

Mr BROADBENT (McMillan) (11.46 am)—I rise today in support of the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill (No. 2) 2006, which reflects the Australian government's funding commitments and educational priorities by providing a record \$33,000 million in funding to all Australian schools over the years 2005-08. This bill provides the largest ever commitment by an Australian government to schooling in Australia. This increase in funding is a continued trend under the Howard government and marks a total increase of 158.2 per cent since 1966.

I was pleased to hear the member for Rankin have his input into this debate and be prepared to put his views on the line. Perhaps not all within his party would follow or join him in those views, but it is obvious he has a direct, sincere and close association with teachers, their professional development and the opportunities that they face within the public sector of education. I have a commitment to one of the schools that is listed in the government area, the

Pakenham Secondary College, which I had two stints with as a school counsellor—a great experience.

Mr Deputy Speaker, you were not here for the member for O'Connor's presentation, which is always entertaining, thoughtful and deep. He was, of course, assisted in that approach by the member for Canning, from Western Australia, who is another good friend of mine and is dedicated to education and the benefits that it provides to the electorate of Canning and the giant electorate that is O'Connor. We heard again the story, which the member for O'Connor has told so many times, about how much power there is in praise and how he writes 2,500 letters to every student that has gained a prize across the schools right across O'Connor.

When we talk about O'Connor, we talk about places like Geraldton, which my family has had an association with over the last few years. I know the schools the member for O'Connor was talking about in Geraldton. To those people from Geraldton that are listening today I say, 'We appreciate the remoteness of parts of Western Australia.' This has nothing to do with the seat of McMillan, which I will come to a minute, but it is just great to hear members talking with such passion, be it the member for Rankin on this issue or the member for O'Connor on his electorate. It was great to hear the member for O'Connor talk about that small independent school and the obviously intimate relationship that he has with his community.

I mentioned before that, whilst the Australian government is having a greater input into education than any federal government ever has before, I believe that the Investing in Our Schools initiative, an initiative of the Prime Minister's, has been the most well-received program I have ever seen run out across Australia in my 22 years of activity as a member or a candidate—I think I have spent more time as a candidate than a member.

I have seen programs come out and the popularity of them, but I can tell you: this one is popular in all seats. It is popular in the seat of Gorton because they are making a difference. The next speaker will get up—

Mr Brendan O'Connor interjecting—

Mr BROADBENT—No, the next speaker will get up and say how good this has been for schools. It is not a matter of just giving these schools a benefit. I will tell you what it is all about. I want to say to those people who are representing the minister so the message goes back: you have to sell a heck of a lot of sausages and onion to possibly come up with the sort of money that has been invested in these tiny schools. They just could not do it. I believe the state governments' priorities are lacking in that they should have done these things.

We have got teachers trying to deliver education in public schools in inadequate facilities. The member for Rankin before talked about the shift of young people from public schools to private schools. I do not believe there is much of a shift going on—I know he was talking about the numbers. I do not believe they are shifting out of public schools. In our public schools—and I am going to talk about a few in a minute—the teachers are dedicated and the principals and teachers are talented. The facilities are not as good as some of the new private schools, but I would say to the member for Rankin that there is a lot of streaming going on. They are starting in the kindergarten, going through to primary school in the independent sector and then going through to secondary school in the private sector, rather than shifting from public schools to private schools—although there is some of that in the secondary area. In my own experience, I went from Koo Wee Rup Primary School to Koo Wee Rup Secondary Col-

lege. Later on, I went to the city—probably an investment by my mother and father that they are now concerned about.

We are putting in around \$10.7 billion—it is very easy to say a billion dollars, but it is a thousand million dollars—which will flow to state schools. That is an increase of \$2.8 thousand million over the previous quadrennium. An estimated \$20.2 thousand million will flow to non-government schools, which is an increase of approximately—we had better go back to billions—\$2.5 billion over the previous amount. The funding is provided to assist the building, maintenance and upgrading of schools throughout Australia. The Australian government funded projects typically include the construction of new schools, additional classrooms, libraries and other vital school facilities. Every member, even those gathered in this room, would have gone to open new school facilities, and they would all admit that they are fantastic. They are amazing facilities compared to what we as young people expected from the schools that we went through in the sixties and seventies, for those who are about my age. Of course, the member for Gorton probably went through far classier schools than Deputy Speaker Somlyay and me.

The Investing in Our Schools program, as I said before, has been most positive for schools in my electorate of McMillan. Pakenham Secondary College, where I was a school counsellor, received funding of \$1.6 million in 2006 for stage 3 of the construction of general purpose classrooms; seminar space; commerce, personal development and technology studies facilities; staff work space, which is always important; senior student lounge and amenities—imagine that!—and the upgrade of general purpose classrooms. It is a great school in outer Melbourne. The school has challenges, which it is facing; we all admit that. One of the best things that happened prior to the last election was when the Prime Minister said, 'I'm going to put some money into the Catholic education system so that they are going to get over and above the money that they have been receiving so far.' I remember that because I was a candidate then.

Now, for the first time, places like Leongatha, which were once seen as wealthy dairy communities but are no longer, have the socioeconomic status of many of the regional cities across Australia. Mary McKillop Catholic regional college at Leongatha has received funding of \$956,956—I do not know how we got a figure like that—in 2004 for construction of a music, drama and dance centre, an arts centre and two classrooms; refurbishment of manual and industrial arts areas; conversion of an existing area to provide physical education facilities; and refurbishment of student amenities and removal of existing relocatable classrooms. I think it was the day I was called away to Sydney to do something else that they opened those facilities. I still remember saying to the bishop, 'Look, Bishop, I'm not going to make it,' and he said to me, 'You go with our blessing.'

The Investing in Our Schools program has taken me back to places like Albert Street, Moe. People say, 'What have you got to do with Moe, Russell?' Moe used to be in my electorate. But also my sister began her teaching career in Moe. Those were the days when the teachers did not get the opportunity to pick and choose which school they would like to go to; they got sent. My sister Gaye was sent to Moe. So I have a sort of family attachment to the schools around there as well. And watching the money go into these older schools where there has been a decline in country communities has been great. Albert Street Primary, Moe, con-

structed an undercover assembly area. That was \$40,128. As I am going to keep saying, that is a lot of sausage sizzles.

And there is the Baringa Special School. Mr Deputy Speaker, you know that I have a special affinity with people with disabilities, and particularly with schools like Baringa Special School. The principal there is Rosa. They receive \$42,573 under this program.

Last week I had the opportunity to be surprised when I walked into a school. I walked into Bunyip Primary School to celebrate the \$50,000 we gave them for their library, only to be met by a witch, who got such a shock when she saw me—I do not know what I looked like—that her hat fell off. She said, ‘You’re not meant to be here.’ I said, ‘What do you mean I’m not meant to be here?’ She said, ‘You’re meant to be in there.’ I thought, ‘I’ve come to a primary school; there is nobody in the office; I am met by a witch whose hat falls off; and then I am told to go in there.’ I went in, and behold: here is a whole assembly hall full of children and teachers dressed up for Book Week. They are dressed up as every sort of character you can possibly imagine.

Mr Brendan O’Connor—Harry Potter.

Mr BROADBENT—There was Harry Potter. I had not met Harry Potter. When I started to address this group to hand over my contribution to Book Week, and after I had met their principal and their librarian, I met the Queen of Hearts, whom I was quite taken with.

Mrs Gash interjecting—

Mr BROADBENT—I am serious. You should have seen the Queen of Hearts. She was one of the teachers. Every student was participating and every teacher was participating—except the principal. He said to me, ‘I’m normally here on these days,’ but I think he had to come in with boxer shorts and he did not think it was appropriate when the federal member was there, so he wore a suit. He was the only member of staff with a suit on that day.

Mr Brendan O’Connor—Dressed as you, probably.

Mr BROADBENT—He could have been; that is right. If I ever make Book Week, I will probably be in more trouble. There I am at Book Week and I am just surrounded by these fantastic kids and all the work that their mums and dads and grandparents have put into their outfits. There were spiders and all sorts of people that I did not even know about, because I do not see a lot of children’s books anymore. I would like to thank Mem Fox for sending me hers with a note on it.

I am looking at all these kids and thinking, ‘What am I going to say? What can a federal member say when there is so much colour in the room and so much is going on?’ After I had introduced myself to Harry Potter for the first time, I tried to recognise who the other people were, but it had to be explained to me who they were. Here we were at Bunyip Primary School and all these great things were happening. They took me into the library and showed me where they had spent the \$50,000. They had done a great job on their library. And what impressed me even more than the job they did on their library was the way that the students showed me around the library. They were so proud of their new library. It was really their place. The two school captains took me there. I went from there and we had morning tea. I had morning tea with the Queen of Hearts. She had changed into the normal clothes she wore for teaching.

Dr Emerson—I can’t match that.

Mr BROADBENT—I will not forget the day at Bunyip Primary School—to enter into all that was happening. Obviously those kids have a love for books that is expressed in this day of dressing up. It must have taken them weeks and weeks to prepare the outfits they had on. I asked one little girl, ‘Where did you get your wig?’ She said, ‘That’s my hair.’ So there she was with her hair done so amazingly I thought it had to be a wig she was wearing.

There is always a downside to addresses like this, and that is the performance of the Victorian Labor government. Why has there been the neglect? That is what I cannot understand. Why has there been this neglect of schools? The Bracks government have had the last seven years collecting record taxes from GST, land tax, stamp duty. They have indexed every licence and every charge, so they have had huge increases in their taxes and charges. They still have their levy on petrol. So why is the Victorian school student not benefiting from that windfall? Why are there schools across Victoria that are not benefiting? Are they waiting to do some announcements before the election? Well, it is getting close to the election now; make the announcements. I do not want to name the schools, because I do not want to embarrass any of the principals across the area.

Because of the Investing in Our Schools program, for the first time we have been welcomed into primary schools—you must know that yourself, Mr Deputy Speaker Somlyay; you have been welcomed into primary schools, welcomed into secondary schools. We are investing in these schools. I know that the Parliamentary Secretary to the Minister for Education, Science and Training, who is sitting at the table, knows, because his colleagues are telling him they are being welcomed into schools. It is a great program and it has made a difference to people’s lives.

When I think about those kids at Bunyip Primary School, I wonder: why hasn’t the Bracks Labor government really made a difference to those kids? This investment should have happened ages ago. They are already getting \$7 billion—seven thousand million dollars—coming through, from the federal government down. So there is the GST money, the land tax and the stamp duty; the increased cost of your fishing licence, your boating licence, your shooter’s licence, your car licence; and 65 other charges that the Bracks government have indexed each year, so every year it goes up, yet every year they are investing less.

When the member for O’Connor spoke he said that there had been a real increase in federal government spending of 4.9 per cent—an 8.9 per cent increase but a real increase of 4.9 per cent. When you play that across what has happened in the states, they have had no real increase in expenditure. So what the states have done is said: ‘All right; if the federal government is prepared to invest in our schools, we’ll back off, we’ll spend less. We don’t have to do this.’ In fact, there are cases where, as money has been invested in Roads to Recovery, some councils have backed off in their spending on roads and let the federal government take over—just a cost shift.

It is time to end the cost shifting in education in Victoria, particularly in my seat of McMillan. In the time that I have I cannot read out the list of all those that have received the benefit of the Investing in Our Schools program in McMillan, but what a great pleasure it has been to see nearly \$4.6 million for both rounds. There were 78 projects in the first round for McMillan and 25 projects in the second round for the electorate, with total funding of \$4.6 million for both rounds. In round 3 for government schools in Victoria there were 2,526 applications across the state, with 146 applications received from the electorate of McMillan.

These are currently being checked for compliance, and announcements will be made early next year.

In secondary colleges there are people with a huge commitment, a really determined commitment. I think of Rod at Drouin Secondary College; they have been able to purchase a mower, carpet the library where the carpet was old and tatty. They have put in air conditioning. They have put in ICT improvements. They have got data projectors, stadium scoreboards and a sound system that was needed—\$21,000 for that scoreboard and sound system, for their beautiful new building there.

I said when I started that I have seen a lot of programs go through federal governments, both Liberal and Labor, in my time, from 1984, when I first ran as a candidate. I have watched it, seen the programs. I have never seen a program like this that has been so well received by a nation. Parents know that, when you are investing in their schools, you are investing in their children, you are investing in the teachers. We appreciate what the teachers do, what the school councils do and we are batting for them to do a better job.

The DEPUTY SPEAKER (Hon. AM Somlyay)—I thank the member for McMillan for continuing the high standard of debate on this bill.

Mr BRENDAN O'CONNOR (Gorton) (12.05 pm)—Mr Deputy Speaker, I am sure your comment was not meant to be in any way a backhanded compliment. With respect to the member for McMillan he, quite rightly, indicated that one of our great opportunities as federal members is to visit schools. The one thing that I think is clear across the chamber is that members are always invigorated after talking to kids, talking about their aspirations. They have a more disarming capacity to embarrass you than a journalist. They have an interest in life, and it is not filtered through the prejudices which, unfortunately, too many adults have.

I should also indicate, with respect to the member for McMillan, that he knows two siblings of mine, both of my brothers. He met my younger brother very recently, who is an adviser for the Treasurer in the state of Victoria, and he knows my brother who is a union official—and I will not go too much further there; I will get distracted. I should indicate to him that my sister lives in his electorate. She probably does not vote for him, but he should not take it personally. Her children—my nieces—Tierney and Hannah, go to St Josephs in Korumburra, a great Catholic school, and of course a school that requires funding.

I went to a Catholic school for part of my schooling. I went to a public school and I went to a Catholic school. I want to demythologise the assertions made by the Howard government that somehow Labor is anti private school, because we just want to see equity within the public and non-government school sector. We want to see some level of fairness; we do not want to see money being drawn from poorer schools, whether they be government or non-government, and given to elite schools. I think that was the point that was made by the member for Prospect and the member for Rankin earlier in the debate.

The longer I stay here, the more I see how many coalition members rely upon public schools. Interestingly enough, National Party members in this place rely more on the public school system than many Labor members, but they do not boast about it. They do not defend the public school system in the way they should. We know they rely upon the public school system more than many Labor members do because of the geographical areas in which they

live. Private school providers do not see a sufficient density of population, so they do not place a school into some of these smaller communities.

I would hope, when we have these debates that are supposed to be important to the children of this nation, that people who understand the requirement of having public schools across this nation get up on their hind legs and defend the public school system. Whether they be a government member or an opposition member, they should be defending it. As I said, those National Party members and other members that represent regional communities rely upon the state school system so much that they should know more than anybody in this place how important it is that the precious amount of money we have to provide to education be provided to government schools and non-government schools on merits, on what is required.

I listened to the member for McMillan's tale about meeting a witch and kids dressed up as characters from books. It is a wonderful thing. The power and wonder of reading should never be lost. In fact, there has been a revival and a renewal of that interest. Thank goodness there has been. It has been a worry to me to see kids distracted—and I use the word 'distracted' advisedly—as a result of technological changes, by other things. I would hate to think that children did not understand the power of reading and the way in which it allows your imagination to really work—a way in which video games and interaction with computers do not. I did listen carefully to the way in which the imagination was being cultivated in the school in the electorate of the member for McMillan.

I want to make a serious point about the fact that we have to ensure that the Commonwealth's largesse which is provided to schools is based on requirements. I could get up here and attack the Howard government tirelessly, but I would rather ask them, particularly those members who rely upon state government schools primarily in their electorates, that they attend to that. They understand that. There is that paradox in this place with respect to education: so many coalition members in regional areas require public schools more than even some Labor members in their electorates. They require them because of the remote areas in which those schools have to be placed. They should, quite rightly, be properly resourced by the Commonwealth. I think it is important that we get the priorities right. I do not think the government has the priorities right with respect to this matter.

I turn to the bill in question. The bill provides some certainty to funding for capital works in both government and non-government schools beyond 2008 and that is why Labor supports it. It is clear that many schools throughout the country and in my own electorate of Gorton are in desperate need of capital improvement. I have visited many schools; met with many principals, teachers and children; and talked about their needs, whether they are matters of safety, such as the need for more secure fencing, or replacement of deteriorating gym equipment or the buildings or improvements.

Schools also need certainty of funding. Schools want to plan their future development. They want to know whether they can plan for infrastructure requirements for the future. So, as I said, we welcome this amendment, which will allow for schools to plan in some way. The administration of these general capital grants is in contrast to the government's other capital funding program, announced in an ad hoc way during the last election, called Investing in Our Schools. Schools in my electorate have been recipients of grants from Investing in Our Schools. In fact, I have been happy to be involved in assisting those schools to achieve those grants.

I am happy to see any money from the Commonwealth being provided to schools in my electorate. I will mention some of them, because I was involved in their applications. Copperfield College was looking for money for oval redevelopment and they succeeded in getting some of the money that has assisted in developing that oval. I was at Copperfield College only two weeks ago. I met with the principal, Tony Simpson, the school leaders and the team leaders from year 7 to year 12. It was a very important thing. They wanted to show me the oval and I wanted to speak with them about all sorts of matters. It was a great experience for me. I was glad to see that that money was achieved. But, with respect to the way in which the grants are operated, there were many delays and confusions on that particular project. I am contrasting that project with the matter we are currently debating.

There were concerns about the way in which Investing in Our Schools operated. There were chronic delays in some instances. There was uncertainty. The fact that it was on the websites before the schools knew about it I think was wrong. Schools should have been given the courtesy of being told that there was money for them before it was on a public website. That is just basic courtesy and administration management that should be undertaken by the Commonwealth. Schools should not have to be told by a stranger who has looked at a website whether they have received money from the Commonwealth. On many occasions I spoke to those principals, and it was the first they had heard of it. That money was well needed. Some schools in my electorate certainly need to redevelop their infrastructure.

Deer Park Primary School spoke to me about wanting to get shade structures, play equipment, playing field development and seating. They were in receipt of \$150,000, and I welcomed that. That school was in need for some time—certainly for most of the period in which the Howard government has been in office, since 1996. I was happy to be involved and to be the person to indicate that to the school at the time. Keilor Downs Primary School received the same amount for their performing arts centre. Keilor Downs Secondary College had an oval upgrade, Deer Park Secondary College sports court was resurfaced and Taylors Lakes Primary School got security fencing.

Some schools missed out. Some schools that did receive money had previously sought to raise money in another manner because they did not know with any certainty whether they were going to be in receipt of such money. So the way in which that program operated created uncertainty. As we know, it was plagued by delays. That did not help the schools to manage the way in which they went about improving their infrastructure.

So, by way of contrast, I would say that this bill does provide some greater certainty than the Investing in Our Schools grants did. I think that is partly due to the fact that, on occasion, the Howard government pays lip-service to schools. As we know, the Investing in Our Schools program arose out of an election commitment that was made on the run in response to Labor's education policy. If our announcements forced the government to provide money to schools in need, so be it. Of course, I am happy that that has occurred.

This government has to be fair dinkum about the way it funds schools. This government might want to attack Labor for somehow not supporting non-government schools, but that is entirely untrue. We support the non-government school sector, we support the government sector—we just want to see equity. Money provided for children taught in schools in this nation should be provided to schools based on need, not greed. Money should not be given to elite schools over schools that do not have the basic services required to ensure that, once

their children leave primary and secondary school, they have a chance along with everybody else.

I call upon particularly members of The Nationals in this place but also others who represent regional areas, whose constituents rely primarily, almost entirely in some cases, upon government schools, to say inside their party structures, 'We want some of this money provided and we do not want it to be siphoned off to elite category 1 schools,' as has occurred in the last number of years.

Labor supports this bill. It does provide some certainty in ways in which the Investing in Our Schools program did not. The funding goes beyond a set time, as I understand it, which also provides the capacity for schools to plan. I think schools have to be treated better than they have been. They should not find out whether or not they have received funding via a website. I had school principals ring me and say, 'I found out I have got no money, because I went to the website,' or 'Someone rang me and told me that we missed out.' No correspondence was entered into with the principals of schools in my electorate. I do not imagine I am the only member who has had school principals treated so disrespectfully. Some members may have received information prior to the public and the schools receiving it, but I certainly did not.

I also think that it is critical that the government does not play with this matter. We should also be informed. As federal members we should be informed prior to the public. We visit those schools, we care about the kids in those schools and about their needs, and we should be informed prior to the matter being posted on the website. I hope that the government takes heed of some of the comments I have made. We do support the bill. We do hope that the government chooses ultimately to come to Labor's view on school funding, which is pretty simple: schools that are in need should get resources before elite schools.

Mr FARMER (Macarthur—Parliamentary Secretary to the Minister for Education, Science and Training) (12.21 pm)—Just before I sum up on the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill (No. 2) 2006 I would like to acknowledge the support that this bill has had from both sides of parliament, both from the opposition and, most importantly, from the government. It has been a very worthwhile project. We have heard many comments from a number of members, in particular the member for Jagajaga, the member for Prospect, the member for Rankin, the member for Gorton and the member for Ballarat from the opposition; and the member for McMillan, who gave us an excellent speech, the member for Canning, and of course the member for O'Connor earlier on. All of these members have spoken quite eloquently and quite personally on their reflections on this bill, the support that this bill has given to schools in their electorates, how it is furthering the education of all our children and how it will take that education on into the future and support them with facilities that are much needed.

We have heard from a number of speakers about a number of projects that have been launched through the Investing in Our Schools program and also through capital works funding. I have visited many schools during the last few years and have seen a number of schools in particular need of support through the Investing in Our Schools funding package. I went to see a school in the assistant Government Whip's electorate of Gilmore. Every time it rained their toilets would flood. This was at a local primary public school. It is just simply not good enough. This is the whole reason why the federal government has introduced the Investing in

Our Schools funding and why it is so important that we continue with worthwhile programs to support schools.

However, it is very important to note that public state schools are a state responsibility and the maintenance of those schools is a state responsibility. State governments have a very strong responsibility to support these children, the P&Cs, the parents involved with the schools, and of course the school teachers and the principals there at these schools. Because they are not doing that, the federal government has had to pick up the ball in order to try to support them in that responsibility. But it is very important that they accept their responsibilities. They are state schools—in most of the cases we are talking about state schools—and they are the states' responsibility.

The member for Jagajaga supports the bill because she knows it is in the best interests of all Australian schools. The member for Jagajaga has mentioned that she acknowledges that the Investing in Our Schools program was very welcome, and of course it was very welcome. The Australian government knows only too well—and in particular my office and the department of DEST know only too well—that just in the latest round of applications we have received more than 10,440 projects requested by schools around the country for upgrades of various facilities needed at the schools.

It appals me to think that there are a number of schools out there that have actually had mushrooms growing in their carpets, that have toilet blocks that flood, that have school buildings that leak when it rains and that have paint peeling off the walls of their libraries and falling onto the books while our kids are trying to study in the school libraries. This is simply not acceptable, and a proper maintenance program by the states is certainly needed.

Once again, I would like to sincerely acknowledge the support from both sides of the House for this bill. It is important that we put our political persuasions aside and put our children first, and that is why this bill has been so well received by everybody in the House.

This bill amends the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004 to provide capital grant funding for state schools and non-government schools for 2009-11. The bill provides a record \$33 billion in funding to all Australian schools in 2005-08. In 2006-07, nearly \$9.3 billion will be provided to both state government and non-government schools, representing an increase in funding of \$760 million, or 8.9 per cent, over the last year and an increase of 158 per cent in funding since 1996.

Funding under the act includes \$2.7 billion for school capital works in 2005-08, which reflects a significant investment in improving the capital infrastructure of all schools. This is an increase of \$1.4 billion over the 2001-04 quadrennium. An estimated \$1.7 billion will be provided under the capital grants program to state schools and non-government schools in 2005-08. This program provides funding to assist with the building, maintenance and upgrading of schools throughout Australia. Australian government funded projects typically include the construction of new schools, additional classrooms, libraries and other vital school facilities to improve educational opportunities. The state government schools will receive an estimated \$1.2 billion in 2005-08 from the Australian government under the capital grants program. An estimated \$489 million will be provided for Catholic and independent schools over the same period.

In addition to the capital grants program, the \$1 billion Investing in Our Schools program is providing funding directly to schools for smaller projects that improve the infrastructure of the school by helping to repair, replace or install items critical to a school's needs, as identified by the school's community. This is done at a grassroots level with the P&C, the school principal and the school community advising the government on projects that are dear to them and needed by them. This program allows for the identification and delivery of high-priority projects that are not able to be funded under the existing capital grants program.

Like previous bills, this bill makes specific provision for capital funding allocations beyond the normal four years of the funding quadrennium. This is due to the size and complexity of school capital projects, which often require a long lead time for planning, assessment and construction and are regularly funded across several years. Anyone who has ever had anything to do with any building project knows that it takes quite some time to go from the drawing stage through to the final building stage. That is why this bill is so important.

Schedules 3 and 5 of the act currently set out the funding for the capital grants program for state government schools and non-government schools respectively for the period 2005-08. These schedules also include a specific note stating that funding allocations for later years will be added by an amending act. This bill amends schedules 3 and 5 of the act to insert maximum capital grant funding amounts for state government schools and for block grant authorities for non-government schools for the calendar years of 2009, 2010 and 2011.

Funding amounts for the program years beyond 2008 are required because capital grants are approved up to three years in advance of the current calendar year. In 2006, a capital project may be approved involving funding for programs through to 2009. By a longstanding arrangement, the state education departments and non-government block grant authorities which administer the program are able to recommend funding allocations for projects up to three years in advance of the current calendar year. This enables funding for major projects which require long lead times to be secured at an early stage and payments for large projects to be staged over a number of years.

This bill is about giving stability in Australian government funding to educating authorities and schools as they undertake planning and construction of major projects designed to provide essential educational opportunities for all of our students Australia-wide. Funding arrangements between the private and the public sector have been mentioned by a number of people. I want to make one final point as I wrap up this bill: government schools receive more than 70 per cent of the available funding through the Investing in Our Schools program and capital works funding that is available for the building of schools, for libraries and other buildings. So it is for this reason that I commend this bill to the House.

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.

ADJOURNMENT

Mr BARRESI (Deakin) (12.32 pm)—I move:

That the Main Committee do now adjourn.

Newcastle

Ms GRIERSON (Newcastle) (12.32 pm)—I rise to applaud the wonderful spirit of Newcastle. Two events last week reminded me just how passionate, proud and committed Novocastrians are to giving something back to their community. Last Friday I was privileged to present the 2006 Newcastle Community Volunteer Awards at a special ceremony and then in the evening to sit in a sell-out crowd at EnergyAustralia Stadium and cheer the Newcastle Knights home against Manly. The community volunteer awards recognised over 50 individuals and groups for their contribution of time, energy, expertise and passion to making our city a better place. It was a privilege to have Kaye Duffy, one of Newcastle's most active and recognised volunteers, with me to help present the awards. Ceremonies like that are important to give public recognition to those people who so quietly work away and whose help binds the fabric of our community.

Our volunteers help out in the aged and community sector for groups such as St Vincent de Paul, the New Lambton Community Centre, Lifeline, Wallsend Area Community Carers, Neighbourhood Watch and the Volunteer Support Group. They do important work in health care for ARAFMI, the Advocacy Partners Program, our cancer, post-polio, Alzheimer's and Paget's disease support groups and our hospital volunteer network. Volunteers from the wetlands centre and our Bushcare groups were awarded, along with many of those who help to make our schools such wonderful places for children to learn and grow.

Awards were presented to volunteers from the Migrant Resource Centre, Ethnic Communities Council and the other community based support networks, many of them organised through our religious orders who do great work in supporting new settlers in Newcastle. Many members of our veteran community—those involved in the RSL, TPI and the WAAF—were awarded alongside those involved in youth organisations such as YNOT, YUM and the CLASS scheme.

Indeed, there were too many award recipients to list, but I want to point out one—Steve McLennan, who juggles his work and university commitments to coach the New Lambton South Public School soccer team. Many of Steve's young players come from disadvantaged backgrounds and he often provides equipment for them personally. More importantly, he provides leadership and instils a strong sense of sportsmanship, commitment and confidence in these students. I am happy to report that the New Lambton South Public School team won their grand final this year—so a big congratulations to them. I hope that some day some of those young players will aspire to becoming members of our Newcastle Jets football side in the A-League.

I also hope that in three weeks time I can come back to parliament to report on another grand final success, that of the Newcastle Knights in the National Rugby League. Sadly, the whole of Newcastle is facing the prospect of the loss of a very wonderful player—Danny Buderus, one who has always set the highest example in the game and has always been an excellent role model. I very much dispute that he was deserving of a six-match suspension. My sympathy, and my respect for his wonderful contribution to the sport, is recorded here today.

I desperately hope, though, that one day I might be able to report that the federal government has finally provided some funding to finish the upgrade of the EnergyAustralia Stadium. The case has been made, with a University of Newcastle study finding that the economic ac-

tivity that would centre around the upgrade would exceed \$130 million. That was told to the Howard government in 2002 and we have been waiting ever since for any investment from the federal government into our economy through the stadium upgrade. The Howard government just will not listen to the very united voice of the region's fans, players and administrators. It will not listen to our tourism and recreation sectors or to those who are committed to our economic development in the region. It will not listen to the roar from the 26,000 people who were at the sold-out EnergyAustralia Stadium last Friday or the 6,000 more who could not be there because the upgrade has not been completed. The government will not listen to the 9,621 people from all over our region whose petitions I have presented to parliament over the last past two years calling for federal funding. After all, the state government put in over \$34 million. It is time the feds matched that.

When I tabled the most recent petitions in June this year the Minister for the Arts and Sport responded that sporting stadiums are not a federal responsibility—except that John Howard's team, St George, and Jackie Kelly's team, Penrith, got federal funding for their stadiums, and more recently the Treasurer's team, Cronulla, got federal funding for its stadium. So it really is sneaky and entirely unacceptable for the Howard government to wash its hands of our stadium, particularly when we now see plans for an Australian bid for the 2018 Soccer World Cup and speculation about a possible move from Africa to Australia for the World Cup in 2010. We do not want to miss out on those sorts of opportunities. We deserve to be part of those international sporting events and our football stadium definitely deserves to be supported by the federal government. I call on John Howard and his team to get the ball rolling with a commitment for federal funding for this very worthy project. Go Newcastle! Go the Knights!

Mr Richard Dowdy

Mrs GASH (Gilmore) (12.37 pm)—Mr Deputy Speaker, you would know that over the years we have work experience students in my electorate of Gilmore. Present in the chamber today is Richard Dowdy, who has done work experience for me for this week. These are his words about his time in parliament:

Firstly I would like to extend a warm thankyou to Mrs Gash MP, the staff in her office and the various members of parliament that took time out of their busy schedules to meet with me.

As a first year law student at the University of Canberra I have a keen interest in both politics and news and current affairs.

I was honoured and most privileged for the time I was given and the ease in which conversation occurred.

Throughout the week I raised many issues that I have an interest in or that directly affect me, from VSU, border security, citizenship, tax reform, youth allowance and cross media ownership and I was given a broad perspective of ideas and issues to think about in regards to all of these.

The citizenship debate is one that I believe is central to Australia's ongoing battle against terrorism and the protection of our borders.

We live in a modernised western society and as such we should adopt the same principles in regards to granting citizenship as the United States of America and other nations. What is wrong with asking potential citizens questions about the Australian flag? Asking who certain members of parliament are? Asking what the states and territories of Australia are? And questions as such.

What is wrong with expecting those people that wish to become citizens of this great country to speak the English language? This is not about Muslims or anyone group. It is about creating respect, recognition and honouring Australia's history and the beliefs of which we stand for.

Who possibly could believe that basic requirements such as these are unfair or unjust? Citizenship should be treated as a privilege and an amazing honour and if questions such as the ones I posed cannot be answered then I ask the question should these individuals be granted citizenship in a country as free and great as ours?

I now have a greater understanding as to why the top marginal tax rate of 45% cannot easily be reduced; I have no doubt however that this bracket in time should be reduced significantly.

The government has shown continuously to its credit that it cuts taxes where possible in a variety of forms.

I believe however it is crucial to Australia's future that this bracket is significantly cut so as to reward those that generally contribute the most financially to the economy. At the moment they are being punished for being financially successful.

These are the people that pay the wages, that stimulate the growth, that invest and as such they are the backbone of Australia's economy.

VSU is a fantastic piece of legislation, contrary to the belief that almost all university students are opposed to it, I believe it is in the best interests of students.

I joined the university gym and the membership price I paid is still cheaper than what the yearly union membership was.

I don't expect others to pay for something they will never use and likewise I don't want to pay for a facility I would never use.

Why should anyone have to pay for something that they do not want? I have found that it is often the lecturers that preach against VSU.

Socialist left wing baby boomers brainwash students against VSU—
brave words—

and until this can be overcome VSU will always be a controversial issue.

I will finally touch on a subject that directly affects myself and many of my fellow university students.

That of youth allowance

I frequently see the abuse of tax payer funds in regards to what the youth allowance is spent on.

Alcohol, cigarettes, gambling and other activities that the money is not intended to be spent on.

I like many others are lucky enough to be in a position where our parents can afford to send us away to university and pay for accommodation, university and living expenses.

It is however I believe unfair that because of the financial position of our parents that we are therefore disqualified from obtaining youth allowance unless we have worked 18 months after leaving school and have earned \$17 thousand dollars.

This essentially means that I and many others would have to delay their university education hence why many students chose to go overseas to work on a GAP year meaning when they come back they will be immediately eligible for youth allowance.

I would like to see the assets and means test taken away as I don't understand what makes one student more eligible than another.

I don't see why some parents should have to fork out the money with no assistance what so ever.

A possible way of doing this is tying in CSP payments with youth allowance.

For example if CSP fees are paid upfront then you are given automatic eligibility.

At the moment it can generally be said that those that defer payments are more likely to be entitled to receive youth allowance than those that pay it upfront due to the income of their parents.

I believe the scheme should have no means test like the baby bonus scheme.

I would like to congratulate the Australian government on the wonderful job they have done in regards to industrial relations, economic growth, border protection, tax reform, counter terrorism, VSU and many other vitally important areas.

This government has given young people of Australia so many opportunities and I am sure if not now, in the future this will be realised.

And I hope one day to be able to enter Australian politics and contribute to make Australia an even greater place.

It has been a great pleasure to have Richard in our office. He is a typical example of young people of today for Australia.

Aboriginal Communities

Mr SNOWDON (Lingiari) (12.42 pm)—Earlier in the week you will recall, Mr Deputy Speaker, that a question was asked by the member of Solomon of the Minister for Families, Community Services and Indigenous Affairs, Mr Brough. The response of the minister raised an issue about permits to visit communities on Aboriginal land in the Northern Territory.

This morning, Mr Deputy Speaker, as you may be aware, there is a by-election happening in the Northern Territory for the seat of Stewart, which covers a large area of land from the Queensland border to the Western Australian border. This morning at Yuendumu, mobile polling commenced. At the polling place a CLP official walked up to the ALP candidate, Karl Hampton, and said to him words to this effect: 'Don't mix federal issues with local issues; prove that we wish to take away their permits.' What Mr Hampton did was show this CLP worker the words of the member for Solomon. It is worth repeating what he said. He said, 'I think it'—meaning the permit system—'should be scrapped for all people.'

Then on radio news on 31 May, Jodeen Carney, who is the Leader of the Opposition in the Northern Territory, said this: 'My view is that the permit system has not done Aboriginal people any favours and we should do away with it.' So it is very clear that the agenda for the CLP and, indeed, the coalition here in Canberra is to remove the permit system which applies to visitors to Aboriginal land in the Northern Territory.

This is not a view which is supported by the Northern Territory government, Aboriginal communities or Aboriginal people anywhere in the Northern Territory. It is a view which has arisen as a result of an attempt by the minister earlier in the week to spin off the tragedy of a vicious assault on an Aboriginal child—an 11-year-old—at a community in the Top End of the Northern Territory. It was said that, because this matter was not reported previously, somehow or another the permit system prevented people reporting on these incidents.

We know that the issue of this assault was dealt with in a bail application in the Darwin Magistrates Court—it was not held at a court in the community of Maningrida, in any event. Permits were not required for people to report on the incident. And, in any event, it has been made very clear to the Chief Magistrate of the Northern Territory by both the Central Land Council and the Northern Land Council that they would be readily issuing permits to any

journalists who wanted to visit court proceedings on Aboriginal land or in those communities that they have any responsibility for.

In addition to that, I have been involved in working with Aboriginal people in the Northern Territory for almost 30 years. I am not aware of any incident, any occasion, where a reasonable request for a permit to access Aboriginal land has been refused. What we are seeing here is dog whistle politics by the Howard government, hitting at the unfortunate incidents which have happened in some Aboriginal communities, and then pillorying those communities for those incidents. The government is blaming those communities for those incidents and then saying to the Australian community that, because of those incidents happening, these communities and Aboriginal people should be demonised. The government says that in this instance it will, because it has the capacity to, consider removing the permit system which applies to Aboriginal communities, because it does not think these unfortunate incidents have been properly reported. The facts speak very differently. They can be reported. I repeat: where reasonable requests have been made there has not been one example that I am aware of where they have been refused.

We need to understand that it is not appropriate for this or any government to demonise a community in the way in which Mr Brough and this government are demonising the Aboriginal community in the Northern Territory, and the way it has been over recent times, whether it is the community of Muttulu, the community of Wadeye or, now, the community of Maningrida. What the government have to understand is that they need to work with those communities, who are as hurt by what happens as we are. What they need to do is not pillory and abuse those communities in the way they have but work with them.

I will conclude with the words of Frank Djirimbilpilwuy, who, in an interview on ABC radio, said:

What I'm trying to say is if I understood you clearly is the permit system is working and we love people to come onto our land, whether they're Yolngu, Balanda, red or black or white, you know, the permit system, I'm not opposed to that. Government is opposing or knocking it down, but why, you know, do they have a problem with that.

I think that says it all.

Knox Basketball Association

Mr WOOD (La Trobe) (12.47 pm)—I rise to praise Knox Basketball Association, who are from the suburb of Boronia in my electorate of La Trobe. They are doing a fantastic job and I am very keen to help them secure federal funding to improve their facilities.

Knox basketball was established in the early 1970s to provide youth in the city of Knox with a sporting and social infrastructure to develop and promote personal, team and social skills in the sporting environment. The association was born at the Mossfield Avenue facility 1974 with an after-school competition. In 1980 its headquarters moved to the three-court facility in Park Crescent at Boronia, which was expanded to six courts in 1989.

The association is run by an army of volunteers, a chief executive officer and four full-time administrative staff based at Knox basketball stadium. The chairman is Bill Fenton; Steve Douglas-Watson is the vice-chairman; Allan Munt is the treasurer; Sue McMillan is the chairperson of the senior Raiders subcommittee; Wayne Carroll is the chairperson of the social club subcommittee; Laurie Joyce is the CEO; Andy Trott is the junior domestic governor; and

Marilyn Rosa is the secretary. I congratulate those committee members. They have been doing an amazing job.

To describe Knox by numbers: they have 646 junior domestic teams this season. I will say that again: 646 junior teams. They have 317 senior domestic teams, with teams on the waiting list; 17 junior club teams; 38 junior representative teams; five senior representative teams, including 'the wheelies'. This involves more than 3,500 volunteer hours and 7,500 players per week. There are school programs participating, with 70 schools seeing more than 5,000 primary school children attending Knox each week.

The mini-Raiders development program has 100 participants aged four to eight years. The ex-hoops development program has 60 participants aged seven to 12 years. The nursery school program has 60 participants aged six years. Recent attendance for the senior representatives' games has been 1,200 participants. The average number of people attending per week is more than 10,000 and the average number of people attending per year is one million. Six courts are used on Monday, eight courts on Friday, 22 courts on Saturday and 14 courts on Sunday. Knox basketball pays \$280,000 to the council for its annual use of the stadium. The annual cost of hire for the competitions is in excess of \$150,000.

The most amazing figure I have seen is that more than 60,000 basketball participants live within a 10-kilometre radius of Knox Converse Stadium—and I am sure the member for Deakin, who is sitting beside me, would have a lot of participants in his electorate. The eastern region of Melbourne has the most condensed basketball playing population in the world, which is absolutely amazing. But Knox basketball do have some issues at the moment. Unfortunately, they are going through a process with Knox council regarding their lease and conditions. At the moment, they are paying \$10,000 per month for leasing the premises—\$127,000 per year. I would like to see the council renegotiate this lease to make it much more fair and equitable. I do not want to bag the council, because I know that councils are trying to do their best.

We had Minister Kemp down recently. He was amazed that Knox basketball was subsidising other council expenditure—they are doing a fantastic job. There are 7,000 participants in Knox basketball. They need to build an additional two to four courts, which would greatly enhance Knox basketball. To my amazement, when I was down there recently for a few games I found that they have no heating or air conditioning. The stadium needs a major upgrade. It is an absolutely vital link for our local community. I urge Knox council to get on board and do the right thing. Other councils in the area are looking after basketball, so why doesn't Knox council? (*Time expired*)

Telstra

Ms LIVERMORE (Capricornia) (12.52 pm)—I wish to bring to the attention of the House what could only be described as a deliberate con. Unfortunately, it has been perpetrated by Telstra on one of my constituents in Central Queensland. Neither my constituent nor I am prepared to put up with this sort of behaviour. Mr Kevin Donovan of Rose Street in North Rockhampton tells me that, several years ago, he had what he thought was a second line installed by Telstra because he needed to run his computer as well his phone. He continued to pay the charges for a second line. However, after experiencing continual problems with the service, Mr Donovan contacted an independent technician to look at his service. To Mr Donovan's amazement, he was told that he had not a second line but what might be called a double

adaptor on his only line. Mr Donovan quite rightly refused to continue to pay for the second service, which in fact did not exist. Telstra has continued to pursue Mr Donovan for this small, outstanding account and has now had Mr Donovan listed with a credit agency as a non-payer. This has resulted in Mr Donovan being refused credit by another business.

What Telstra has done is to use pair-gain technology. When a customer orders a second telephone line, Telstra, instead of supplying a dedicated second line, simply splits into two halves the single phone line going into the customer's house but charges for a completely new service. This has the effect of splitting the available bandwidth in two. So, if the customer wants to use the second line to access the internet, they can never get better than 28 kilobytes per second, even if they have the fastest modem on the market. Notwithstanding that, Telstra charges the customer for a second line. Such behaviour is not only unconscionable, it is simply crooked. But just as bad is the fact that this process acts as a broadband blocker, reducing the availability of broadband and its usefulness to the customer.

As I have mentioned in this House before, for 10 long years the Howard government has wasted hundreds of millions of dollars on pork barrelling in telecommunications. As a result, Australia's antiquated telecommunications infrastructure has left us a broadband backwater. The OECD has Australia ranked 17th for take-up of broadband of up to 256 kilobytes per second. The World Economic Forum ranks Australia 25th in the world in terms of available internet bandwidth. A recent World Bank study also confirms that Australia has access to some of the slowest broadband in the developed world. Our performance in true broadband is amongst the worst in the world. This is why even some of our great Australian banks, as well as many other businesses, are sending their IT jobs offshore. Our telecommunications network simply cannot compete, it cannot do the job, so the work goes overseas.

What passes for broadband in Australia is a national disgrace. While our international peers are delivering access to broadband speeds of up to 100 megabits per second, Australia is languishing behind, with a broadband standard of just 256 kilobytes per second. In the industry, this is generally referred to as 'fraudband'; in other words, Australia does not have real broadband.

People in my electorate are asking me all the time when they are going to be able to get proper broadband—or, from quite a few of them, when they are going to get any broadband at all. I can tell them that Labor is committed to ending this second-rate system that the Howard government has given Australia. Labor will draw on the Broadband Connect program to deliver the public funding of a partnership which will leverage private funds from the telecommunications sector to build a genuine broadband network across Australia. Labor's broadband plan brings Australia into line with the rest of the world and creates a platform for future upgrades. Labor will give Australians like Mr Donovan true broadband and Labor will put an end to the outrageous rorts inflicted on Mr Donovan and others by Telstra.

I have written to the ACCC asking them to investigate the rort that Telstra has perpetrated on Mr Donovan, and I will be asking other residents who have sought a second line from Telstra but have only had their existing line split to contact me so that I may also take their cases up with both Telstra and the ACCC on their behalf. It is bad enough that the Howard government delivers only second-rate broadband to the residents of Central Queensland, but it is inexcusable that Telstra should then try to rip off the people of Central Queensland when they sign up to that second-rate broadband. Mr Donovan will not put up with it and neither will I.

Employment

Miss JACKIE KELLY (Lindsay) (12.57 pm)—The June 2006 quarter results in the small-area labour market for my seat of Lindsay show 4.3 per cent unemployment—4.3 per cent unemployment after our Work Choices laws have been in place for some six months. I have done an enormous amount in my area since we presided over a huge level of industrial disputation and double-digit unemployment figures under Labor. I have always worked hard to keep unemployment down. We teetered up and down around the five per cent mark, and it seemed that we could not get below that five per cent. We would nudge below and come back up to around that five per cent mark.

In years gone by, before the Whitlam government, governments were thrown out for five per cent unemployment. Five per cent unemployment was disgraceful. It would see the end of a government—it would be absolutely terminated for allowing it to get to five per cent. With our industrial relations reforms, which have been totally opposed by the union movement, we have seen, finally, unemployment tracking down below five per cent. And there is more good news to come: we have seen an extraordinary boost in the number of jobs available to Australians and in the number of Australians taking up employment due to our new Work Choices laws.

Those laws are vehemently opposed by the CFMEU, the ETU and the ACTU, and pretty much every other ‘U’ you can think of, because this is the partial end of union power. In New South Wales, the unions have cashed up all of their assets and are launching vehement attacks in marginal seats. They have picked out marginal seats. They are going for my good friend the member for Greenway; she was under heavy attack from the union movement. In my seat of Lindsay, they have sort of left me alone because I was not on their target list. But the AEC have redrawn the boundaries and Lindsay has come back into the region of ‘marginal’. And guess what? The CFMEU are out there in Lindsay, pummelling down, breaking down, the locks on my premises to have a home invasion: ‘Let’s do a safety inspection.’

I would be the last to take a person’s safety lightly. I take safety at the workplace very seriously, and so does WorkCover in New South Wales and Comcare at the federal level. But the unions have taken it to a fine art. Having been ruled out of the wage arbitration and wages stakes, they are now moving into OH&S as their power base, so they do these raids on people’s premises and find things that are wrong, like not having a lunch shed. The CFMEU does not even know the law, because the law says: a place of amenity in which to have your lunch. I can think of no better place than the banks of the Nepean River. So they come in with their spurious allegations because they cannot get the play. Because they cannot get the play, they say, ‘Let’s go the player.’ That is how they operate. Then you get the without prejudice call, where they say, ‘For a thousand bucks to the old Christmas club, we can make this go away.’ No, thank you. I will work through issues with WorkCover in a responsible fashion and go to an area where no notices are given, nothing is breached and an independent arbitrator, at arm’s-length from government, makes decisions on these things.

This is the next area of Work Choices that we need to move into. The unions have to be further excluded from this area of industrial relations, because they abuse every bit of power that the weak, ineffective, rolled-over and union beholden government of New South Wales gives them. The amount of power that the Iemma government is giving the unions in New South Wales is an absolute disgrace. The unions are right to fight for their lives. They are right to

fight for their very existence under these Work Choices laws, because we are coming for them, disembowelling them and depowering them in every which way, and they will fight dirty to keep it going.

In any event, we have very independent, arm's-length organisations, such as the Office of Workplace Services, that will be independently coming around and making sure that employers are doing the right thing. Under every industrial relations system since Federation, employers have done the wrong thing, but the people of Australia need not fear and the people of Lindsay need not fear: we are going to continue driving down unemployment with clear workplace reforms that are to the detriment of the unions' power and financial base and, hence, the ALP. May they fight them as long as they can. *(Time expired)*

Main Committee adjourned at 1.03 pm

QUESTIONS IN WRITING**Enoggera Army Barracks****(Question No. 3867)**

Mr Bevis asked the Minister for Defence, in writing, on 9 August 2006:

- (1) What plans does Defence have for development of the Enoggera Army Barracks site in the federal electoral division of Brisbane.
- (2) What is the anticipated date on which work will (a) commence and (b) be completed.
- (3) What changes, if any, (a) have been approved, or (b) are planned, to the roles of Australian Defence Force (ADF) units based at Enoggera.
- (4) Does Defence have any plans to (a) dispose of, or (b) acquire, property in or near the Enoggera Army Barracks; if so, (i) what are those plans and (ii) what is the timeline for acquisition or disposal.
- (5) What plans does Defence have for additional Defence housing for ADF personnel based at Enoggera.
- (6) Do the plans referred to in part (5) involve acquisition of additional properties; if so, in what areas.

Dr Nelson—The answer to the honourable member's question is as follows:

- (1) and (2) The Portfolio Budget Statements 2006-07 (at pages 70 to 72) identifies two proposed major capital projects for Enoggera. They are:
 - Enoggera – Phase 1 Project Single Living Environment and Accommodation Precinct (Single LEAP) - This project will provide living-in accommodation services for 500 rooms at Enoggera. This project is being developed for private financing arrangements. In 2006-07, the tender evaluation will be presented for the Government's approval of the preferred strategic partner for Phase 1. Construction is expected to commence in early 2007 and be completed by early 2009.
 - Enoggera – Tactical Unmanned Aerial Vehicle Facilities - This project will provide facilities to support the introduction of the Tactical Unmanned Aerial Vehicle capability and collocation of the 20th Surveillance and Target Acquisition Regiment at Enoggera. Subject to Government and Parliamentary approval, construction is expected to commence in late 2006 and be completed by early 2008.

Recently completed facilities projects Enoggera include:

- Australian Light Armoured Vehicle Workshops - This project comprised the construction of a new workshop for the Australian Light Armoured Vehicles and minor refurbishment of an existing workshop. Both works were completed in 2005.
- Gallipoli Barracks Vehicle Wash Point - The introduction of a new vehicle type, the Infantry Mobility Vehicle, in 2005-06 included the requirement to upgrade existing vehicle and equipment wash down facilities at Gallipoli Barracks. This project has been completed and the new vehicle wash point will be officially opened in September 2006.

Future infrastructure projects include:

- Enoggera Redevelopment Stage 1 Project - On 18 August 2005, the Government approved the development phase of the Enoggera Redevelopment Stage 1 project. This project plans to upgrade some engineering services, relocate Headquarters 7 Brigade within Enoggera and construct a new combined mess. The project remains subject to Government approval and Parliamentary clearance, and work if approved, is expected to commence in early 2008 for completion by March 2009.

- (3) (a) and (b) None. The options being considered as part of current planning to enhance the Land Force include basing a battalion at Enoggera with supporting elements.
- (4) (a) and (b) No.
- (5) As at 30 June 2006, the Defence Housing Authority (DHA) actively managed 1,094 properties in Brisbane. The most recent review of the Defence Housing Forecast for Brisbane has seen an increase in requirement to around 1,141 properties for 2006-07 increasing to around 1,196 properties for 2008-09. DHA satisfies Defence accommodation requirements by a mixture of delivery methods:
- construction off-base with a view to retaining the properties or selling them with a lease attached;
 - construction on-base to accord with Defence operational or policy requirements and/or if such construction is the most cost-effective for all concerned;
 - direct purchase with a view to retaining the properties or selling them with a lease attached; and
 - direct leases from the private rental market.
- All options are pursued to meet Defence requirement for residences in Brisbane.
- (6) In 2006-07, DHA plans to acquire an additional 134 properties to support service personnel posted to Gallipoli Barracks. This will comprise new DHA construction (52 properties), direct acquisition from the market (62 properties) and new leases (20 properties). All new properties to be acquired will be within 30 kilometres of Gallipoli Barracks, Enoggera.

**Depleted Uranium
(Question No. 3894)**

Mr McClelland asked the Minister for Defence, in writing, on 10 August 2006:

- (1) What is the Government's position in respect of the use of weaponry with depleted uranium components during military exercises within Australian territory.
- (2) Does the use of depleted uranium weaponry within Australian territory (a) breach any Commonwealth, State or municipal laws, regulations or guidelines relating to environmental protection and/or (b) require under any Commonwealth, State or municipal laws, regulations or guidelines, the execution of environmental impact studies.

Dr Nelson—The answer to the honourable member's question is as follows:

- (1) The Government's position in respect to weaponry or munitions containing depleted uranium is that such weaponry or munitions are not permitted for use on Australian training ranges.
- (2) (a) and (b) The Government is not aware of any proposals to use munitions that contain depleted uranium in Australia.

**Axiss Australia
(Question No. 3945)**

Mr Rudd asked the Minister for Industry, Tourism and Resources, in writing, on 16 August 2006:

- (1) How many full time employees did Axiss Australia have in:
 - (a) 2003
 - (b) 2004
 - (c) 2005

- (2) What was the total funding appropriation for Axiss Australia in:
- (a) 2003
 - (b) 2004
 - (c) 2005

Mr Ian Macfarlane—The answer to the honourable member's question is as follows:

- (1) In 2003 Axiss Australia had 14 full time employees. In 2004 and 2005 Axiss Australia had 11 full time employees.
- (2) For each of the financial years 2003, 2004, 2005, Axiss Australia's funding appropriation was \$3.8 million.

Uhrig Report

(Question No. 3950)

Mr Martin Ferguson asked the Minister for Small Business and Tourism, in writing, on 16 August 2006:

Has Tourism Australia considered the Uhrig Report concerning its future operation as a separate independent authority; if so, has it expressed a view in respect of its future as an independent authority and what is its position.

Fran Bailey—The answer to the honourable member's question is as follows:

Tourism Australia has considered the Uhrig Report. On 16 August 2006, the Chairman of the Tourism Australia Board, the Hon Tim Fischer AC, released a statement supporting the decision to maintain Tourism Australia as a Commonwealth statutory authority that included the following comment:

“The corporate Board structure for Tourism Australia provides the organisation with the leadership and experience to deliver on the objectives that have been set out for Tourism Australia and in particular to increase tourism spend and tourism spread across Australia.”