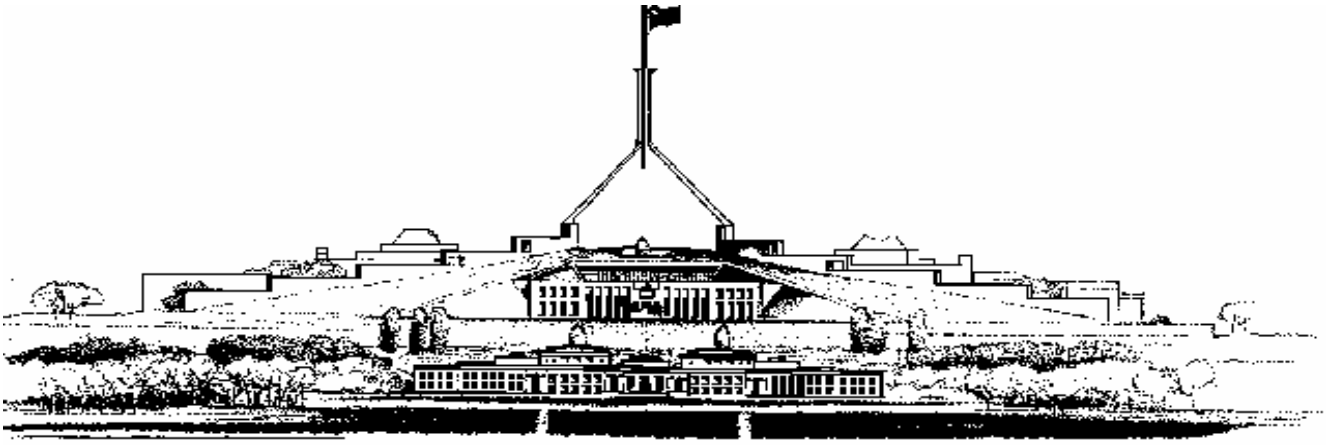
COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 12, 2007

Thursday, 16 August 2007

FORTY-FIRST PARLIAMENT
FIRST SESSION—TENTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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SITTING DAYS—2007

Month	Date
February	6, 7, 8, 12,13, 14, 15, 26, 27, 28
March	1, 20, 21, 22, 26, 27, 28, 29
May	8, 9, 10, 21, 22, 23, 24, 28, 29, 30, 31
June	12, 13, 14, 18, 19, 20, 21
August	7, 8, 9, 13, 14, 15, 16
September	10, 11, 12, 13, 17, 18, 19, 20
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December	3, 4, 5, 6

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ADELAIDE	972 AM
PERTH	585 AM
HOBART	747 AM
NORTHERN TASMANIA	92.5 FM
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FORTY-FIRST PARLIAMENT
FIRST SESSION—TENTH PERIOD

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His Excellency Major-General Michael Jeffery, Companion in the Order of Australia, Commander of the Royal Victorian Order, Military Cross

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Deputy Leader of the House—The Hon. Peter John McGauran MP

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Leader—The Hon. John Winston Howard MP

Deputy Leader—The Hon. Peter Howard Costello MP

Chief Government Whip—Mr Kerry Joseph Bartlett MP

Government Whips—Mrs Joanna Gash MP and Mr Fergus Stewart McArthur MP

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

Australian Labor Party

Leader—Mr Kevin Michael Rudd MP

Deputy Leader—Ms Julia Eileen Gillard MP

Chief Opposition Whip—The Hon. Leo Roger Spurway Price MP

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

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Member	Division	Party
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Anderson, Hon. John Duncan	Gwydir, NSW	Nats
Andren, Peter James	Calare, NSW	Ind
Andrews, Hon. Kevin James	Menzies, Vic	LP
Bailey, Hon. Frances Esther	McEwen, Vic	LP
Baird, Hon. Bruce George	Cook, NSW	LP
Baker, Mark Horden	Braddon, Tas	LP
Baldwin, Hon. Robert Charles	Paterson, NSW	LP
Barresi, Phillip Anthony	Deakin, Vic	LP
Bartlett, Kerry Joseph	Macquarie, NSW	LP
Beazley, Hon. Kim Christian	Brand, WA	ALP
Bevis, Hon. Archibald Ronald	Brisbane, Qld	ALP
Billson, Hon. Bruce Fredrick	Dunkley, Vic	LP
Bird, Sharon	Cunningham, NSW	ALP
Bishop, Hon. Bronwyn Kathleen	Mackellar, NSW	LP
Bishop, Hon. Julie Isabel	Curtin, WA	LP
Bowen, Christopher Eyles	Prospect, NSW	ALP
Broadbent, Russell Evan	McMillan, Vic	LP
Brough, Hon. Malcolm Thomas	Longman, Qld	LP
Burke, Anna Elizabeth	Chisholm, Vic	ALP
Burke, Anthony Stephen	Watson, NSW	ALP
Byrne, Anthony Michael	Holt, Vic	ALP
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Causley, Hon. Ian Raymond	Page, NSW	Nats
Ciobo, Steven Michele	Moncrieff, Qld	LP
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Costello, Hon. Peter Howard	Higgins, Vic	LP
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Draper, Patricia	Makin, SA	LP
Dutton, Hon. Peter Craig	Dickson, Qld	LP
Edwards, Hon. Graham John	Cowan, WA	ALP
Elliot, Maria Justine	Richmond, NSW	ALP
Ellis, Annette Louise	Canberra, ACT	ALP
Ellis, Katherine Margaret	Adelaide, SA	ALP
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Emerson, Craig Anthony	Rankin, Qld	ALP
Entsch, Hon. Warren George	Leichhardt, NSW	LP
Farmer, Hon. Patrick Francis	Macarthur, NSW	LP
Fawcett, David Julian	Wakefield, SA	LP
Ferguson, Laurence Donald Thomas	Reid, NSW	ALP
Ferguson, Martin John, AM	Batman, Vic	ALP
Ferguson, Michael Darrel	Bass, Tas	LP
Fitzgibbon, Joel Andrew	Hunter, NSW	ALP

Members of the House of Representatives

Member	Division	Party
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George, Jennie	Throsby, NSW	ALP
Georgiou, Petro	Kooyong, Vic	LP
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Hartsuyker, Luke	Cowper, NSW	Nats
Hatton, Michael John	Blaxland, NSW	ALP
Hawker, Hon. David Peter Maxwell	Wannon, Vic	LP
Hayes, Christopher Patrick	Werriwa, NSW	ALP
Henry, Stuart	Hasluck, WA	LP
Hoare, Kelly Joy	Charlton, NSW	ALP
Hockey, Hon. Joseph Benedict	North Sydney, NSW	LP
Howard, Hon. John Winston	Bennelong, NSW	LP
Hull, Kay Elizabeth	Riverina, NSW	Nats
Hunt, Hon. Gregory Andrew	Flinders, Vic	LP
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Jenkins, Henry Alfred	Scullin, Vic	ALP
Jensen, Dennis Geoffrey	Tangney, WA	LP
Johnson, Michael Andrew	Ryan, Qld	LP
Jull, Hon. David Francis	Fadden, Qld	LP
Katter, Hon. Robert Carl	Kennedy, Qld	Ind
Keenan, Michael Fayat	Stirling, WA	LP
Kelly, Hon. De-Anne Margaret	Dawson, Qld	Nats
Kelly, Hon. Jacqueline Marie	Lindsay, NSW	LP
Kerr, Hon. Duncan James Colquhoun, SC	Denison, Tas	ALP
King, Catherine Fiona	Ballarat, Vic	ALP
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Ley, Hon. Sussan Penelope	Farrer, NSW	LP
Lindsay, Hon. Peter John	Herbert, Qld	LP
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Lloyd, Hon. James Eric	Robertson, NSW	LP
Macfarlane, Hon. Ian Elgin	Groom, Qld	LP
Macklin, Jennifer Louise	Jagajaga, Vic	ALP
Markus, Louise Elizabeth	Greenway, NSW	LP
May, Margaret Ann	McPherson, Qld	LP
McArthur, Fergus Stewart	Corangamite, Vic	LP
McClelland, Robert Bruce	Barton, NSW	ALP
McGauran, Hon. Peter John	Gippsland, Vic	Nats

Members of the House of Representatives

Member	Division	Party
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Mirabella, Sophie	Indi, Vic	LP
Moylan, Hon. Judith Eleanor	Pearce, WA	LP
Murphy, John Paul	Lowe, NSW	ALP
Nairn, Hon. Gary Roy	Eden-Monaro, NSW	LP
Nelson, Hon. Brendan John	Bradfield, NSW	LP
Neville, Paul Christopher	Hinkler, Qld	Nats
O'Connor, Brendan Patrick John	Gorton, Vic	ALP
O'Connor, Gavan Michael	Corio, Vic	ALP
Owens, Julie Ann	Parramatta, NSW	ALP
Pearce, Hon. Christopher John	Aston, Vic	LP
Plibersek, Tanya Joan	Sydney, NSW	ALP
Price, Hon. Leo Roger Spurway	Chifley, NSW	ALP
Prosser, Hon. Geoffrey Daniel	Forrest, WA	LP
Pyne, Hon. Christopher Maurice	Sturt, SA	LP
Quick, Harry Vernon	Franklin, Tas	ALP
Randall, Don James	Canning, WA	LP
Richardson, Kym	Kingston, SA	LP
Ripoll, Bernard Fernando	Oxley, Qld	ALP
Robb, Hon. Andrew John, AO	Goldstein, Vic	LP
Roxon, Nicola Louise	Gellibrand, Vic	ALP
Rudd, Kevin Michael	Griffith, Qld	ALP
Ruddock, Hon. Philip Maxwell	Berowra, NSW	LP
Sawford, Rodney Weston	Port Adelaide, SA	ALP
Schultz, Albert John	Hume, NSW	LP
Scott, Hon. Bruce Craig	Maranoa, Qld	Nats
Secker, Patrick Damien	Barker, SA	LP
Sercombe, Robert Charles Grant	Maribyrnong, Vic	ALP
Slipper, Hon. Peter Neil	Fisher, Qld	LP
Smith, Hon. Anthony David Hawthorn	Casey, Vic	LP
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
Stone, Hon. Sharman Nancy	Murray, Vic	LP
Swan, Wayne Maxwell	Lilley, Qld	ALP
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
Turnbull, Hon. Malcolm Bligh	Wentworth, NSW	LP
Vaile, Hon. Mark Anthony James	Lyne, NSW	Nats
Vale, Hon. Danna Sue	Hughes, NSW	LP
Vamvakinou, Maria	Calwell, Vic	ALP
Vasta, Ross Xavier	Bonner, Qld	LP

Members of the House of Representatives

Member	Division	Party
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

Heads of Parliamentary Departments

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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 Transport and Regional Services and Deputy Prime Minister	The Hon. Mark Anthony James Vaile MP
Treasurer	The Hon. Peter Howard Costello MP
Minister for Trade	The Hon. Warren Errol Truss MP
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
Minister for Finance and Administration, Leader of the Government in the Senate and Vice-President of the Executive Council	Senator the Hon. Nicholas Hugh Minchin
Minister for Agriculture, Fisheries and Forestry and Deputy Leader of the House	The Hon. Peter John McGauran MP
Minister for Immigration and Citizenship	The Hon. Kevin James Andrews MP
Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women's Issues	The Hon. Julie Isabel Bishop MP
Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs	The Hon. Malcolm Thomas Brough MP
Minister for Industry, Tourism and Resources	The Hon. Ian Elgin Macfarlane MP
Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service	The Hon. Joseph Benedict Hockey 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 Water Resources	The Hon. Malcolm Bligh Turnbull MP
Minister for Human Services	Senator the Hon. Christopher Martin Ellison

(The above ministers constitute the cabinet)

HOWARD MINISTRY—*continued*

Minister for Fisheries, Forestry and Conservation and Manager of Government Business in the Senate	Senator the Hon. Eric Abetz
Minister for Small Business and Tourism	The Hon. Frances Esther Bailey MP
Minister for Local Government, Territories and Roads	The Hon. James Eric Lloyd MP
Minister for Revenue and Assistant Treasurer	The Hon. Peter Craig Dutton MP
Minister for Workforce Participation	The Hon. Dr Sharman Nancy Stone MP
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Special Minister of State	The Hon. Gary Roy Nairn MP
Minister for Ageing	The Hon. Christopher Maurice Pyne MP
Minister for Vocational and Further Education	The Hon. Andrew John Robb MP
Minister for the Arts and Sport	Senator the Hon. George Henry Brandis SC
Minister for Community Services	Senator the Hon. Nigel Gregory Scullion
Minister for Justice and Customs	Senator the Hon. David Albert Lloyd Johnston
Assistant Minister for Immigration and Citizenship	The Hon. Teresa Gambaro MP
Assistant Minister for the Environment and Water Resources	The Hon. John Kenneth Cobb MP
Parliamentary Secretary to the Prime Minister	The Hon. Anthony David Hawthorn Smith MP
Parliamentary Secretary to the Minister for Transport and Regional Services	The Hon. De-Anne Margaret Kelly MP
Parliamentary Secretary to the Treasurer	The Hon. Christopher John Pearce MP
Parliamentary Secretary to the Minister for Finance and Administration	Senator the Hon. Richard Mansell Colbeck
Parliamentary Secretary to the Minister for Industry, Tourism and Resources	The Hon. Robert Charles Baldwin MP
Parliamentary Secretary to the Minister for Foreign Affairs	The Hon. Gregory Andrew Hunt MP
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 to the Minister for Defence	The Hon. Peter John Lindsay MP
Parliamentary Secretary to the Minister for Health and Ageing	Senator the Hon. Brett John Mason

SHADOW MINISTRY

Leader of the Opposition	Kevin Michael Rudd MP
Deputy Leader of the Opposition, Shadow Minister for Employment and Industrial Relations and Shadow Minister for Social Inclusion	Julia Eileen Gillard MP
Leader of the Opposition in the Senate and Shadow Minister for National Development, Resources and Energy	Senator Christopher Vaughan Evans
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology	Senator Stephen Michael Conroy
Shadow Minister for Infrastructure and Water and Manager of Opposition Business in the House	Anthony Norman Albanese MP
Shadow Minister for Homeland Security, Shadow Minister for Justice and Customs and Shadow Minister for Territories	The Hon. Archibald Ronald Bevis MP
Shadow Assistant Treasurer and Shadow Minister for Revenue and Competition Policy	Christopher Eyles Bowen MP
Shadow Minister for Immigration, Integration and Citizenship	Anthony Stephen Burke MP
Shadow Minister for Industry and Shadow Minister for Innovation, Science and Research	Senator Kim John Carr
Shadow Minister for Trade and Shadow Minister for Regional Development	The Hon. Simon Findlay Crean MP
Shadow Minister for Service Economy, Small Business and Independent Contractors	Craig Anthony Emerson MP
Shadow Minister for Multicultural Affairs, Shadow Minister for Urban Development and Shadow Minister for Consumer Affairs	Laurence Donald Thomas Ferguson MP
Shadow Minister for Transport, Roads and Tourism	Martin John Ferguson MP
Shadow Minister for Defence	Joel Andrew Fitzgibbon MP
Shadow Minister for Climate Change, Environment and Heritage and Shadow Minister for the Arts	Peter Robert Garrett MP
Shadow Minister for Veterans' Affairs, Shadow Minister for Defence Science and Personnel and Shadow Special Minister of State	Alan Peter Griffin MP
Shadow Attorney-General and Manager of Opposition Business in the Senate	Senator Joseph William Ludwig
Shadow Minister for Sport and Recreation, Shadow Minister for Health Promotion and Shadow Minister for Local Government	Senator Kate Alexandra Lundy
Shadow Minister for Families and Community Services and Shadow Minister for Indigenous Affairs and Reconciliation	Jennifer Louise Macklin MP
Shadow Minister for Foreign Affairs	Robert Bruce McClelland MP
Shadow Minister for Ageing, Disabilities and Carers	Senator Jan Elizabeth McLucas

Shadow Minister for Federal/State Relations, Shadow Minister for International Development Assistance and Deputy Manager of Opposition Business in the House	Robert Francis McMullan MP
Shadow Minister for Primary Industries, Fisheries and Forestry	Senator Kerry Williams Kelso O'Brien
Shadow Minister for Human Services, Shadow Minister for Housing, Shadow Minister for Youth and Shadow Minister for Women	Tanya Joan Plibersek MP
Shadow Minister for Health	Nicola Louise Roxon 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 Education and Training	Stephen Francis Smith MP
Shadow Treasurer	Wayne Maxwell Swan MP
Shadow Minister for Finance	Lindsay James Tanner MP
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Shadow Parliamentary Secretary for Defence and Veterans' Affairs	The Hon. Graham John Edwards MP
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Shadow Parliamentary Secretary for Treasury	Catherine Fiona King MP
Shadow Parliamentary Secretary for Education	Kirsten Fiona Livermore MP
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Shadow Parliamentary Secretary for Industrial Relations	Brendan Patrick John O'Connor MP
Shadow Parliamentary Secretary for Industry and Innovation	Bernard Fernando Ripoll MP
Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs	The Hon. Warren Edward Snowdon MP
Shadow Parliamentary Secretary to the Leader of the Opposition (Social and Community Affairs)	Senator Ursula Mary Stephens

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THURSDAY, 16 AUGUST

Chamber

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CONTENTS—*continued*

Thursday, 16 August 2007

The SPEAKER (Hon. David Hawker) took the chair at 9 am and read prayers.

HEALTH INSURANCE AMENDMENT (MEDICARE DENTAL SERVICES) BILL 2007

First Reading

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

Bill read a first time.

Second Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.01 am)—I move:

That this bill be now read a second time.

This bill introduces amendments which will increase access to dental treatment under Medicare for people with chronic conditions and complex care needs.

People with chronic conditions, such as diabetes, cardiovascular disease and cancer, often have poor oral health, which can adversely affect their condition or general health.

From 1 November 2007, new dental items will be introduced on the Medicare Benefits Schedule, enabling these patients to receive Medicare benefits for a broad range of dental services.

Eligible patients will be able to access up to $4,250 in Medicare dental benefits over two consecutive calendar years. This amount includes any Medicare safety net benefits payable to the patient. Patients will be able to access benefits for any combination of dental assessment and treatment services, based on their clinical needs.

I am pleased to say this is more generous than what was originally announced in the budget. The new arrangements were developed following consultations with stakeholders and will provide more flexibility for patients to receive complex treatment when it is required.

The Commonwealth government has committed $384.6 million over four years to this measure—a significant investment that will help eligible patients to access dental treatment in the private sector. The Medicare items complement, but are not intended to replace, public dental services which are the responsibility of state and territory governments.

The new Medicare items will be targeted at people with chronic conditions and complex care needs where the person's oral health is impacting on, or is likely to impact on, his or her general health. To be eligible, a person needs to be managed by a general practitioner under specific chronic disease management and multidisciplinary care plans. Patients will need to be referred by their GP to a dentist.

The Health Insurance Amendment (Medicare Dental Services) Bill 2007 enables the implementation of the measure in two ways.

First, it enables eligible patients to receive Medicare benefits up to a specified amount for dental services.

Second, the bill enables Medicare benefits to be payable for the supply of dental prostheses, including dentures. This will particularly help the elderly, many of whom have chronic and complex conditions and who need dentures to be able to eat a balanced, healthy diet.

The new Medicare items complement other Commonwealth initiatives announced in the last federal budget designed to increase access to dental treatment and support the dental workforce. These include investments in a new School of Dentistry and Oral Health at Charles Sturt University, more rural clinical placements, and dental scholarships for Indigenous students.

Together these measures will help to further strengthen dental care in Australia. I commend the bill to the House.

Debate (on motion by **Ms Roxon**) adjourned.

FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS LEGISLATION AMENDMENT (CHILD DISABILITY ASSISTANCE) BILL 2007

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) (9.05 am)—I move:

That this bill be now read a second time.

The measure in this bill is a further demonstration of the government's commitment to people with disability and their carers. These changes ensure that families receiving an instalment of carer allowance on 1 July 2007 for caring for a child with disability will be paid $1,000 to help them purchase assistance, including things like additional respite, equipment or early intervention therapy for their child, as they deem necessary.

This will be an annual payment for eligible families in receipt of carer allowance on 1 July each year. The payment will be made for each child under 16 who attracts a payment of carer allowance for their carer.

The Australian government recognises that children with disability and their families have diverse needs which may also change over time. Young children with disability can benefit from early intervention and therapy to maximise their early childhood development and learning. Some families and children will benefit from a break, such as respite care. As they develop, older children may outgrow aids and equipment and need them to be replaced. Home or vehicle modifications, such as a hoist in the home or help to travel in the family car, may also be necessary.

Through this very practical initiative, the Australian government will help families with the purchase of such assistance. Importantly, the payment will help carers to purchase the form of assistance that best suits the needs of their family.

The payment provided by this bill will not be subject to income tax, nor will it count as income for social security or family assistance purposes.

In 2007, the $1,000 payment will be automatically paid to eligible families in October. In subsequent years, the payment will be automatically paid to eligible families in July. No claim is required on behalf of the families.

This payment will improve the quality of life for around 130,000 children with disability, their families and carers, and will be a practical way in which we, as a federal government, can help them with the difficult, challenging and lifelong task that many undertake in caring for a child with a disability. I commend the bill to the House.

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

INDIGENOUS EDUCATION (TARGETED ASSISTANCE) AMENDMENT (CAPE YORK MEASURES) BILL 2007

First Reading

Bill and explanatory memorandum presented by **Ms Julie Bishop**.

Bill read a first time.

Second Reading

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women's Issues) (9.08 am)—I move:

That this bill be now read a second time.

The primary purpose of this bill is to amend the Indigenous Education (Targeted Assistance) Act 2000 by appropriating additional funding of $2 million over the 2008 program year to improve education opportunities for Indigenous students in the Cape York region of Queensland. Additional funding of $8.1 million will also be provided to support these measures beyond 2008.

This funding will be used by the Cape York Institute for Policy and Leadership to embed the Making Up Lost Time in Literacy (MULTILIT) accelerated literacy program and to work with parents and guardians to establish Student Education Trusts (SETs) in the Cape York communities of Coen, Hope Vale, Aurukun, and Mossman Gorge.

The funding provided to support these measures will ensure additional education support for Indigenous Australians living in the remote communities in Cape York, to achieve equitable educational outcomes.

The MULTILIT measure will provide approximately 1,280 MULTILIT interventions for students who require intensive literacy support. The successful MULTILIT accelerated literacy program will be embedded through teaching methodology in classrooms to enhance teaching practice and through tutorial centres to further improve literacy skills of Indigenous students.

While some parents in Cape York already contribute financially to their child's education, a high number of schoolchildren start school with minimal learning support in their homes. The Cape York Institute will work directly with parents in the nominated communities to establish education trusts to support their child's ongoing education and its cost.

These measures reflect the Australian government's continuing commitment ensuring that Indigenous students, wherever they live, have access to educational opportunities.

I commend the bill to the House.

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

HIGHER EDUCATION ENDOWMENT FUND BILL 2007

First Reading

Bill and explanatory memorandum presented by **Ms Julie Bishop**.

Bill read a first time.

Second Reading

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women's Issues) (9.11 am)—I move:

That this bill be now read a second time.

This government has now eliminated previous government debt, has delivered successive budget surpluses and, through its strong economic management, can now make a $5 billion investment in the future of the Australian higher education sector. You cannot invest for the future if you are saddled with debt and running budget deficits.

Education builds opportunities for young Australians. It is the fundamental, essential and enduring building block for Australia's ongoing prosperity.

As a nation, through the Australian taxpayers, the Australian government is promoting excellence in our higher education sector. The Higher Education Endowment Fund represents an unprecedented investment by government in this sector.

This bill describes the two separate governance processes which are required to bring into operation the Higher Education Endowment Fund. The first relates to the investment of the $5 billion of capital the Australian government will inject into the fund from the 2006-07 budget surplus. The second relates to grants which will be directed to building world-class facilities.

It is the first of two bills on this matter that I will introduce today. The second bill, the Higher Education Endowment Fund (Consequential Amendments) Bill, describes supportive amendments that will be required to the Future Fund Act 2006 and the Income Tax Assessment Act 1997.

I will first describe the aspects of the Higher Education Endowment Fund Bill which support the $5 billion capital investment.

Investment in HEEF

The endowment fund, established by this bill, will substantially enhance the funds that are available to be invested in the higher education sector.

This $5 billion investment will effectively double all the existing financial investments and endowments currently held in the university sector.

The investment of the endowment fund will be managed by the Future Fund Board of Guardians, with operational support provided by the Future Fund Management Agency.

The endowment fund will be a true endowment fund with a requirement in the legislation to maintain its real value. Further, the legislation requires that only accumulated returns are made available each year for payment to higher education institutions.

This will create a legacy, established by this government, that will benefit generations of Australians.

The board will be guided in its activities by an investment mandate set out by the Treasurer and the Minister for Finance and Administration. Work will soon commence on developing the investment mandate for the Higher Education Endowment Fund.

The practices for the management of the investment of the Higher Education Endowment Fund will mirror those currently in place for the Future Fund. The Future Fund board will be accountable to the Treasurer and Minister for Finance and Administration for meeting its obligations to invest the endowment fund in accordance with the requirements of the act and the investment mandate directions.

Importantly the endowment fund bill sets out limitations of the endowment fund investment mandate. The aim is to ensure that the endowment fund is not invested in a way that is inconsistent with the endowment fund's objectives.

The Minister for Finance and Administration, through his responsibility for the Future Fund legislation, will also have administrative responsibility for the expanded functions of the Future Fund board in relation to investment of the endowment fund.

Capital and research facilities

My responsibilities under this bill relate to making grants of financial assistance to the higher education sector. The purpose of these grants will be to support activities in relation to capital expenditure and research facilities.

These grants will promote excellence, quality and specialisation in Australian universities for years to come, which will allow more world-class institutions to emerge.

Grants will be strategic in nature and reflect the long-term goals of the higher education sector. It will not be a source of recurrent funding, as some have suggested.

The endowment fund builds on substantial investment by this government in infrastructure for the higher education sector, including an estimated $607 million over the last 11 years through the Capital Development Pool and an estimated $1.5 billion over the same period for Research Infrastructure Block Grants. The Australian government has also invested over $59 million in universities through the Major National Research Facilities Program. In addition, the government will spend an estimated $540 million from 2005 until 2010 on the National Collaborative Research Infrastructure Strategy.

The endowment fund is in addition to existing programs and serves a very different purpose. The total amount I can spend on grants to the higher education sector in any financial year, the maximum grants amount, will be calculated by the Future Fund Board of Guardians. They will make this calculation in accordance with rules specified by the Treasurer and the minister for finance.

In determining these rules the ministers will ensure that the maximum grant amount does not exceed accumulated nominal earnings, and will have regard to the need to retain the real value of government contributions to the fund and moderate volatility from year to year. Their deliberations will be informed by external advice from an asset consultant. This approach reflects international best practice for endowment funds.

As is evident from these requirements and the bill itself, the endowment fund will deliver returns to the sector which will be intrinsically linked to its performance and in turn the market.

International experience suggests that in using such a strategy over the medium term, around five years, the level of grants that can be made from the fund should become predictable. However, in the short term there may be some volatility.

In the interest of securing a long-term and stable funding base from the endowment fund for the higher education sector, this is a reality that the government will manage for and I encourage the higher education sector to appreciate.

To enable me to allocate grants in a manner which best enhances the sector, I will be supported by a Higher Education Endowment Fund Advisory Board established by this bill.

An interim advisory board will assist me with designing program guidelines for capital expenditure and research purposes. It will also propose terms of reference for the permanent board.

Eligible institutions

The act defines eligible higher education institutions as those listed under table A and table B of the Higher Education Support Act 2003.

The interim advisory board, supported by my department, will consult widely with the higher education sector over the coming months to determine the most appropriate program design for grants from the endowment fund.

As part of this consultation process I will also ask the advisory board to explore whether there is a desire among higher education institutions to have their own institutional endowment funds managed as part of the endowment fund. I will also consult with the Board of Guardians about how we might practically expand their functions to manage this aspect. Following careful examination of this issue, it may be that we will introduce amendments to this legislation and the Future Fund Act in the future.

Philanthropy

The endowment fund should serve as a signal to the community that it should pro-

vide greater philanthropic support to universities.

Our higher education institutions have not been as successful as their competitors overseas in attracting philanthropic donations. In fact, in Australian universities, less than two per cent of income comes from philanthropic donations. In comparable universities overseas it can be as high as 15 or 20 per cent.

With this bill the government has created a legacy—a perpetual investment in the future of higher education.

With the endowment fund the Australian government is providing a significant further means to develop a diverse higher education sector with truly world-class institutions.

We also create a new avenue for business and the general community to make philanthropic donations to the sector.

This bill will allow the Future Fund board to accept gifts of money to be included as part of the endowment fund.

Gifts will be treated as tax deductible under the Income Tax Assessment Act 1997 as a result of the Higher Education Endowment Fund Consequential Amendments Bill, which I will introduce in a few moments.

In the first instance, gifts to the endowment fund will only be able to be accepted on an unconditional basis.

The government indicated at the time the endowment fund was announced that contributions could be earmarked for particular universities and could be managed along with that endowment. This issue will require careful consideration in light of both the design of the program and how the Board of Guardians might manage this requirement. I will ask the interim advisory board to deliberate on this matter and provide me with advice. The government may then consider amendments to this legislation.

Broader context of government's education agenda

I would like to reflect briefly on the government's broader goals for education, as they are strongly linked to the establishment of the Higher Education Endowment Fund.

We must aim for higher standards in education to support Australians in their quest to learn, to discover and to innovate. We must ensure that universities are well governed, are responsive to student and industry demand, and accountable to the taxpayers who continue to provide the majority of funding to the sector. This year the Australian government is providing a $9 billion investment in education, science and training, including the centrepiece of this year's budget, the Higher Education Endowment Fund. This builds on an investment of over $56 billion made by this government in higher education, including research infrastructure for the sector.

This financial year alone, the government will invest $8 billion in universities—a 31 per cent real increase since 1995-96.

I expect that the $5 billion endowment fund will play a vital part in realising the government's vision of making Australian universities synonymous with excellence in research and education.

I commend the bill to the House.

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

HIGHER EDUCATION ENDOWMENT FUND (CONSEQUENTIAL AMENDMENTS) BILL 2007

First Reading

Bill and explanatory memorandum presented by **Ms Julie Bishop**.

Bill read a first time.

Second Reading

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women's Issues) (9.21 am)—I move:

That this bill be now read a second time.

The Higher Education Endowment Fund (Consequential Amendments) Bill 2007 amends the Future Fund Act 2006 and the Income Tax Assessment Act 1997 to support implementation of the Higher Education Endowment Fund.

I have been assisted in the preparation of this bill by the Treasurer and the Minister for Finance and Administration, in their capacity as the responsible ministers under the Future Fund Act.

As detailed in my previous speech, the Higher Education Endowment Fund is being established to enhance the funds that are available to be invested in the higher education sector. Announced as part of the 2007-08 budget, the endowment fund will be managed by the Future Fund Board of Guardians.

In recognition of the separate purposes for which the two funds have been established, they are supported by separate legislation. This also has the benefit of limiting the number of amendments required to the Future Fund Act.

I will first discuss material changes to the Future Fund Act and Income Tax Assessment Act which support the establishment and operation of the Higher Education Endowment Fund.

I will then discuss material changes that the government is initiating to improve the operation of the Future Fund Act, changes that are mirrored in the Higher Education Endowment Fund Bill.

Future Fund Act 2006

Expansion of the functions of the Board of Guardians

Consequential amendments to the Future Fund Act make it clear that the Future Fund Board of Guardians will now have two distinct streams of work. This bill will alter the Future Fund Act to support the Future Fund Board of Guardians take on the investment management function for the Higher Education Endowment Fund.

It will also make clear that each fund will have a separate investment mandate. As noted in my previous speech, work will soon commence on developing an investment mandate for the Higher Education Endowment Fund.

The investment mandate of the Future Fund, and the general operation of the Future Fund, will remain the responsibility of the Treasurer and the Minister for Finance and Administration, as supported by the Future Fund Act.

The Minister for Finance and Administration will remain responsible for the administration of the Future Fund legislation, including the expanded functions of the Future Fund board for the investment of the HEEF.

Ministerial Directions on Investments

Responsible governance is a priority for this government. This requires that we review and update legislation. This bill supports one such change to the Future Fund Act which is mirrored in the new legislation for the endowment fund.

This bill will ensure that investments made by the Future Fund Board of Guardians are determined by the board, not by ministerial direction, within the broad guidelines of the investment mandate.

Both this bill and the Higher Education Endowment Fund Bill specify that the responsible ministers cannot direct the Future

Fund Board to use the assets of the fund to invest in a particular financial asset, for example, shares in a particular company.

It also prevents the responsible ministers from issuing a ministerial direction that has the effect of requiring the board to use the assets of the fund to support a particular business entity, a particular activity or a particular business.

These amendments will ensure that the Board of Guardians deliver the best outcomes for the government and for all Australians.

Income Tax Assessment Act 1997

The Higher Education Endowment Fund Bill will allow the Future Fund Board of Guardians to accept gifts of money to be included as part of the endowment fund.

To support this function, changes to the Income Tax Assessment Act are required. This change creates a new avenue for business and the general community to make philanthropic donations to the sector.

I commend the bill to the House.

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

SYDNEY HARBOUR FEDERATION TRUST AMENDMENT BILL 2007

First Reading

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

Bill read a first time.

Second Reading

Mr TURNBULL (Wentworth—Minister for the Environment and Water Resources) (9.26 am)—I move:

That this bill be now read a second time.

The purpose of the Sydney Harbour Federation Trust Amendment Bill 2007 is to make amendments to the Sydney Harbour Federation Trust Act 2001 (the act).

The act, which commenced in 2001, gave effect to the Commonwealth government's commitment to preserving the Sydney Harbour foreshore for future generations. The act provides for the management of former defence and other Commonwealth lands in the Sydney Harbour region, including the preparation and implementation of plans to maximise public access, clean up contamination and preserve the heritage and environmental values of these historic sites.

Since the act came into effect, the Sydney Harbour Federation Trust has gained significant experience in transforming and managing seven important historic sites. The Sydney Harbour Federation Trust has also received strong public support for its role.

The act currently provides for the repeal of the act within 10 years of its commencement, which would have been in September 2011. This bill will extend until 19 September 2033, the date by which the act is to be repealed, thereby also extending the life of the Sydney Harbour Federation Trust to that date.

The Australian government's original intention was for the trust to be a transitional body to manage Commonwealth lands in and around Sydney Harbour and maximise public access until 2011 when suitable land would be transferred to New South Wales for inclusion in the national parks and reserve system.

The extension of the life of the trust supports a recent agreement between the Commonwealth and New South Wales to transfer crown land at North Head to the trust until 2032. This extension of the date by which the act is to be repealed will ensure that the trust is in existence when the North Head site is transferred back to New South Wales. Moreover, the extension of the trust until 19 September 2033 will enable the trust to continue its work of remediating and making available to the public all these magnificent

former Commonwealth sites for another 26 years.

I commend the bill to the House.

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

TAX LAWS AMENDMENT (2007 MEASURES No. 5) BILL 2007

First Reading

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

Bill read a first time.

Second Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (9.29 am)—I move:

That this bill be now read a second time.

This bill makes numerous improvements to Australia's tax laws.

Schedule 1 modifies the tax treatment of leasing and similar arrangements between taxable entities and tax-exempt entities (including foreign residents) for the financing and provision of infrastructure and other assets.

The measure applies where, broadly, a tax-exempt entity effectively controls the use of an asset and the taxpayer does not have a predominant economic interest in the asset. If the changes apply, capital allowance deductions will be denied and the arrangement will be treated as a loan that is taxed as a financial arrangement on a compounding accruals basis.

This reforms an integrity measure that restricts the transfer of tax benefits between a taxable entity and a tax-exempt entity. These changes streamline the existing harsh rules and will reduce the ongoing compliance costs of Australian businesses by providing greater flexibility.

Schedule 2 will ensure that the thin capitalisation rules operate as intended by amending the definition of 'excluded equity interest' to remove those equity interests that remain on issue for a total period of 180 days or more.

Schedule 3 also amends the thin capitalisation rules. These amendments provide that certain authorised deposit-taking institutions (ADIs) known as specialist credit card institutions may be treated as if they were not ADIs. The changes reflect the different level of prudential regulation applied to these ADIs. The changes will reduce the compliance costs for these companies.

Schedule 4 extends the capital gains tax (CGT) marriage breakdown rollover to in specie transfers of personal superannuation interests from a small superannuation fund to another complying superannuation fund under certain conditions. This will ensure that CGT need not be an impediment to separating spouses achieving a 'clean break' from each other in terms of their superannuation.

Schedule 5 to this bill will exempt from income tax the Prime Minister's Prize for Australian History and the Prime Minister's Prize for Science, to the extent that the prizes would otherwise be assessable income.

Schedule 6 amends the company loss recoupment rules to remove the $100 million total income cap on the same business test. This will give all companies access to the same business test to determine whether prior year losses can be deducted against future income.

Schedule 7 extends the existing statutory licence CGT rollover. The rollover will apply where a statutory licence ends and is replaced by one or more new licences that authorise substantially similar activity to the activity authorised by the original licence or licences.

The measure also provides a partial rollover where a statutory licence ends and is

replaced by a new licence or licences and other capital proceeds are also received.

Schedule 8 provides those with ownership interests in stapled entities with a CGT rollover to allow for the reorganisation of stapled groups, and in particular Australian listed property trusts. Australian listed property trusts will be able to interpose a head trust so that they can be treated as a single entity for the purpose of overseas acquisitions. These, and other amendments to the trust provisions, will improve the international competitiveness of Australian property trusts.

Schedule 9 amends the list of deductible gift recipients in the Income Tax Assessment Act 1997. Deductible gift recipient status will assist these organisations in attracting public support for their worthy activities.

Schedule 10 introduces a package of incentives that will reform and strengthen the Australian film industry. This package will encourage private sector investment and improve Australia's international competitiveness.

Schedule 11 extends the premium 175 per cent research and development (R&D) tax concession to Australian R&D activities undertaken on behalf of multinational companies. This measure will encourage additional expenditure on R&D in Australia by subsidiaries of multinational enterprises.

Schedule 12 establishes a new board called Innovation Australia to administer and oversight the Industry portfolio's innovation and venture capital programs.

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

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

SOCIAL SECURITY AMENDMENT (2007 MEASURES No. 2) BILL 2007

First Reading

Bill and explanatory memorandum presented by **Dr Stone**.

Bill read a first time.

Second Reading

Dr STONE (Murray—Minister for Workforce Participation) (9.34 am)—I move:

That this bill be now read a second time.

This bill contains amendments to the Social Security Act 1991 and the Social Security (Administration) Act 1999 to give effect to policy announcements made in the budget and other measures. These measures build on the Welfare to Work reforms already introduced, ensuring better arrangements for principal carers, improved consistency in income support decisions and greater clarity in the application of social security law.

The bill recognises the significant responsibility that relatives sometimes take on with regard to the care of a child, extending exemptions from participation requirements already in place for some principal carers. The amendments ensure grandparents and other relatives who take on the responsibility for the care of a child as principal carers, but not as formal foster carers under state or territory law, have access to an automatic exemption from their participation requirements. Recipients of parenting payment, Newstart allowance, youth allowance (other) and special benefit, who care for a related child as a result of a family law order under the Family Law Act 1975, will now have access to this exemption.

Single principal carers receiving Newstart allowance or youth allowance (other) who are eligible for this exemption, will also access a higher rate of payment for the duration of the exemption. The higher rate is equiva-

lent to the parenting payment (single) rate of payment.

The bill improves the operation of social security provisions governing a person's transfer between one income support payment and another. These provisions currently enable a person to be transferred from one payment to another, without the need for a claim form, where the person becomes newly eligible for the other payment and the secretary considers it appropriate to make the transfer. The amendments will further reduce the administrative burden in transferring people from one payment to another, by placing restrictions on the time frame in which a transfer can be made. This will ensure a recipient's qualification for payment will be assessed in a similar time period as the claim was made. In addition, transfers to the closed payments of mature age and partner allowance will no longer be possible.

The amendments provide for new guidelines to be made regarding assessments of partial capacity to work, current or continuing inability to work, application of the impairment tables and incapacity exemptions from the activity test. In addition, outdated references to 'medical officers' in the impairment tables have been replaced with the term 'assessors'. These changes will ensure continued consistency across decision makers for income support decisions and reviews.

The bill also makes a technical amendment to clarify that waiver of a social security debt recovery due to special circumstances is not available to a person who knowingly fails or omits to comply with social security law.

These amendments provide even further support to people assisted under the government's Welfare to Work reforms. There are minimal financial implications associated with this bill.

I commend the bill to the House.

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

COMMITTEES

Public Works Committee

Approval of Work

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (9.37 am)—I move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, and by reason of the urgent nature of the works, it is expedient that the following proposed work be carried out without having been referred to the Parliamentary Standing Committee on Public Works: Construction of staff apartments in the Australian Embassy compound, Baghdad, Iraq.

The Department of Foreign Affairs and Trade proposes to undertake urgent construction of 12 residential apartments in the Australian Embassy compound in Baghdad, Iraq. The project will provide secure permanent accommodation for embassy staff currently accommodated on a temporary basis in the chancellery offices. The government places the highest priority on providing safe living conditions for staff posted to the embassy, and it is important that these works should go ahead without delay. The government fully supports the work of the Public Works Committee and it is unusual to seek parliamentary approval of a project without reference to the committee. However, given the situation in Baghdad and the urgent need to provide safe accommodation, this project should not be delayed by a referral to the committee. The estimated cost of the proposed works is $21 million. Subject to parliamentary approval the works will commence at once and are expected to be completed by mid-next year. I commend the motion to the House.

Question agreed to.

Public Works Committee

Approval of Work

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (9.39 am)—I move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, and by reason of the urgent nature of the works, it is expedient that the following proposed work be carried out without having been referred to the Parliamentary Standing Committee on Public Works: Australian Broadcasting Corporation Accommodation Project, Brisbane, Qld.

The government fully supports the work of the Public Works Committee and it is unusual to seek parliamentary approval of a project without reference to the committee. However, given the situation of the ABC Brisbane operations and the urgent need to provide a safe and effective working environment, this project should not be delayed by referral to the Public Works Committee.

Following the reporting of an abnormal number of breast cancer cases among the female staff working at the ABC's Toowong site in Brisbane, Queensland, the ABC set up an independent review panel to conduct a comprehensive investigation. The panel delivered a progress report in December 2006, and based on these findings the ABC decided it had no option but to vacate the Toowong site. The ABC is now operating from nine different sites across the city. This is dysfunctional and operationally limiting. Despite the ongoing stress, the 280 staff in Brisbane continue to work tirelessly and professionally to maintain the quality of ABC programs in what has been a challenging and often less than ideal working environment. The ABC board considered a wide range of accommodation options for a permanent home for the ABC in Brisbane and considered that a purpose-built ABC owned option was the most cost-effective solution. The preliminary estimated cost for the design, construction and building fit-out is $45 million.

Subject to parliamentary approval, the estimated duration of the project from the initial date of approval by the ABC board is 36 months, with occupation complete by mid-2010. The consequences of any delay for ABC staff and operations in Brisbane would be significant. It would undermine morale at a time when staff are keenly anticipating speedy action on the development of a new ABC centre. It would add to the cost of the current temporary accommodation measures and it would increase the risk of business continuity interruptions by extending the reliance on less than optimal technical communication, infrastructure and services. I commend the motion to the House.

Question agreed to.

Public Works Committee

Approval of Work

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (9.42 am)—I move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Rationalisation of ADF facilities at RMAF Butterworth, Malaysia.

The Department of Defence proposes to undertake a rationalisation of Australian Defence Force facilities at the Royal Malaysian Air Force base Butterworth in Malaysia. RMAF Butterworth supports deployments of aircraft from the RAAF's air combat, air lift and aerospace operational support groups, Defence exercises and visiting units, and contributes to the defence of Australia's regional interests. Defence has an ongoing requirement in maintaining a presence at RMAF Butterworth, and consequently a

long-term requirement for facilities. The project reinforces Australia's commitment to the five-power defence arrangements and will enable the Australian Defence Force to provide buildings which meet modern occupational health and safety requirements with improved efficiencies. The work will also enhance defence capability by enabling personnel mobility, morale, esprit de corps and training outcomes as well as personnel retention. The project proposes the construction of three new headquarters buildings, a combined armoury, installation of a sewage effluent treatment plant and the refurbishment of some existing facilities. The estimated outturn cost of the proposal is $23.6 million.

In its report the Public Works Committee has recommended that the proposed works proceed. Subject to parliamentary approval and further design, construction will start in early 2008 for completion in late 2009. On completion of the project, a small number of redundant buildings may be returned to the Malaysian Ministry of Defence. On behalf of the government I would like to thank the committee for its support and I commend the motion to the House.

Question agreed to.

Public Works Committee

Approval of Work

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (9.45 am)—I move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: RAAF Base Pearce redevelopment stage 1, Pearce, WA.

The Department of Defence intends to undertake stage 1 of the redevelopment of RAAF Base Pearce in Western Australia, at an estimated outturn cost of $142.2 million, plus GST. RAAF Base Pearce is a major military airbase in Western Australia. The base primarily supports flying training and additionally supports overseas deployments and transit operations.

This is the first redevelopment plan for RAAF Base Pearce and it seeks to address the aged, substandard and dysfunctional infrastructure and facilities which do not comply with current standards. It will enhance defence capability by enabling personnel mobility, morale, esprit de corps, training outcomes, attraction and retention.

The redevelopment project will involve replacement of base-wide engineering services, a new fuel farm, a new quality control centre, a new combined mess, an upgrade to the air movements terminal, an upgrade to the training aircraft maintenance hangar, a new noise attenuated engine run-up facility for the resident training aircraft, new live-in accommodation for cadet pilots and the demolition of redundant facilities.

In its report, the Joint Standing Committee on Public Works has recommended that these works proceed, subject to the recommendations of the committee. The Department of Defence accepts and will implement those recommendations. Subject to parliamentary approval, the further design and construction will commence in late 2007, and it is anticipated to be completed by mid-2011. On behalf of the government, I would like to thank the committee for its support. I commend the motion to the House.

Question agreed to.

Public Works Committee

Approval of Work

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (9.47 am)—I move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, it is expedient to carry out the following proposed work which

was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Fit-out of new leased premises for the Department of Health and Ageing at the Sirius Building, Woden Town Centre, ACT.

The Department of Health and Ageing proposes to undertake the fit-out of new leased premises to be constructed on a redeveloped site at the Woden Town Centre, Australian Capital Territory. The estimated total capital cost of the fit-out is $67 million, with the fit-out construction to be integrated with the base building. The proposed new building is to be located adjacent to Scarborough House, Health's head office, at the northern end of the pedestrian precinct in the Woden Town Centre. Its close proximity to Scarborough House will strengthen links between all areas of the department and enhance operational efficiencies.

The site will comprise the existing Sirius Building and Fishburn House sites on Furzer Street, Woden. The two buildings are to be demolished and replaced by new buildings that will deliver approximately 44,500 square metres of flexible, modern office accommodation and meet the requirements of the Australian government's Energy Efficiency in Government Operations Policy. Additional space for the privately operated 100-place childcare facility will also be included.

In its report the Joint Standing Committee on Public Works recommended that the proposed work should proceed, subject to the recommendations of the committee. The Department of Health and Ageing accepts and will implement those recommendations.

Subject to parliamentary approval, work is proposed to commence in November this year, with practical completion of the new building scheduled for early 2010. As a result, Health expects to occupy the building from February 2010. On behalf of the government, I would like to thank the committee for its support. I commend this motion to the House.

Question agreed to

Public Works Committee

Reference

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (9.50 am)—I move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Multi role helicopter facilities.

We could not let this one go by, because this means more dollars for RAAF Base Townsville—which will not surprise you—as well as some other bases around the country. The Department of Defence proposes to provide a range of helicopter shelters, operational facilities, simulator buildings and maintenance facilities to support the introduction of the multirole helicopter. The proposed facilities and infrastructure will be located at RAAF Base Townsville, the Army Aviation Centre at Oakey, the Gallipoli Barracks at Enoggera in Queensland and HMAS *Albatross* at Nowra in New South Wales.

The project will involve a mix of new facilities, refurbishment and the adaptive reuse of existing facilities. The estimated outturn cost of the proposal is $168.7 million, plus GST. I know that the good people at 5 Aviation Regiment in Townsville are warmly looking forward to the expenditure of this money, and we hope that we can get that approval from the Joint Standing Committee on Public Works. Subject to parliamentary approval, construction is expected to commence in mid-2008, with completion by late 2010. I commend this motion to the House.

Question agreed to.

SPECIAL ADJOURNMENT

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (9.53 am)—I move:

That the House, at its rising, adjourn until Tuesday, 11 September, at a time to be advised by the Speaker, 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.

PRODUCT STEWARDSHIP (OIL) AMENDMENT BILL 2007

Second Reading

Debate resumed from 24 May, on motion by **Mr John Cobb**:

That this bill be now read a second time.

Mr GARRETT (Kingsford Smith) (9.53 am)—Labor supports the Product Stewardship (Oil) Amendment Bill 2007. The purpose of this bill is to amend the Product Stewardship (Oil) Act 2000 in order to, amongst other things, replace the term 'waste oil' throughout the act with the term 'used oil' and make changes to the administration, operation and amendment of the Oil Stewardship Advisory Council. The definition of the term 'used oil' referred to in the Product Stewardship (Oil) Act is the same as 'waste oil', and I note that the government's view is that the term 'used oil' is considered to be more consistent with the act. The bill also provides that members of the Oil Stewardship Advisory Council, other than members appointed to represent the Commonwealth and the Commissioner for Taxation, will be appointed on the basis of their knowledge or experience of a range of prescribed subject areas relevant to product stewardship arrangements for oil. The bill also strengthens and makes more demanding procedures for the disclosure of direct or indirect pecuniary interests by members of the Oil Stewardship Advisory Council.

Labor supports these changes, but I want to put it on the record that the government seems to be dragging its heels on the issue of recycling of oil, as it is on so many environment issues. As the Department of the Environment and Water Resources states on its website, and as quoted in the *Bills Digest*:

Australians recycled approximately 194 million litres of their used oil in 2003 … between 60 and 100 million litres remains unaccounted for.

We don't know what happens to this 'missing oil'. However, anecdotal evidence suggests it could be:

- Sitting in temporary stockpiles (eg in the garage or shed);
- Retained in waste or scrap equipment (such as vehicles);
- Lost to the environment at collection points (eg leaking, spills etc).
- Put out for household rubbish collection; or
- Illegally dumped (in parks and reserves or in waterways, sewer systems and stormwater drains).

The improper use of used oil can pollute land, waterways, underground reservoirs and the marine environment. One litre of used oil can contaminate up to one million litres of water.

Consequently, it is clear that this is a significant environment issue in the light of the amount of oil that is used in the modern Australian economy. Labor hopes that this new legislative regime will lead to new initiatives and action in this area.

I note that the Assistant Minister for the Environment and Water Resources, the member for Parkes, has introduced this bill into the parliament. We in the Labor Party have been wondering all year what the assistant minister has been doing to justify his title. This small bill seems to have been just about it. It was extraordinary that the Assistant Minister for the Environment and Water Resources did not bother to speak on the Water Bill 2007 when it was before the House

of Representatives this week. The Minister for the Environment and Water Resources described that bill as the most far reaching in the history of water management in Australia, and yet the assistant minister did not speak to it. As the member for Grayndler has pointed out, the assistant minister has an extra five advisers and two administrative staff. You have to wonder what the assistant minister actually does. He certainly does not deliver value for money.

When it comes to the broad issue of waste management, which this bill addresses in part, we see a lack of action by the government—a consistent pattern in relation to environment matters. In particular, there is no national waste management strategy. Issues associated with waste management and extended producer responsibility are still primarily left to state and territory governments to manage. The government's approach to consumer waste, including plastic bags, has been timid, and we are not seeing any comprehensive approach to issues associated with climate change or waste.

A report released yesterday by Visy, SITA Environmental Solutions, Global Renewables, WSN Environmental Solutions and the Total Environment Centre outlines an impressive plan to prevent two billion tonnes of carbon dioxide from entering the atmosphere. The report, entitled *Australia's climate change time bomb: The greenhouse legacy of landfill and the solution*, suggests the dumping of food, garden, paper and wood wastes produces high levels of landfill gas which has a warming potential 25 times that of carbon dioxide. It also suggests that early action to prevent the disposal of food, garden, paper and wood wastes in landfill could prevent up to two billion tonnes of carbon dioxide equivalent from entering the atmosphere in the longer term. We have not heard the government address these issues with any degree of detail or depth, nor has it investigated the environmental and climate change opportunities that arise from good waste management practices. There is virtually no discussion from the government about the economic opportunities that would arise from addressing these issues.

Global Renewables—one of the authors of the report mentioned earlier—provides an incredible example of the opportunities that are just waiting to be seized. In March 2007, Global Renewables announced a $5 billion deal in the UK to cut greenhouse pollution by more than four million tonnes. The tragedy is that an Australian company had to go to Britain to realise their ambitions. Labor's position is clear. Labor will support companies like Global Renewables.

We recognise that modern, clean industries that minimise resource consumption, waste and pollution generation are the key to a sustainable economy. We will work with state and territory governments to consider extended producer responsibility schemes for priority waste. We recognise that schemes to manage whitegoods, televisions, computers, tyres, batteries and mobile phones at the end of their life cycle have been successful overseas and we will consider their suitability to Australia. Importantly, Labor supports the phase-out of plastic shopping bags, with a legislated ban if necessary. This is another issue where the government has, frankly, been asleep at the wheel. Labor will look seriously at the recommendations of the *Australia's climate change time bomb* report.

Labor is also committed to diversifying the Australian fuel mix. As the member for Brand made clear in his 2005 Australian fuel industry blueprint, a diversified Australian fuel industry would make Australia a more self-sufficient country. I strongly believe we must increase the use of Australian transport fuels and reduce our reliance on foreign oil.

Clearly, that means developing and using cleaner fuels.

We need national leadership to develop alternative fuels such as ethanol, biodiesel and liquid petroleum gas, as well as future fuels such as hydrogen. In closing, Labor supports this bill, but the Australian public definitely deserves a far more comprehensive and focused approach to waste management.

Mr SLIPPER (Fisher) (10.01 am)—The Product Stewardship (Oil) Amendment Bill 2007 is a very positive government initiative which recognises the growing reality, in Australia and throughout the world, that natural resources, which in the past have been considered plentiful, are indeed finite and that what was used once and then discarded ought now to be reused, if that is possible. It is vital to recognise that our world does have finite resources and the Product Stewardship (Oil) Amendment Bill 2007 is yet another recognition by the Howard government that we are a clean and green government. This bill is being brought in because it does bring about positive initiatives and changes which will benefit Australia's environment.

The recognition that resources are finite was formalised in the Product Stewardship (Oil) Act 2000, and the bill being debated here today initiates changes that have been suggested as a result of the first review of that piece of legislation. The act itself suggested that reviews should take place every four years. Amendments in this bill include, for example, changing the words 'waste oil' in the legislation to become instead 'used oil'. I suppose the usage of the words 'waste oil' indicates that this oil has no further purpose and ought to be discarded; whereas the use of the words 'used oil' reflects the idea that oil is not necessarily rendered useless once it has been used. Consequently it is not actually waste, because it is a product and a resource which has ongoing benefits to the community if it is able to be reused.

You might suggest that small amendments like this are not important, but they do help to create in the mind of the Australian community the thought that we need to be more aware of the finite nature of our nation's resources. If we are able to use better wording in legislation, it helps to reinforce over and over that, when we do have a product that has been used but that can be reused, we ought to look upon it as a usable resource and not as waste.

Other changes that are suggested in this bill include that members appointed to the Oil Stewardship Advisory Council be appointed to the position as a consequence of their experience, knowledge and expertise of issues relating to this field, rather than being appointed—as is the case prior to the passage of this bill—simply as representatives of a particular body. Indeed, many appointments might well have been made on the basis of a person's experience, knowledge and expertise, but the change in this bill seeks to reinforce the need for that level of qualification so that the person is better able to make a positive contribution to the work of the Oil Stewardship Advisory Council.

These changes when enacted will ensure that those on the advisory board will actually have life experiences and a practical, hands-on understanding of relevant issues as they arise. This will not affect those members appointed to the advisory board to represent the Australian government or the Commissioner of Taxation, for understandable reasons. It is recommended as a result of the review of the legislation that those who are appointed by the Australian government and the Commissioner of Taxation will now become non-voting members of the council. This change means that the Australian government's and the commissioner's represen-

tatives, while they may not have the same level of expertise as other members on the board, will not have the same level of influence either. The voting membership will have a high degree of expertise, and that is a situation which is eminently desirable. The changes in the legislation reflect the willingness to embrace the idea that this legislation must be as effective as possible while equally being as politically and professionally independent as possible.

The bill provides for the introduction of more defined procedures by which members of the advisory board can disclose their pecuniary interests, which will ensure that any of those interests clearly do not pose a threat to the impartiality of the member. It is always important to try to guarantee that there are no conflicts of interest. Finally, the bill allows for new regulations to be created governing issues such as determining eligibility for oil stewardship benefits, the adopting of oil testing methods or laboratory accreditation standards from time to time.

Overall, the amendments to the bill are relatively minor. They are the result of a review process, and I think that it is good that in 2007, when we have legislation that has been in operation for a number of years, we review it to see whether the legislation as originally enacted still serves the Australian community as best it can. It is vital that, as a parliament, we can make small changes, small adjustments and small improvements that will ultimately improve the benefits obtained by the original legislation. That is a very positive step forward. I am very pleased to commend the bill to the House. These amendments help to shore up the effectiveness and practicality of the Product Stewardship (Oil) Act 2000, and I am quite confident that this bill will pass through this chamber and hopefully through the other place as soon as possible.

Mr RANDALL (Canning) (10.08 am)—It is my pleasure to speak on the Product Stewardship (Oil) Amendment Bill 2007 today. As has been said by the previous two speakers, this bill amends the Product Stewardship (Oil) Act 2000, which underpins the government's Product Stewardship for Oil program. Some people might find it a bit strange that I am speaking on what is basically a bill on recycling sump oil. I have a motive for speaking on this bill. That motive is that I have had people come to my electorate office, quite a few local businesses, and say, 'We have a real crisis in the recycling or the management of used oil.' It is generally called sump oil.

It is a huge problem because in the garages, the factories and the businesses in my electorate there are 44-gallon drums and other storage containers that are absolutely choc-a-block with oil waiting to be stored, to be treated or to have something done with it. The danger in that is that, if eventually people no longer have the ability to store this oil, they then start doing creative things with it. You can only soak so many posts in oil so that when you put them in the ground the white ants do not get to them. There are only so many things that you can do with sump oil. When we were kids, we used to pour it down ants' holes if they were causing us problems. That is probably not very environmentally friendly, but I do remember that it was when I was a child.

There is a real need to do something productive with recycled oil. I say this because the local people have come to us and said, 'Look, if you guys don't do something about it, we're going to get Channel 7 in'—as they always threaten to do in your electorate office. They say, 'We are going to get all of the media on to this case because no-one is dealing with this issue.' The federal government is dealing with this issue. And the opposition have already said they support this bill, so

there is a united front trying to do something about dealing with this oil. We not only want to give further incentives for people to recycle and treat oil so it can be reused but want to make it an industry that is attractive for people to enter. That is why there is something like up to 50c per litre available for people who treat recycled oil.

I have to shoot this home and be a little bit partisan from a Western Australian point of view, because in my state there are something like 20 million litres of stockpiled oil waiting to have something done with it. You might ask: 'Why is Western Australia different to anywhere else?' The fact is that we have a booming economy which has grown in all sectors. It is not just the mining sector that is growing enormously. As a result, people are using more machines, more cars and more industrial machinery. So, when they drain this oil, what do they do with it? The Western Australian state government have the primary responsibility for environmental protection and waste management in our state. They really have not addressed this issue. The Commonwealth have shown leadership on this. They have shown leadership by putting incentives and a stewardship management program in place, but so far the Western Australian government really have not got on the back of it.

The danger, as previous speakers have said, is that when people start pouring it down the grates on local streets or on the edge of local waste dumps, it is not contained. You get a decent rain and the next minute it is in the waterway. We know that one litre of oil, as previous members have already alluded to, can contaminate something like one million litres of water. You only have to see when a ship runs aground or there has been a small spill by even a small boat that everyone has to get into action to protect the marine life and the bird life in estuarine, river or marine situations. Oil is a real problem if it is released into the environment. Tipping it into a dump, down a drainage hole or even into a sewerage does not go too well.

We had a problem in my electorate with the Brookdale Waste Treatment Plant. The Brookdale Waste Treatment Plant treated everything from nail polish through to PCBs. The problem was that it was contaminating the local environment. The rangers from the local council used to have to go around the next morning and pick up all the dead birds around the edge of the wetlands because it was becoming such an embarrassment. This waste treatment plant was out of control. It had nowhere to deal with it and send it on, so it was getting into the water table, the drains around the area and the main waterways. So the Western Australian state government's record on this is not too flash.

One of the problems in Western Australia, even though there is a regime to deal with recycling oil, is the market for it. I understand—I could be corrected—that it was to be sent to Singapore. It was to be offloaded in large tankers to Singapore and to be refined there. However, I understand that that financial and business arrangement hit some turbulent times and, as a result, it fell through. That is why this stockpile of sump oil has been building up and it is a real environmental time bomb, waiting to go off unless the huge amount of stored oil is dealt with.

In Western Australia, the funding that has been given to all recyclers is helpful because local government authorities are generally the ones that end up being responsible. It trickles down from the state government, which divests it to local government authorities. There has been $4 million in Western Australia, for example, put into a transitional assistance grant program to help with the sustainable use of oil recycling. This is very

helpful. It has helped set up more than 200 local government authorities for oil collection facilities. They have a joint venture that enables residue from recycled oil to be incorporated. Sometimes they do creative things such as refining it to the extent that it can actually be used in bitumen or hot mix plants. Those are potential uses for it. There are some ways to deal with this. The Australian government is committed to helping the Western Australian government and the industry generally overcome the difficulties they currently experience in managing this oil. One difficulty is that, unless the oil is refined to a level where it can be used again as quality oil in machines, it is very difficult to take it any further.

This has also triggered interest from the Motor Trades Association because, as I said earlier, the company which normally took the oil in Western Australia was called Wren Oil. It hit commercial and financial problems. A gentleman called Mr Horton, from Keates Road Tyre & Battery Service in Armadale in my electorate, told me that he believes that, because the local authorities could not deal with it, the central and state governments should do something about it. We are doing something about it.

In my last few minutes, I want to respond to several things that the opposition spokesman said on the missing oil and this program. I suppose that in some respects the opposition spokesman is well placed to talk on this because he has been somewhat recycled from Midnight Oil into the federal parliament. Labor had to find something useful for him to do—not that he has proved himself since he has been here. In fact, I understand that they are trying to hide him as much as they can. There is a recycled Midnight Oil spokesman on the other side and he has something to say because he has some attachment to this issue, but, when he started to talk about other waste management issues and how the federal government should do something about national strategies, it was typical of the opposition trying to find some way to make the federal government responsible for this.

The state governments are trying to say that we should be responsible for managing local roads and planning and all sorts of things. They are local issues and they should be dealt with locally. Every time the local government authorities try to do something at a local level, out come people such as the former member for Roleystone, Martin Whitely. When the local government authorities in my electorate tried to bring in a high-temperature incinerator to deal with other wastes, he blocked it. As a member of the state Labor government, Martin Whitely was very active in blocking this high-temperature incinerator. Again, local government had to pick up the tab and find other landfill ways of dealing with waste. So Labor say one thing and do another.

We do have issues, as we know. There is a huge issue to do with recycling phones, computers and other modern-day waste products. The opposition member talked about how—shock, horror!—this government is not doing enough about plastic bags. We are. We had a very proactive program promoting the use of cloth bags rather than plastic bags. I can assure you that, if you go through my newsletters, you will find high promotion of that program. I even handed out my own calico bags as freebies for people to encourage that. So the opposition are duplicitous on this because they say one thing and do another. The opposition spokesman is talking about putting a levy or a tax or a ban on plastic bags. How wacky is it to want to ban plastic bags? It would never happen. He is away with the birds again. They should recycle him somewhere else. The opposition spokesman also talked about alternative fuels. Again, Labor say one thing

and do another. We tried to increase the level of alternative fuels, such as ethanol, in our fuels. When we did, the member for Fraser came into this place and bagged the whole use of alternative fuels and said they were going to ruin engines.

The Labor Party say that they support this bill and that is good, but behind their hands they are trying to destroy any positive initiative like this. At the end of the day, I want to be able to go back to Mr John Horton and say, 'The federal government is doing something about this. We are putting in better stewardship by having not only people on the board with expertise but also greater financial incentives so that people will actually get into the industry and recycle this oil so that there is not an environmental problem.' I am pleased to be associated with this bill and I will make sure that the responsibility is sheeted home and that people understand that, as a federal government, we are working together to resolve this problem.

Mr WAKELIN (Grey) (10.20 am)—The Product Stewardship (Oil) Amendment Bill 2007, as we know, amends the Product Stewardship (Oil) Act 2000, which underpins the government's Product Stewardship for Oil program. I will just make three or four basic points which others have not covered and try to draw out where we might learn from the experience. The first point I want to make is that the state and territory governments, as we know, have primary responsibility for environmental protection and waste management. This is one of those not uncommon arrangements between the Commonwealth and state and territory governments where oversight is very much with the state and territory governments—particularly in South Australia—and so there is always the risk of some of the intent being lost in the actual practical outcome.

This bill endeavours to pick up some of those concerns that have been out there for some time. I think the issue of the advisory council is quite an important one. The bill expands its membership so that there is expertise in remote areas, on Indigenous issues and in research and development. It also requires a little more fiduciary care of those people who sit on the advisory council. The act is quite specific about ministerial intervention with regard to conflict of interest. I trust that that may assist with some of the concerns that I have heard on this particular issue.

Another area is the changes that the alignment of excise has created. In 2006, the excise arrangement changed and I accept the government's argument that it was well intentioned—that is, from July 2006, when there was a significant variation. But it did change the way that excise was charged and then reimbursed by the government. The not uncommon complaint from industry is that there is a lag time in payment to government and return of the rebate. An interesting point that was made to me concerned the changes of usage within industry of this particular product. I am sure that the people involved with this legislation would have been made aware of that. But there have been significant changes in usage within my state that took a significant market out of existence which changed the way this product is utilised. I therefore welcome the working group that was agreed to on 2 June 2007 and comprises the Commonwealth, South Australian and Western Australian governments or community to investigate used oil issues. That is quite important because the eastern part of the country has a very large market and the viability of that market, particularly when you look at the overseas influence as well, is more sustainable because of its size, and it becomes more viable accordingly.

I will conclude by looking at the product stewardship benefit rates in 2005-06. For refined base oil the benefit was worth—as I understand it from the chart I have here—something like 50c a litre. A range of categories here endeavour to support this product stewardship arrangement. In my electorate there was concern about the collection process. With the financial rearrangement, particularly of the Fuel Tax Act 2006, certain companies—and I am quick to add that they are reputable companies—were having to charge different prices because of these changes. That created a significant reaction. I trust that that is understood by the government and that is why I have mentioned this working group, which I think is important. As the previous speaker, the member for Canning, acknowledged, this is an important environmental issue. The statistics are quite remarkable. I think something like 500 million litres of oil is used in this country per annum—it is certainly a figure of that order. The potential for damage to the environment is obvious. It is important that we get it right. I thank the government for its efforts, but I have my reservations whenever we work with our state friends about whether we will get the outcomes we desire. I wish the working group success in the way that they deal with this over the months ahead.

Mr JOHN COBB (Parkes—Assistant Minister for the Environment and Water Resources) (10.27 am)—The Product Stewardship (Oil) Amendment Bill 2007 will amend the Product Stewardship (Oil) Act 2000, which is designed to ensure the environmentally sustainable management, recycling and re-use of Australia's used oil. Most of the amendments in the bill implement recommendations of the 2004 review of the Product Stewardship (Oil) Act 2000. These amendments concern the constitution and operation of the Oil Stewardship Advisory Council, which advises me on matters relating to product stewardship arrangements for oil. The amendments will broaden the expertise of the Oil Stewardship Advisory Council. Members will be appointed on the basis of their knowledge and/or experience in a range of prescribed subject areas that are relevant to the management and recycling of used oil. For example, one of the prescribed subject areas is the issues of remote communities in Australia, including those of remote Indigenous communities. The appointment of a council member with expertise in this area will ensure that I will be provided with the best advice on used oil management in remote communities.

The amendments provide clear procedures for the declaration of any pecuniary interests by members of the Oil Stewardship Advisory Council and for the management of any conflicts of interest that may arise. This will ensure the independence of the advice that I receive from the council. Further amendments will allow regulations made under the Product Stewardship (Oil) Act 2000 to require that the most up to date versions of prescribed oil testing procedures be used to determine eligibility for the benefit payments that are made under the act. This will ensure that the re-refined oil that attracts the highest rate of benefit meets the most up-to-date quality criteria. The amendments contained in this bill will strengthen the operation of the Product Stewardship (Oil) Act 2000 and contribute to the sustainable management of Australia's used oil.

The opposition spokesman, the member for Kingsford Smith, made it plain that the opposition support the bill. I appreciate that. He also talked about global warming and the environment in general, and he intimated that our government did not have a national plan for waste. I do not know if he wants us to take over the responsibilities of state and local government, one of which is indeed the collection of waste.

We created in 2000, and are now amending, a national project, a national incentive, for the collection of used oil. More than that, we are promoting and making possible the refinement and re-use of oil, even to the extent of lube-to-lube. Of the over 200 million litres that are currently being re-used in Australia, almost one-sixth is now being used lube-to-lube, to be re-used in airconditioning or, primarily, in engine oil. That is an incredible thing and one which would not happen without the 50c that we provide for every litre that is so re-used. This has been one of the great successes of re-usable waste in Australia—in this case, used oil. I commend the bill to the House, and I believe that it is doing a very good job.

Question agreed to.

Bill read a second time.

Third Reading

Mr JOHN COBB (Parkes—Assistant Minister for the Environment and Water Resources) (10.31 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

SOCIAL SECURITY AMENDMENT (2007 MEASURES No. 1) BILL 2007

Second Reading

Debate resumed from 20 June, on motion by **Dr Stone**:

Ms GILLARD (Lalor) (10.32 am)—I rise to speak in the second reading debate on the Social Security Amendment (2007 Measures No. 1) Bill 2007. When it comes to welfare reform and workforce participation, we know that the Howard government really do not get it. They talk a lot but they have missed many of the fundamentals of this debate. Stuck in Australia's past and growing more and more stale in office, they do not understand Australia's future social and economic challenges and they certainly do not have any policies to deal with these challenges. As we know, the only thing that comes from government ministers these days is an attempt to provoke a fear campaign. They have ceased governing and they have no positive policies for Australia's future.

This bill is just another reminder that the Howard government does not really understand how to help people who are living at the margins of Australian life to move into the social and economic mainstream. There are some very small measures to give extra assistance to some of those in our community who we would like to move from welfare to work. They are indeed steps in the right direction but they are very small steps; they provide very limited help in dealing with some of the barriers to participation. This may make you think that the government has been paying attention and that it has heard the calls about how to increase participation, but the measures are so small that it almost seems that the government is just playing political games, trying to look like it is doing something when there is an election just around the corner. However, because these measures are a step in the right direction—albeit a very small step—Labor will support them. Nevertheless, a Rudd Labor government would do more.

Our growing economy and our ageing population require permanent action to increase participation in our workforce. This is to say nothing of the social value of increasing participation. Work is a critical foundation of social inclusion; the evidence is there for all to see. No-one can read the findings of Tony Vincent's research into geographical disadvantage in Australia and conclude that we are doing enough to bring people into the social and economic mainstream. I remind the House that that research has tracked persistent disadvantage by postcode, showing us those parts of the country, geographically,

that are being left behind despite 16 years of economic growth. What is most troubling about Tony Vincent's research is that, having done it more than once, he can show that disadvantage persists over time despite that economic growth.

If you compare his most recent work with his earlier work in 2004, you see that it shows that 70 per cent of the postcodes he had identified in 2004 continue to be persistently disadvantaged in 2007. There are, of course, many other commentators who are addressing these issues of participation and inclusion, but Tony Vincent's work, as I have said, is powerful indeed, directing our attention to those parts of the country that are being left behind.

In its budget earlier this year, Treasury also highlighted Australia's lagging international participation rate. Compared to its OECD competitors, Australia ranks 25th among 30 OECD countries with regard to workforce participation of prime working age males. Similarly, for child-bearing aged females—defined as being between 25 and 44—Australia is ranked 13th among OECD countries, including New Zealand, the United States, the United Kingdom and Canada. That is, we are behind those countries in our female labour force participation rate. In relative terms, we also have a low participation rate for older workers. That participation rate is 71 per cent in New Zealand and 67 per cent in Japan, while in Australia it is just 55 per cent.

ABS data also tells us that for all but two years in the past two decades, part-time employment increased at a greater rate than full-time employment. As a result, the proportion of people employed part time in Australia is now 30 per cent. Of course, part-time employment is an important feature of any labour market that wants to maximise participation and meet the needs of workers who must balance additional responsibilities such as child care or caring for a sick or elderly member of the family, or both.

In its latest *Australian Social Trends* work, released last week, the ABS revealed that the part-time employment level among Australian men is well above the OECD average, and it is also high in respect of the figure in comparable countries. Similarly, the part-time employment level among Australian women is also high with respect to comparable countries and very close to the OECD average. The ABS notes that while part-time work can supplement labour supply and increase participation, 67 per cent of men and 49 per cent of women who work part time reported that they would prefer to work full time. The budget also cited work that estimated that if Australia closed the participation gap with the highest ranking comparable OECD country in 2005 for each of these labour market segments there would be an additional 600,000 people participating in the labour force. However, the last two decades have seen a decline in male and an increase in female labour force participation and an increase in non-standard forms of employment.

A recent Productivity Commission staff working paper confirmed that in 2005-06 more than 2.2 million men were outside the labour force—that is, neither working nor looking for work. The commission found that, in contrast to women, the rates at which men are disengaged from the labour force have increased fourfold over the past century, rising particularly rapidly over the past 50 years. The pattern of falling male participation and part-time employment outgrowing full-time employment has serious implications for the pattern of social disadvantage in this country, because poverty and incomes research tells us that full-time employment is the most effective weapon to guard against poverty and disadvantage.

In addition to spending more time doing non-standard and irregular work hours, Australian workers have had to combat the use of Mr Howard's unfair Australian workplace agreements to standardise their working conditions. As of course is a matter of record, these extreme industrial relations laws have enabled AWAs to exist and to strip back basic payments such as penalty rates and overtime that often make up a significant portion of the weekly wage of the low paid. For those families across the nation, whether they be in metropolitan Sydney or Melbourne or our great regional centres—in fact, across the country—who are dealing with rising interest rates and cost of living pressures, the ability of Mr Howard's AWAs to strip penalty rates and overtime has been exercised, and that significantly jeopardises the chance of families surviving in home-ownership and paying a mortgage. Of course, we should never forget that the Howard government invited employers to make such award-stripping arrangements with its original Work Choices propaganda that gave the example of Billy, who got a minimum wage job and lost all of his penalty rates and overtime. Through that propaganda the Howard government issued an invitation to Australian employers to strip away these basic conditions.

Against this backdrop, how do we lift the participation rate? The solution begins with understanding the problem and then tackling it. A range of factors inhibit full participation by those who could be working. First, and according to the evidence foremost, is a lack of skills among the jobless. It is a simple fact that people get a job only if they have the skills an employer needs. The second factor is a lack of incentive. People are naturally inclined to work; it is deeply ingrained in our psyche to take action to better our circumstances. However, governments can pervert that instinct when they create arrangements that prevent people from benefiting through the circumstances in which they work.

Few people need to be told that there are non-financial benefits to working. However, many people seriously weigh up the costs of work against the financial benefits when making a decision about entering the labour force. This is particularly the case for women who have been raising children, for those close to retirement and for those with a disability who fear the loss of the insurance of social security if they gain work. A range of highly practical barriers also exist, such as access to affordable child care for parents in the context of irregular and long hours of work and transport issues for people with a disability—that is, the practical issues of what they need to do to get to work. Employer attitudes are also an issue, particularly for people with a disability and mature workers, as is designing employment services to meet the needs of these groups. These are the challenges.

Let us review what the Howard government has done after 11 long years in office to meet these challenges. I will deal with one example. Faced with the challenge of a skills shortage in the labour market and lack of skills among jobless Australians, the Howard government has made it harder, not easier, for many jobless Australians to study or train. The Welfare to Work rules prevent parents or people with a disability with a part-time participation requirement fulfilling that requirement through real training or study. It has restricted access to the pensioner education supplement so that a parent or a person with a disability on Newstart cannot get that extra little bit of help to undertake training.

Of course, the loss of the pensioner education supplement was remarked upon in this House, but we have not seen any positive response from the Howard government. We should note that people were able to access

this pensioner education supplement before the Howard government's Welfare to Work changes; it was an entitlement removed for this class of person in those changes and, despite us consistently raising the issue, the Howard government has done nothing to address it.

In case this failure to train job seekers looks like an oversight, let us look at other examples. It is well documented that people on income support have little financial incentive to return to work because of punishing effective marginal tax rates. So what has the Howard government done? It has increased those effective marginal tax rates. After the welfare changes, the government is now taking back more of what single parents and people with a disability earn than before. They have reduced the financial rewards from working.

So that I cannot be accused of being selective, let us look at another example. What about practical barriers, such as child care? The childcare crisis continues in Australia, with no solutions from the Howard government. Not only are there no solutions but it is actually now harder for single parents to access the childcare assistance specifically designed to help them move from welfare to work—the Jobs, Education and Training Child Care Fee Assistance. Previously, this was available for single parents for long enough for them to complete a degree or real training course. Now it is restricted to 12 months—not enough time, for example, for a single parent to undertake a valuable course in an area of skills shortage, such as nursing.

When it comes to looking at the reasons why people are not participating in the labour market and providing practical solutions, the Howard government have actually gone backwards. They have made it harder than it needs to be for people to move from welfare to work. When it comes to the employment outcomes of this economy, of course we know that the resources boom has driven employment growth, but some of the policy settings that the Howard government could have adopted to deal with the issues that I have just outlined remain undone after 11 long years, and now we confront a circumstance where the government have effectively ceased governing.

I return to where I started. Labor will be supporting this bill. The measures within it are small—they are small indeed—but they are beneficial and on that basis we will support the bill, but we note that there is so much more that needs to be done and will never be done by this government. With those words I move:

That all words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the bill a second reading, the House:

(1) condemns the Government for making it harder for Australians to move from welfare to work;

(2) condemns the Government for reducing the financial rewards for people who move from welfare to work;

(3) condemns the Government for restricting access to training and education for job seekers; and

(4) calls on the Government to allow people with part-time participation requirements to fulfil those requirements through real training or study".

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

Mr Tanner—I second the amendment.

Mr HARTSUYKER (Cowper) (10.48 am)—I welcome the opportunity to speak on the Social Security Amendment (2007 Measures No. 1) Bill 2007 and note that the amendment proposed by the Deputy Leader of the Opposition represents the peak of hypocrisy. The Labor side of politics, and par-

ticularly this group, has done everything possible to oppose the measures that this government has introduced to improve opportunities for job seekers, to improve the economy and to provide the ability for people to go to work. When we look at the future that Australians face in the lead-up to the forthcoming federal election, we have an economy that is running at full speed and enjoying high levels of employment and high levels of income growth, still against the backdrop of a low-inflation, low-interest rate environment.

Yet, in the knowledge of that, the opposition propose to introduce a policy that they know will push up interest rates, push up inflation, cost some 300,000 jobs, according to Econtech, and result in lower real incomes for the people of Australia. Somehow that is to the benefit of the people of Australia, they would claim. This Forward with Fairness policy really is no fairness at all. It really does come from the architect of one of the most famous policy blunders in the history of the Australian parliament—Medicare Gold—a policy that has been buried. I see the Deputy Leader of the Opposition running out the door because she does not want to hear the facts. She does not want to hear that she has replaced one failed policy, Medicare Gold, with another failed policy—'Forward with Alleged Fairness', I would say.

I will for a moment dwell on the achievements of this government in the economic area and the way in which that has contributed to opportunities for Australian job seekers and improved the lot of Australian families. Let us again reflect on the fact that this government has created some 2.1 million jobs since 1996. Is that a happy coincidence? I suppose the members opposite would argue that it is. They have voted against every measure that we have sought to impose to produce those 2.1 million jobs, but somehow it is just a happy coincidence. Of those jobs, 1.2 million have been full time and almost 900,000 have been part time. We heard the world was going to come to an end with the introduction of the Work Choices legislation, but what have we seen? Not mass sackings but 387,500 additional jobs, of which 84 per cent have been full time—hardly a disaster, as the members opposite would claim. There are now over 10.4 million Australians in work—a record high. There are 7½ million in full-time employment and 2.9 million in part-time employment. The unemployment rate in Australia in July 2007 was 4.3 per cent.

The focus of this bill is to support job seekers. I think there is no better way of supporting job seekers than keeping unemployment at 33-year lows. Unemployment has been below five per cent for 15 consecutive months. Male unemployment is 3.9 per cent; female unemployment is 4.8 per cent. These are great figures for job seekers. In December 1992 under Labor what was the unemployment rate? Was it seven per cent? No, it was not. Was it eight per cent? No, it was not. Was it nine? Was it 10? No, it was not. It was 10.9 per cent—hardly an achievement to help Australian families and hardly an achievement to help job seekers. Yet we have the Deputy Leader of the Opposition coming into this place feigning some concern for working families and feigning some concern for job seekers. It is all a massive facade. Her only concern is appeasing her union masters. That is her only reason for being in this place—her and the Leader of the Opposition. The union bosses pull the strings and the Deputy Leader of the Opposition and the Leader of the Opposition do the dance. They are nothing more than manipulated puppets.

Let us look at long-term unemployment, one of the most intransigent problems for some job seekers. We see that long-term unemployment is now down to 65,900 people, the lowest level in more than 20 years. It has

more than halved under the Howard government. The very long term unemployment level was some 36,200 in June 2007. That has fallen sharply by some 135,200, or 78.9 per cent, from its peak in November 1993 of 171,700. So we did have almost 200,000 very long term unemployed under Labor, under those members opposite, who somehow claim to be looking after the interests of job seekers. It is now 36,200. That is a staggering improvement, an improvement which has not been just a matter of happy coincidence but which has been achieved through the hardworking members of the Australian economy and good policy settings put in place by this government.

On the issue of wages, we heard when Work Choices was going to be introduced that wages were going to be slashed, that conditions would be slashed and so on and so forth. But we can see what has happened. As opposed to under 13 years of Labor, when real wages fell, since Work Choices was introduced real wages have increased some 2.4 per cent. There has been under the Howard government a 20.8 per cent increase in real wages, as opposed to a 1.8 per cent decrease under those 13 years of Labor. It is a stark contrast. It bears evidence to the rank hypocrisy of those opposite, who say they have concern for Australian working families.

The purpose of this bill is to provide further assistance to job seekers and those who are seeking to make the transition from welfare to work. Before moving on to the substance of the bill, I want to reflect for a moment on the recent study by Econtech, which reflected on some of the provisions of the policy Forward with Fairness, or 'Forward with Alleged Fairness', as I might say. It seems amazing that when you look at the economic research—which shows quite clearly that a more flexible labour market produces positive benefits for the whole economy, positive benefits for job seekers and positive benefits for working families—the members opposite in this place are yet proposing a policy which is going to instil greater rigidity in our labour market, at a time when we need maximum flexibility, at a time when the economy is running at full speed.

If you put an impediment into the operation of our labour markets at a time when it is at full stretch, what is going to happen? There are a number of things that can happen. Unemployment could go up because of that impediment. Costs could go up. Wage inflation could go up. Wage inflation could push up interest rates. All of the proposals that are embodied in Forward with Fairness provide that rigidity in the labour market, a rigidity which the current Australian economy cannot sustain. The members opposite know that, but they ignore that because they are under the thumb of the union masters. At a time when this economy needs greater flexibility, they are imposing greater rigidity, taking our industrial relations regime back to a pre-Keating era—back to an era of higher inflation, higher interest rates and, potentially, lower wages. No Australian family looks forward to the members opposite introducing a policy that is going to reduce the potential income they can make or that is going to reduce their potential to get a job.

If you look through the report you will see that it makes some interesting observations. It notes that in a more flexible economy adverse shocks are less likely to be displayed by increased unemployment, where if you have a less flexible economy the adverse shocks to that less flexible economy can be embodied in increased unemployment outcomes, which no-one wants to see. The report also notes that the roll-back of the unfair dismissal laws will provide an incentive to hire more casual labour. They will also result in less positive employment outcomes. In

fact, a study by Blanchard and Wolfers in 2000 found that a higher level of employment protection—that is, a stricter unfair dismissals regime, if you like—has a statistically significant and economically important adverse effect on unemployment. So we see that tougher unfair dismissal laws have a statistically significant adverse effect on unemployment, yet the members opposite are keen to bring that in. They say: 'Let's just do what our union masters tell us. We know it will ramp up the unemployment rate, but we don't care. We're on this side of the chamber. We're working at the behest of the union movement. They are calling the shots and we obey.' Also, the report looked at NAIRU, the non-accelerating inflationary rate of unemployment. That has fallen some three per cent. The report concludes that the reform efforts in this country have succeeded in achieving a lasting reduction in unemployment, a lasting reduction in NAIRU.

I would also like to consider the impact of trade unions. Trade unions are a very important element, as they run the Australian Labor Party. They call the shots, and the Australian Labor Party dances when the members of the trade unions call those shots. I again turn to the study of Blanchard and Wolfers, which found that a higher level of union density—that is, the proportion of trade union members relative to wage and salary earners—was associated with higher unemployment and that this effect was statistically significant. So higher union membership means higher levels of unemployment.

Furthermore, the OECD study by Nicoletti and Scarpetta also found that higher union density has an adverse effect on employment outcomes. It is also interesting to note that the work by Lye and McDonald in 2005 suggested that the decline in union density since the mid-seventies has effectively reduced the minimum equilibrium rate of unemployment by about three per cent and the growth of enterprise agreements during the nineties also reduced the minimum equilibrium unemployment rate by almost one per cent.

I note that in my electorate we have seen some eight consecutive quarters of falling unemployment. We have seen unemployment in my local government areas fall from around the 20 per cent mark to the point where all areas except one are in single-digit unemployment. It is a staggering improvement. We have more work to do there, but I would have to say that it does not reflect the claims made by the Australian Labor Party that unemployment and mass sackings were going to occur under Work Choices. Precisely the opposite is true.

Now that I have set the scene, I will turn to the legislation. This legislation aims to address three key areas in providing additional support for those who are seeking employment. Certainly, opportunity is one of the best things we can provide for those people looking for employment. Firstly, the bill extends eligibility for the mobility allowance. Secondly, the bill improves the equity of the youth allowance and provides more immediate support and employment assistance for young people once they cease studying. Thirdly, the bill removes the disincentives in the income support system for people with shared care of a child.

Mobility allowance is an income supplement payment to provide financial support to persons who have difficulty in using transport for reason of a disability, to help them engage in employment or work training. There is a standard rate of mobility allowance and there is a higher rate payable to those who qualify. The current qualification requirements for mobility allowance are that the person: is over 16; has a disability that prevents them from using public transport without substantial help for the next 12 months or longer; is undertaking vocational

training, voluntary work, paid work, independent living or life skills training, or a combination of these, for at least 32 hours every four weeks on a continuing basis; has an agreement to look for work through the Job Network; is getting Newstart allowance, youth allowance or Austudy and is required to satisfy the activity test; or needs to travel to and from home as part of work, training or job seeking.

To qualify for the higher rate of mobility allowance, a person needs to be receiving the DSP, Newstart allowance or youth allowance, and one of the following must apply: the person must be working for 15 hours a week or more in the open labour market or must be looking for work for 15 hours a week or more under an agreement with a DEWR funded service provider.

The higher rate of mobility allowance was introduced with the Welfare to Work reforms that commenced on 1 July 2006. The proposed aim of the amendments is to expand access to the standard rate of mobility allowance to a person with a disability who is undertaking a vocational rehabilitation program. The amendments also will expand access to the higher rate of mobility allowance to a parenting payment recipient who meets the requirement to qualify for the standard rate of mobility allowance, and a recipient of Newstart allowance, DSP, youth allowance or parenting payment who is also working for at least 15 hours a week on wage levels set under the supported wage system.

I now turn to youth allowance. The second key area that the amendments in this legislation address is equity in the treatment of youth allowance recipients who cease full-time study. Currently, youth allowance is payable to a full-time student aged 16 to 24 or to an unemployed job seeker aged 16 to 20. Unemployed job seekers aged 21 or more may qualify for Newstart allowance, and full-time students aged 25 or more may qualify for Austudy payment.

For a full-time student, once they cease full-time study they can only qualify for youth allowance, or Newstart allowance if aged 21 or more, if they are then an unemployed job seeker who satisfies the work search activity test. Under the amendments in this legislation, where a youth allowance recipient does not immediately advise Centrelink that they have ceased full-time study and there is a gap between when the study stopped and when they register as an unemployed job seeker, they cannot be paid youth allowance or Newstart allowance in the gap.

It is important to note that this measure will ensure that people finishing full-time studies will maximise their chances of obtaining employment by rapidly obtaining employment focused assistance from Centrelink and employment service providers. This amendment will ensure the equity of treatment of job seekers receiving youth allowance in that all recipients will undertake job-seeking efforts at an acceptable and appropriate level in order to remain eligible for the allowance.

I now turn to parenting payment partnered. The third key amendment in this bill is also part of the initiatives announced by the government in the 2007-08 budget. Essentially, the provisions are to expand access to a range of supplementary payments and concessions for parenting payment partnered recipients with a partial capacity to work, due to a disability. Currently, assistance and concessions are provided to parenting payment single recipients with a partial capacity to work. The extra assistance is to be provided to PPP recipients with access to the pensioner education supplement, the telephone allowance, the pensioner concession card or the pharmaceutical allowance. The increased access to payments for PPP recipi-

ents will ensure there is fairness and consistency.

This legislation is important because it continues to assist those who are seeking to join the workforce and those who are seeking to better themselves through further training and job-seeking activities. But one can add that there is no greater way to assist those people than to create the economic climate that is going to improve the jobs market. There could be no worse way to assist those people than to roll back our industrial relations regime to the pre-Keating era and introduce rigidity into the system that will push up interest rates, deter employers from taking on new staff and reduce the long-term income of families. I commend this bill to the House. I also decry the efforts by the Australian Labor Party to wind back the industrial relations clock, to wind back opportunity for Australian workers and job seekers.

Ms HALL (Shortland) (11.06 am)—That was quite some contribution. When I arrived in the chamber I heard a speech about trade unions, IR pre Keating, unemployment rates and recipients. It used a lot of statistics, and those statistics showed that if you look hard enough you can find statistics to prove anything you want to prove. The thing that really hit me about the contribution from the previous speaker, the member for Cowper, is that he did not say anything about the people who are going to be affected by this legislation. It was all about very abstract facts; it was all about attacking the Labor Party. There was a tiny part of his contribution where he actually spoke about the legislation. He showed absolutely no understanding of disability or the issues that people with disabilities face when they are seeking employment. It really said to me that here is a member of the government who truly believes what the Prime Minister has said: 'Australians have never been better off.' I hate to say this, but there are many Australians whom I represent in this parliament who are not better off, and there are many Australians represented by members of the government in this parliament who are doing it really hard. A group of people who are doing it very hard are those who have been affected by this government's Welfare to Work legislation. I would argue, and argue very strongly, that members on the government side of this parliament do not understand those issues.

The Social Security Amendment (2007 Measures No. 1) Bill 2007 makes minor amendments to the Welfare to Work legislation, which was rushed through this parliament with indecent haste. The amendments made in this bill will largely benefit the people they affect but they do complicate the system a little. Whilst welcoming the amendments, I cannot but stand here and ask the question: why weren't these amendments included in the original legislation? Why are we back here making these very minor amendments that will complicate an already very complex system?

When the previous legislation, the Welfare to Work legislation, was introduced into the parliament, I was very concerned about the impact it would have on people with disabilities. I have spent a very large portion of my working life working with people with disabilities and actually helping them re-enter the workforce or enter the workforce—perhaps it is the first time they have had a job. When I saw this legislation I knew it was going to create barriers for a large number of those people who are desperately looking for work.

One of the changes has affected a constituent in the Shortland electorate whom I have been working with for many years. We had previously linked him into CRS Australia, which was endeavouring to help him. Because there were some problems with his medical condition, his program was sus-

pended and then ended. His condition stabilised and he is keen to go back to a program with CRS but has to go through the whole assessment process. He has to go and see a job capacity assessor and he has to be deemed suitable to be included in a program. The process is very bureaucratic and is putting barriers in place that are going to make it more difficult for this person to find employment.

Similarly, there is a young person with an intellectual disability. He had previously been a client of CRS in a different area. He had been involved in a program and had a placement. Because the level of support had fallen away he lost that job and needed to go back and get additional assistance to be helped back into the workforce. This young person had, for a period of time, been self-sufficient. Firstly, I had a lot of trouble getting this person deemed eligible for a disability support pension. He needed a disability support pension to give him a secure base to then go out and find employment and get all the assistance he needed to secure a job. After much toing and froing we were able to have his disability support pension reinstated. It was over the two-year period when it would be automatic. We then had to go through the process of having to be assessed and then referred back. It is very bureaucratic, complex and time consuming. I do not think it is the best way to get the optimal outcome, which is employment. On this side of the House we are 100 per cent behind people with disabilities or any person that is unemployed actually getting a job. We think that should happen, but for it to happen you need to have the right sorts of supports in place. Unfortunately, under this Welfare to Work legislation you do not have those proper supports in place. As the government finds out that this is not working, we are going to be back here discussing more and more amendments. For a person with a disability to actually find employment you have to have in place a system that works.

With regard to the mobility allowance, in the legislation there is going to be a very strong requirement on a person to report to Centrelink the moment they cease full-time study, because their mobility allowance ceases then. If they do not report it, there will be problems.

Some real problems already exist with the reporting system that is in place and the communication between Centrelink and people who are reliant on Centrelink for payment. I will share with the House the story of one young man who receives a disability support pension. He went to his bank on his usual payday and, when he checked to see whether there was any money in his account, he found he had not received his Centrelink payment. He immediately rang Centrelink and they said, 'You did not come to your appointment.' His response to the Centrelink officer was: 'I did not receive a letter about any appointment whatsoever.' The response from the officer was: 'Regardless of whether or not you received a letter or notification, you are required to attend the interview.'

This created enormous problems for this young person, who also has an intellectual disability. He lives independently and is achieving really good outcomes. He works for the House With No Steps in the electorate of Shortland and he has a very responsible job within that organisation. His mother contacted Centrelink, but little setbacks like the one that he suffered create enormous anxiety. The requirements that are placed on the person who receives a payment from Centrelink are much greater than they are on Centrelink, particularly with regard to communication. That is all enshrined in legislation.

I do not think it is because the people at Centrelink are heartless—not by any means. There are some wonderful people there who

have helped so many people who have been badly affected by the Welfare to Work legislation; they have tried to get the best outcome for them. Unfortunately, the young man I mentioned experienced enormous difficulties. It is a ludicrous situation if you are supposed to turn up for an appointment that you do not know about and you have your payment stopped. Centrelink did communicate with him that his payment had stopped. However, this notice was received later on the same day he went to his bank to get money out for his rent.

The level of accountability and the lack of support that has been given to people with disabilities who are trying to find a job, undertake study and get back into the workforce do concern me. I have worked in a system where there was support for people with a disability and where there was assistance to find employment: there were proper assessments, proper placements, proper support and long-term jobs.

This government has introduced into this parliament and into our Australian community a system that places the onus on the person with a disability rather than gives them support. This legislation is making it easier for them and I welcome that. But, in welcoming it, I condemn the fact that the government initially introduced the legislation without including it. It has created hardship for a number of people, and I have some concerns about the reporting requirement because I have demonstrated already how there can be problems with it.

Job seekers within the electorate of Shortland have also experienced many problems. The most striking example was over the Christmas period when a woman, who has since found employment, had her payment suspended because she was not notified of the time of her appointment. She also had to change one of her appointments because, on the day the appointment was taking place, she was working. She was told that her ultimate responsibility was to attend the Centrelink appointment, as opposed to working. To my way of thinking, I wonder how the Welfare to Work legislation has actually helped this older working woman.

In my area, I understand that there has been a pilot done—which I think has since been disbanded—directed towards mature age people seeking employment or receiving the Newstart allowance. I was visited frequently in my office by 64-year-old or 63-year-old women who were just short of being granted the age pension and had been told by Centrelink that there was a requirement to report fortnightly even if they were doing volunteer work. Thankfully, the pilot has ceased and those people have been put on a more sustainable reporting regime. What this demonstrates is that the Welfare to Work legislation, when it was introduced into this House, was more about making people jump through hoops; it was more about the government saving money than actually helping people get work.

I return to my original comments about people with disabilities. People with disabilities need support and security, and they need to know that if things fail there is a fallback position, but under this government they feel very threatened. Unfortunately, I believe that much of this Welfare to Work legislation was ill-conceived and will actually be counterproductive. Labor have a much better plan. Labor believe passionately that people with disabilities should be able to work and that that opportunity should be created for them. We believe that proper support services should be put in place, as with single parents and all the other people who have been targeted in the government's Welfare to Work legislation.

Today we acknowledge that the amendments before us will actually help people who have been affected by the Welfare to Work changes. I hope that the government come back to this House before the election with some more changes to the Welfare to Work legislation and look at the plan that the Labor Party have for actually helping people re-enter the workforce. We are very happy for the government to steal whatever initiative they would like from Labor's plan to help people with disabilities and single parents get back into the workforce. We will support it; we will come here and vote for it. I conclude by recommending that that is the action that the minister takes.

Ms ANNETTE ELLIS (Canberra) (11.25 am)—I rise this morning to speak on the Social Security Amendment (2007 Measures No. 1) Bill 2007. This bill brings in legislation to support several measures, including those in the government's budget of 2007-08. Amongst other things, it provides for: enhancements to the provision of mobility allowance; a tightening of the transition to employment assistance for former full-time students on youth allowance; enhancement of access to supplementary payments for parenting payment—partnered recipients with a partial capacity for work; changes to the payment rate rules for some allowance income support payments—this will allow the care provided for a child to be recognised by the higher with-dependant child rate for persons providing a significant level of care; and changes to the participation rules regarding the acknowledgment of self-employment for mature age unemployed job seekers.

I would also like to refer, as the previous speaker has, to the part of these changes that is effective in relation to the Welfare to Work and participation issues generally. I refer quite happily to a paragraph in the *Bills Digest*, supplied by the Parliamentary Library, which says:

> As a result of that government's Welfare to Work changes, the numbers of jobseekers required to look for, and accept work, with different characteristics from those of the past and who also have differing needs is likely to increase.

In other words, as a result of these changes there will be more people out there in the Job Network system and not within the disability support system. Job seekers with a partial capacity for work—that is, those who would have previously qualified for the DSP, the disability support payment—are the persons assessed as being able to work for more than 15 hours a week and therefore now do not qualify for the disability support payment, but they may not be capable of full-time work. These job seekers would have only part-time employment participation requirements.

I want to make a point about that. The Welfare to Work changes that the government has brought in have a very dramatic effect on members of our community who, for one reason or another, have an incapacity or a disability and who, under these new rules, face the 15-hour-a-week capacity-to-work test—some of whom we know will never be able to work full-time anyway and, in fact, will be in need of support in one way or another. The issues that that sort of change bring have always been of concern to me. This is not the first time—and, sadly, it will probably not be the last time—that I have stood up in this place to speak on behalf of the people in our community who are affected in this way.

There are certain things that we must be absolutely certain of when we are playing with the lives of people with disabilities or incapacities, with the lives of their carers, their families and the people around them generally. We must ensure—as the previous speaker and others have said—that, if they want to work and, particularly, have the capacity to work, we encourage them in every

way we possibly can to do so. We must make sure that they have adequate training and support around them so that they can actually fulfil that wish, and we should not be at all surprised when we hear how many of these people are capable of working and wish to work. There are rewards for society in general—there are economic benefits and all sorts of reasons—and we should allow these things to happen in a right way. I am not a stick-approach person. I think there are other ways to do it. Sure, we should have limitations around criteria and so on to ensure that people are doing the right thing and trying their hardest, but I do not know that hitting them with a stick is the way to do it.

I think it was last week that I had the privilege of attending the Prime Minister's annual employer awards dinner in the Great Hall in Parliament House. This is the 17th year of this dinner and awards system—a process started, in fact, under our government, and I am pleased to see it has continued under the current government. It is a worthwhile thing to be doing. The reason this is an important set of awards is that they reward employers of people with disability. When you listen to the comments being made not only at the table at which you sit but around the room, the commentary is about the wonderful contribution that these people make to our society, economically and socially, to the workplace in which they are engaged, and the benefits that their families, friends and carers get as a result.

All of those businesspeople stood up and testified very strongly that the most notable thing was what people with disability brought to the workplace and how determined they were to be loyal, honest workers. These are all things that we would wish to see epitomised when you put a group of people with disability into a workplace and offer them the right support and training. We should not be at all surprised to know that this actually works, and you do not need to hit people with sticks to get them to do it. What you have to do is to put processes in place so that participation in the workforce becomes a lot simpler, easier and welcoming.

As far as I am concerned the Welfare to Work changes have achieved one major thing which alarms me—that is, they have moved a great number of people onto lower payments. It actually costs hard money to live with disability and incapacity. It is not a cheaper form of living; it is expensive. It costs more if you happen to have a disability, chronic illness or incapacity and you are attempting to live a full and proper life in our society. How on earth can we rationalise moving people onto a lower level of income by moving them off the DSP and putting them onto Job Network payments and so on? I do not understand the logic behind that and it worries me incredibly.

It puts a lot of people with disability under enormous financial pressure. These folk must be assured that they can obtain the full training and support they need to obtain the elusive job which many of them want. Then, of course, we hope that they can retain as much of that income as possible and not have it taken away by the government through taxation or other disincentives, which will probably occur. We now have what I think can only be interpreted as a far more complex welfare system than we have ever had.

I want to take advantage of the debate on this particular bill to talk a bit more generally about disability issues. In particular, I want to refer to the level of unmet need that is still out there in our community. It is all very well for government to talk about getting people out, participating, making them get jobs and all the rest of it, but we have a very broad range of incapacity and disability out there in the community. We have an incredibly serious problem—that is, the level of unmet

need in servicing the needs of an enormous number of these people. I want to refer to a media release put out very recently by the Australian Institute of Health and Welfare. It said:

A new report by the Australian Institute of Health and Welfare ... quantifies the level of demand for disability support services now and in the future, and shows that the number of people aged under 65 with a profound or severe limitation in basic daily activities is projected to increase to over 750,000 people by 2010.

That is three years away. The media release further states:

The report, *Current and future demand for specialist disability services*, reports on how much unmet demand there is for accommodation and respite services, community access services and employment services, what factors affect demand, and how levels of demand are expected to change over coming years.

It goes on to say:

'Conservative estimates indicate that in 2005, there were 23,800 people aged 0-64 with unmet or under-met demand for accommodation and respite services,'

… … …

Based on projected ageing trends, the segments of the population likely to require disability services are projected to grow substantially in the next few years.

In addition to the obvious factors—the ageing of the population in general and of people with disabilities in particular—other factors that may contribute to an increase in future demand include:

- increases in the prevalence of some disabling long-term health conditions
- increases in need for assistance due to ageing service-users and the ageing of their carers—

I will come back to that point in a moment—

- trends towards community-based living arrangements for people with disabilities
- decreases in access to some mainstream housing options, and
- a projected fall in the number of informal carers relative to the number of people with a disability.

And I will come back to that. The second point:

- increases in need for assistance due to ageing service-users and the ageing of their carers

and that last point:

- a projected fall in the number of informal carers relative to the number of people with a disability—

come in part to a question that I put to the minister in the chamber in an adjournment debate on 20 June this year. I was talking about the Commonwealth State Territory Disability Agreement and all of the issues surrounding that. The question I put to the Minister for Families, Community Services and Indigenous Affairs—and I asked him if he could possibly come back to the House at some stage with this information—was: how many people, how many family units, how many older parents are there across this country, who are currently caring for an adult child with a disability in their own home, be they widowed, single or a couple, and what are the government's plans for addressing that growing number?

Mr Deputy Speaker Quick, I know you have a personal concern about this. So do I and so do a lot of us in this House. We are concerned about the enormous number of instances where we have ageing parents caring for a child, who is an adult with an intellectual or other type of disability in their own home, hidden away out there with nothing being planned for their future accommodation or service needs en masse. I am unaware of a plan. If we are talking about accommodation and respite services for people with disability, this is what we should be talking about. If we are talking about the ageing of the population in this country and what we need to do about it generally, why are we not

talking about this issue with equal import? At some point those parents are going to leave this earth and, when they do, what is going to happen to those adult children? What is happening to them now?

I know, from personal experience and from my own work in the community, that a lot of parents have difficulty letting go. I understand that. Part of the reason for that might be because they do not see any alternative. I feel very strongly about this, and I still have not had an answer or any information come from the minister as to what he is going to be doing about that. But, when I look at the Commonwealth State Territory Disability Agreement status right now and at the whole issue of servicing the disability sector in general, I despair. I despair about where we are going. Words are cheap, and ministers can come in here and say, 'We have spent X billion trillion dollars in the last whatever.' None of it is really attaching itself to the core needs of the families and the people in my community and around the country when we talk about the need for disability services to be addressed in a far more serious fashion.

There is the Commonwealth State Territory Disability Agreement and there is the wonderful Senate inquiry report of February 2007. It is only a few months old, and talks in detail about the current government's approach to funding through the CSTDA. According to this report, the government made an offer to the states and territories on indexation for the CSTDA of 1.8 per cent. I am not a mathematician, but I can tell you that that is a very low figure. And the government is critical of the states and territories for not doing enough and is saying, 'Come on, unless you up the ante a bit, we are not going to do much.' The ACT's indexation in the same period was 3.7 per cent. The Northern Territory's was 4.15 per cent. Tasmania's was 3.8 per cent. They are all above the Commonwealth level of 1.8 per cent, so I do not quite know how the minister can be confident about the 1.8 per cent when it is lower than all of the others and also too low to actually have any meaning in terms of funding for disability services around the country.

On 28 June, I think it was, we had the big announcement from the government. On the one hand, we had the minister saying to the states and territories: 'No more money. Go away. That is the end of the negotiations on this.' Then, on 28 June, the Prime Minister and the minister made a very big announcement on the government's disability assistance package, which is going to be in the order of $1.8 billion. That is a lot of money. An enormous proportion of it is going out in forms of cheques to families around this country who may have a child aged under 16 who may qualify for, I think, a disability carer payment. I stand to be corrected on that, but the qualification is there. So, if you are in that category, I think you might be receiving a cheque for $1,000 in October—very nice timing, when you look at elections. A great proportion of that money is being expended in that way. The minister, as I understand it, said to his territory counterparts, 'I will give you the detail by 31 July on how this money for supported accommodation and so on will be used.' As far as I know—and again, if he can refute this, I would be happy to know—none of that detail has yet been made available.

The remainder of the $1.8 billion was supposed to be helping, for example, with supported accommodation for the adult children of parent carers aged 65 or more—the very people I was just talking about. It is outside the CSTDA. It is altogether separate, so we have another system, we have another process and we have another minor bureaucracy attached to it. We do not know yet how it is going work. We do not know—although

the minister may have advised that and, if I look carefully, I could possibly find out—how much of the $1.8 billion is going to be left for this purpose. So, does this really mean that we have an alternative to reaching an agreement on the funding for the fourth Commonwealth State Territory Disability Agreement? What does it actually mean? I understood that Minister Brough had said, prior to this, that he would match the states and territories fifty-fifty for unmet need for services. That was probably a reasonable offer. I do not know if it is entirely reasonable if we still stick to those indexation figures, but it could have been reasonable. Then, on 4 July, that offer was completely withdrawn. It is no longer available in light of the disability package that the government announced on 28 June.

I had the privilege yesterday of meeting with a group of people in my office who represent the National Council on Intellectual Disability. They came to see me to talk about their children. I think they may have seen other members of the House at the same time that they were here. I met three family members—two parents from two families and a sister—of people with intellectual disability. Their story was that they were under supported employment through Disability Employment Network providers—and that is a whole other debate that we do not have time for today. But the reason I bring it up is that it was just such a privilege to sit and listen to these people explain to me the success that was being achieved by good, proper support for people with disabilities to get active and participate in the workforce—be it short-term, part-time or for a longer term—and what that meant to their family member with a disability and to their families. I want to reiterate that it is no surprise. You do not have to be a Rhodes scholar to understand that people in this country with a disability would really like to walk in our shoes and not their own. They would really like to be able to participate in the workforce and in our community in the best way that they possibly can.

Please do not hit them with sticks. Please do not put ridiculous requirements on them and penalise them financially. Get real: sit down and talk to these people and understand that, if you resource it properly, if you put support and proper processes and programs around them, then you will be amazed at the outcomes. We see the stories all the time. The minister has just come into the chamber. She hosted the dinner last week that I referred to earlier. It was a wonderful dinner. But, again, there is story after story. Give them a chance, look at what they can do and look at what they can bring to their own lives, to their work colleagues and to the workplace where they are engaged. I can but hope that, at the end of all of this, we do see some sense—that we do not see politics but sense at the Commonwealth level: dealing honestly and appropriately with the states and the territories and not holding them to ransom but sitting around a table and saying, 'We all have one thing in common, and that is that we all know of people with a disability who want to participate.' If we are going to have a bill about work participation, this has to be a very big part of the debate. I live in hope that we will one day see that outcome emerge. If it does not, when we are in government it will.

Dr STONE (Murray—Minister for Workforce Participation) (11.44 am)—In summing up the Social Security Amendment (2007 Measures No. 1) Bill 2007, I would like to thank those who participated in the debate. It was a rather amusing contribution from the opposition. I was about to stand up during the remarks from the member for Canberra and remind her that she was not referring to the content of the bill at all. The bill is about helping people with a disability into work; it

is not about mental health interstate agreements and so on. She seems not to have read the bill at all, especially the explanatory memorandum.

The member for Shortland was most engaging in suggesting that all we need to do is adopt Labor policy on welfare to work. That is most bemusing when you look at Labor's record of underachievement over its 12 or 13 years in government, before 1996. If you were disabled, unemployed long term, a single parent or an Indigenous worker—a highly disadvantaged person in the Australian community—under Labor, you were caught short. You were in a very long queue waiting for someone to give you a hand. You certainly did not get the sort of assistance that our government has offered and delivered, which has seen record rates of workforce participation, including for the most disadvantaged in our society, and which has seen unemployment drop to record lows.

Perhaps I need to remind those opposite of some of these statistics, because I have never been asked a question in question time in this chamber from anyone from the opposition side on the performance of our Welfare to Work policies. The opposition totally opposed all of the measures which delivered the $3.6 billion budget for Welfare to Work which has caused this extraordinary shift of the unemployed into the workplace. I am not the only Minister for Workforce Participation who has never received a single question from the opposition on this work; neither did my predecessor in the same portfolio, Peter Dutton. Heaven help us if the opposition ever does again take charge of the economy of this country. We would see unemployment levels back to where they were, with the most disadvantaged in this nation once again severely and significantly isolated, stigmatised, and living a different life to the one most Australians aspire to.

I will remind the member for Shortland of exactly what we have achieved and of what Labor did in their days in office. Unemployment was 8.2 per cent in 1996 when the Howard government was elected. It had peaked at 10.3 per cent in 1993 when Kim Beazley was the Minister for Employment, Education and Training. Later, of course, he was to become a long-term opposition leader. Of course, we all know that unemployment is now at 4.3 per cent—the lowest in 30 years. Labor were only able to create 53,400 full-time jobs in their last six years in office. The coalition has created 309,900 full-time jobs in the past year alone. The employment program cost-per-job outcome—that is, how much the taxpayer pays to place one individual into work—was $12,800 per job seeker under Labor's Working Nation. Under our program, which we generically call Australian government employment services, the cost is down to $3,900. That is almost a third of the cost to place substantially more people into real jobs. That is around a 72 per cent reduction in the cost to taxpayers for a much more efficient system. I hope the opposition is noting that in particular.

Long-term unemployment reached a peak of 329,800 in May 1993. This was reduced to a mere 66,000 by June this year. Teenage unemployment under Labor was a horrific problem. Young people looking for full-time work were despairing. Their unemployment peaked at over 10 per cent in 1992. Teenage unemployment has been reduced to just under four per cent now. You can imagine what a difference that has made in the lives of so many young people in Australia under the John Howard government.

Labor's old CES—Commonwealth Employment Service—had only 300 permanent sites available to assist job seekers. So, if you were not lucky enough to be near one of those 300 CES offices, it was just bad luck. We have over 1,066 permanent offices right

throughout Australia in some of the smallest communities manned by our Job Network, our Disability Employment Network providers and others. We have made job seeking more accessible to the most disadvantaged in this country. Therefore, it is no surprise that the workforce participation rate was standing at a record high of nearly 65 per cent in June 2007. The average participation rate under Labor in two terms in office was only 63 per cent. I suggest that the member for Shortland look very closely at those statistics. When she suggests that we should have regard to ALP employment policy, I think she must be joking. Either she is joking or she does not understand.

The ALP's discussion paper and platform advocates going back to their failed Working Nation policy. All I can say is that would cause real despair for the parents of the unemployed young people and also for those who are still seeking work. Nearly half—44 per cent—of disadvantaged job seekers who received targeted assistance under Job Network were employed only three months after completing their assistance program. This compares with only around a quarter getting into work under Labor's Working Nation. I have already mentioned that the cost of helping people into work has been substantially reduced under our government, but with a far better program delivered.

Throughout Welfare to Work, the coalition has provided greater assistance for the long-term and the very long term unemployed in getting a job. Given the extraordinary emotional and physical detrimental effects that long-term unemployment can have on an individual person, we are proud of the fact that so many more Australians have been given a decent life chance in this nation as a result of our Welfare to Work reforms.

It is not just unemployed parents and single mums who suffer when they cannot get work—there are 600,000 children in Australia who do not have a household breadwinner. We inherited that from Labor. Under our Welfare to Work changes we now have a situation where, instead of parents staying on the single parent pension until their youngest child is 16, they are assisted into at least a part-time job when their youngest child turns six. This means that we are going to break the cycle of intergenerational despair and distress caused by one generation after another not being able to get work. This particularly affects Indigenous Australians. As part of our recent move into the Northern Territory in an emergency response to the enormous distress there, we are going to change the intergenerational cycle of disadvantage that has seen unemployed Indigenous people with a very different set of life experiences to other Australians.

Right across the board we are now seeing mothers being helped to find work, which means that they have hope of offering their children a different life to that which they experienced, having been outside the job market for so long. In particular, we have record numbers of job placements for sole parents. In the last 12 months, over 44,000 sole parents have been helped to find work, around 50,000 Indigenous Australians have been helped into work and 11,000 people on disability support pensions were helped to move into work.

I thought it amusing that the member for Canberra suggested that there was an issue in Australia about an ageing population and people with disability wanting work. Well, hello! None of those issues were addressed under the Labor regime, but our Treasurer produced for the first time in a developed nation an intergenerational report that documented very carefully exactly what the impacts would be of our changing demographics—our baby boomer generation moving into retirement, with lower rates of fertility

meaning that, coming up behind them, there will not be a similar sized workforce to be the taxpayers and to support working age people on welfare and older aged people as our country moves forward. This government has responded to the intergenerational issues through a whole range of measures including superannuation changes and different incentives for saving, but, in particular, by raising workforce participation.

The Social Security Amendment (2007 Measures No. 1) Bill 2007 is an extraordinarily important further development of the ways in which we are assisting some of Australia's most disadvantaged to move into either part-time or full-time work. The point about work is that in our society, as in so many others, you are what you do. If you are denied independence through your own capacity to work, your self-esteem will often suffer, you will often be stigmatised in our society and your children will be less likely to work. This bill, by making eligibility for mobility allowance more consistent, continues the focus under the Welfare to Work reforms to ensure greater fairness in the treatment of groups with similar needs. It upholds the Howard government's commitment to make it easier for people with disabilities who can work 15 or more hours a week to find work in the open labour market. We changed access to disability support pensions under Welfare to Work reforms. We say that if you can do at least 15 hours of work a week in open employment, after two years of support if needed, we will help you to find a job. If you have a capacity for some work, we are not going to simply dismiss your future work opportunities by parking you on the disability support pension.

Our higher rate of mobility allowance was introduced under Welfare to Work to encourage people with disabilities into the open labour market. This bill remains consistent with that original intent. The bill was supported by the Senate Standing Committee on Employment, Workplace Relations and Education. The bill also supports greater equity for young people who are looking for work and are claiming youth allowance. It helps ensure that all young people who are transferring from youth allowance—these are full-time students to youth allowance job seekers—will be linked promptly with assistance from Centrelink for job searching when they cease full-time study. We want to transition people quickly so that there is no chance of them becoming despairing and long-term unemployed. The result will be that young people's labour market potential will be very substantially improved.

Welfare to Work reforms that support parents are being extended. Partnered parenting payment recipients who have a partial work capacity due to disability will have access to more support in the form of concessions and supplements. This additional support is consistent with that received by disability support pensioners. We are making sure that there is equity across the way our welfare support is administered and accessed. In addition, current disincentives in the income support system for people with the shared care of a child will be removed. There will be increased access to higher payment rates for these people. This recognises the costs incurred by parents who share the care of a child—even though the child may not live with them—and reflects important recommendations of the 2006 ministerial task force's report on child support. The bill also rectifies an oversight that currently prevents job seekers who are 55 or over from combining self-employment—as well as other types of employment—with voluntary work in order to meet their activity test requirements. This was the original intention of the Welfare to Work measures.

I will say once again that our Welfare to Work reforms are the most important thing to

have happened since 1996 for those who were unemployed during the Labor regime. We have seen the most substantial assistance—and a response to that assistance—coming through where people with disabilities, parents, the long-term unemployed, Indigenous people and mature age workers have found a new lease of life through employment. There has never been a better time to get a job in this country because of the very steady hand on the tiller in terms of economic management. Both despite the domestic shocks of things like the worst drought on record and the worst floods on record and despite the international shocks such as the war on terrorism, SARS epidemics, oil crises and so on, our Treasurer and our Prime Minister, John Howard, have presided over the most significant economic growth this country has ever seen. They have kept this country stable and that has enabled record numbers of the 2.5 million unemployed working age people that we inherited from Labor to move into work. I therefore commend this bill to the House.

The DEPUTY SPEAKER (Mr Quick)—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.

Question agreed to.

Original question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Dr STONE (Murray—Minister for Workforce Participation) (12.00 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

COMMONWEALTH ELECTORAL AMENDMENT (DEMOCRATIC PLEBISCITES) BILL 2007

First Reading

Mr NAIRN (Eden-Monaro—Special Minister of State) (12.00 pm)—by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent the introduction of a Bill for an Act to amend the Commonwealth Electoral Act 1918, and for related purposes.

Question agreed to.

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

Bill read a first time.

Second Reading

Mr NAIRN (Eden-Monaro—Special Minister of State) (12.01 pm)—I move:

That this bill be now read a second time.

The bill gives effect to the Prime Minister's announcement on 7 August 2007 to allow the Australian Electoral Commission to undertake any plebiscite on the amalgamation of any local governing body in any part of Australia.

The bill does this by amending the Commonwealth Electoral Act 1918 to authorise the Australian Electoral Commission's use and disclosure of any information held by it, including information contained in an electoral roll, for the purpose of conducting an activity, such as a plebiscite.

Section 7A of the Commonwealth Electoral Act 1918 already allows the Australian Electoral Commission to enter into an arrangement for the provision of goods and services. Section 7B of the Commonwealth Electoral Act 1918 also allows the Australian

Electoral Commission to charge reasonable fees for the goods or services supplied under section 7A.

The Australian Electoral Commission has the necessary skills and expertise to undertake arrangements to conduct a plebiscite. It presently conducts these arrangements for trade unions and employer organisations under the Workplace Relations Act 1996 and for other organisations and some foreign countries.

The bill introduces new subsections 7A(1C) and (1D) to clarify that the use by the Australian Electoral Commission of any information held by it, including information contained in an electoral roll, is authorised for the purpose of conducting an activity, such as a plebiscite.

The bill also provides that a law of a state or territory has no effect if it prohibits anyone from, or penalises or discriminates against anyone for, entering or proposing to enter into an arrangement with the Australian Electoral Commission. This also applies where a person or body takes part in or assists with, or proposes to take part in or assist with, the conduct of an activity to which an arrangement relates.

The imperative for a provision such as this arises from a law passed by the Queensland parliament on 10 August 2007 that, unless overridden by this Commonwealth law, would prevent councillors in that state having any involvement with these plebiscites.

The bill also refers to article 19 and paragraph (a) of article 25 of the International Covenant on Civil and Political Rights. Article 19 provides that people should have the right to hold opinions without interference and the right to freedom of expression. Paragraph (a) of article 25 provides that every citizen shall have the right and opportunity, without unreasonable restrictions, to take part in the conduct of public affairs, directly or through freely chosen representatives.

Finally, I note that the bill is not intended to be an avenue for citizen initiated referenda. The bill is intended to give effect to the policy announcement of the Prime Minister. I commend the bill to the House.

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

COMMUNICATIONS LEGISLATION AMENDMENT (INFORMATION SHARING AND DATACASTING) BILL 2007

Second Reading

Debate resumed from 20 June, on motion by **Mr Billson**:

That this bill be now read a second time.

Mr ALBANESE (Grayndler) (12.05 pm)—I rise to speak to the Communications Legislation Amendment (Information Sharing and Datacasting) Bill 2007. This bill seeks to amend the Australian Communications and Media Authority Act 2005 to provide for sharing of information between the Australian Communications and Media Authority and third parties; to amend the Radiocommunications Act 1992 to allow the ACMA to vary the spectrum identified in a datacasting transmitter licence; and to amend the Datacasting Charge (Imposition) Act 1998 so that a fee is not payable where a licensee provides datacasting services on a channel B datacasting transmitter licence.

The bill before us fails to address two key issues. The first issue relates to the datacasting provisions of the bill. In order to utilise additional spectrum, the government has determined that it will auction two digital datacasting licences. Channel A is to be used for narrowcasting and will allow for new free-to-air, in-home digital television services, while channel B will be used for a wider range of services such as mobile television.

The bill proposes to amend the Radiocommunications Act such that ACMA can vary the licence conditions that apply to a datacasting transmitting licence. In practical terms, this would allow ACMA to move a datacasting service from one channel to another. However, there is nothing in this bill to ensure that the government consults with licence holders prior to making such variations to the conditions of a licence. Such a practice could place licence holders at a significant disadvantage. Labor believes that the bill should include provisions to ensure consultation with stakeholders is undertaken and a thorough assessment of the impact of a change in frequency, or indeed any other variation that may adversely affect licence holders, is carried out.

The second issue that this bill fails to address relates to privacy and the protection of confidential information. ACMA frequently receives information through the performance of its functions and the exercise of its powers in relation to the regulation of broadcasting, the internet, radio communications and telecommunications that would be relevant to other regulatory or administrative bodies or personnel. The bill seeks to clarify ACMA's ability to share the information it has gathered with relevant agencies and authorities. Labor can appreciate the need to disclose and exchange broadcasting, telecommunications and radio communications information to relevant third parties, particularly where this would improve the activities carried out by ACMA and the parties in receipt of the information. However, Labor believes that the privacy provisions in the bill do not provide adequate protection of confidential information.

During the Senate inquiry undertaken into this legislation, the submissions of the Office of the Privacy Commissioner and Privacy Victoria made perfectly clear their concerns about the inadequate privacy provisions. Their major concerns included the disclosure of personal information to agencies and bodies in jurisdictions that do not have privacy regulations. In practical terms, this means there is no way to prevent the unintended secondary use of an individual's personal information. Labor believes that the public interest is best served when information sharing can facilitate cooperative work between authorities and preserve the right to privacy. Labor does not believe that the bill in its current form adequately strikes that balance. For that reason, at the conclusion of my contribution I will move a second reading amendment to address those two issues.

In conclusion, the way in which this legislation has been dealt with once again shows the Howard government's profound disrespect for parliamentary process. As if we needed another reminder after having to suspend standing orders to introduce special legislation in this place. It appears that this government not only has stopped governing but also carries out a stunt on the last Thursday morning of every sitting fortnight. At every turn this government makes a mockery of parliamentary and democratic processes. The inquiry process exists so that stakeholders can be heard and legislation can be improved.

That some members of the committee did not receive submissions is inexcusable. Labor senators were expected to immediately submit a minority report having received the chair's report only hours earlier. That is an inexcusable breach of due process and, indeed, demonstrates contempt for the important role that the Senate plays in our system of government. This government has not only stopped governing in the national interest; it has also stopped governing altogether. It is focused only on the next 10 weeks, not the next 10 years. It has forgotten that the next 10 years will present Australia with many challenges that will require well

thought out policy solutions, and among them is our transition to the digital world. This bill will impact on practices in the coming years, so it is critically important that every piece of legislation is dealt with seriously. Political expediency cannot be prioritised above better outcomes for Australians. There is simply no need to push legislation such as this through the parliament with such haste, and Australians are certainly not better off as a result. I move:

That all words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the bill a second reading, the House:

(1) is concerned that the bill does not:

(a) provide for consultation with licence holders prior to varying the frequencies on which datacasting transmitter licences operate; and

(b) address privacy concerns or provide adequate protection of confidential information; and

(2) therefore demands that:

(a) the Government make every attempt to carry out spectrum planning for new digital mobile services to ensure that consumers and licence holders are not disadvantaged; and

(b) the Government undertake consultation with all stakeholders prior to varying the frequencies on which datacasting transmitter licences operate".

The DEPUTY SPEAKER (Mr Quick)—Is the amendment seconded?

Ms King—I second the amendment and reserve my right to speak.

Mr WAKELIN (Grey) (12.14 pm)—The Communications Legislation Amendment (Information Sharing and Datacasting) Bill 2007 is fairly straightforward in improving the efficiency and effectiveness of the Australian Communications and Media Authority Act. I do not propose to speak for more than three or four minutes. The legislation will authorise ACMA to disclose a certain class of information in limited circumstances, including information given in confidence to ACMA in connection with the performance of its functions or the exercise of its powers. The information that ACMA obtains as a result of its information-gathering powers is set out in the Broadcasting Services Act 1992, the Radiocommunications Act 1992, the Telecommunications Act 1997 and the Telecommunications (Consumer Protection and Service Standards) Act 1999. Information given to ACMA in confidence by a government authority or foreign country reflects the important cooperative effort undertaken by ACMA with the regulatory agencies of foreign countries in relation to issues such as offensive internet content and child safety online.

The ACMA chair may impose conditions on the disclosure of particular information by ACMA officials. The bill would also authorise ACMA to disclose information to other people, including: the Minister for Communications, Information Technology and the Arts—and there are some very good reasons given for that; another minister, if the information to be disclosed relates to a matter arising under an act administered by that minister; the secretary of the relevant minister's department, or to another officer authorised by the secretary, for the purposes of advising the minister concerned; or a royal commission, where the protected information will assist the commission in its inquiries.

The bill also contains measures concerning the allocation of datacasting transmitter licences, including in relation to channel A and channel B datacasting transmitter licences. These measures make amendments which give ACMA greater flexibility. The bill is not expected to have any great financial impact.

ACMA frequently receives information through the performance of its functions and the exercise of its powers as the Australian government regulatory body responsible for broadcasting, telecommunications and radio communications matters. That, after all, is one of its main tasks. In dealing with industry in relation to a proposed merger, both the Australian Competition and Consumer Commission and ACMA are likely to receive evidence relating to the question of control of commercial broadcasting licences. As arrangements currently stand, ACMA would be unable to share such information with the ACCC even though it is relevant to the performance of the ACCC's statutory functions under the Trade Practices Act 1974 in considering and approving proposed media mergers.

The issue of privacy has been raised, and I will deal with it briefly. While the majority of information that ACMA collects is commercial in nature, the continuing application of the Privacy Act 1988 together with other safeguards incorporated into the bill would ensure the appropriate measures are in place for the protection of personal information that might fall within the scope of the bill. It should also be noted that the bill has been drafted so as to restrict ACMA's ability to share authorised disclosure information to certain prescribed circumstances that have strong links to the regulatory functions of other parts of government.

Finally, the report of the Senate Standing Committee on Environment, Communications, Information Technology and the Arts concluded:

> The committee is satisfied with the bill as a whole. The committee believes the amendments in the bill in relation to information sharing will provide ACMA with an appropriate level of certainty and enhance the efficiency of the regulator's enforcement activities. The committee also supports the provisions relating to the Government's decisions concerning Channel A and Channel B datacasting transmitter licences—

which I referred to earlier.

> The committee recognises the need, emphasised by the ABC and FreeTV, for careful planning to precede the introduction of mobile television services. The committee is confident that DCITA and ACMA are committed to processes that will ensure successful implementation in this area, and that this bill is just one element of preparation for decisions in relation to Channels A and B.

I thank the House.

Mr MELHAM (Banks) (12.18 pm)—In the second reading speech to the Communications Legislation Amendment (Information Sharing and Datacasting) Bill 2007, the minister stated the following:

> At present, the circumstances in which ACMA—

the Australian Communications and Media Authority—

> can legitimately pass on information are uncertain. The amendments in this bill will provide ACMA with an appropriate level of certainty and in so doing, will enhance the efficiency of the regulator's enforcement activities.

That is the crux of the bill as I understand it. The opposition have moved an amendment, part of which I want to quote, as it concerns me:

> That all words after "That" be omitted with a view to substituting the following words:
>
> "whilst not declining to give the bill a second reading, the House:
>
> (1) is concerned that the bill does not:
>
> … … …
>
> (b) address privacy concerns or provide adequate protection of confidential information ...

That is the concern that I have with the bill. Page 11 of the explanatory memorandum reads:

> Item 3 of Part 1 of Schedule 1 to the Bill would insert a new Part 7A ('Disclosure of Information')

into the ACMA Act. The new Part 7A would provide for the disclosure to particular parties, by ACMA officials, of authorised disclosure information.

Over the page, on page 12, it says:

It is important to note that, to the extent that information to be disclosed under proposed new Part 7A includes "personal information" as defined in section 6 of the *Privacy Act 1988*, the provisions of that Act will apply. In particular, it is not intended that the disclosure provisions included in proposed new Part 7A should override the Information Privacy Principles contained in section 14 of the *Privacy Act 1988*.

It is my hope that that illustration in the explanatory memorandum is in fact a reality, because I think the Privacy Act 1988 needs to be observed in relation to as many matters as possible.

The Senate Standing Committee on Environment, Communications, Information Technology and the Arts had an inquiry into this bill, a report of which was tabled in August 2007. Unfortunately, a minority report was released which details some procedural failings of the inquiry.

It is a matter of concern to some of us that the government in a lot of these reports seem to ram through their chair's report and give little time for the minority members on the committee to have an adequate consideration of the chair's report or to provide adequate statements. I do not propose to reiterate what the minority members have said in the report. It is all right for a government to have the majority in the House of Representatives, and probably in the Senate if it does the right thing, because legislation is not going to get overturned. But you have to start to worry when they ram stuff through and do not allow proper scrutiny. That is bad government, and eventually it comes back to bite them on the backside. It is a situation where, time and again, we in this place have seen the arrogance of the government in not allowing that scrutiny, and I think that is why the government are in trouble. I think people have stopped listening; they have had enough. The government's actions are exposing their deficiencies. I suppose it is fair to say that both sides can be guilty of arrogance. Since 1949 you cannot point to a period where the Labor Party have had control of the Senate. We are always going to have a house of review. But this government no longer have a house of review; they have a rubber stamp for a Senate. The report on the bill shows that.

Submissions concentrated on two key issues in relation to the bill. One was the privacy provisions of the bill, which do authorise ACMA to disclose authorised disclosure information to ministers and their staff, various state and federal government agencies, Australian and overseas media, and the communications regulators. The minorities say that the bill does not adequately address privacy concerns or provide adequate protection of confidential information. Submitters to the Senate committee included the Office of the Privacy Commissioner, whose submission was dated July 2007. The key recommendations of the Office of the Privacy Commissioner, on page 4, were:

The Office submits that privacy protections should be balanced against investigation and enforcement activities. Further, we suggest that encouraging exempt agencies and bodies to implement standards for the handling of personal information will support better decision-making through improved data quality.

With these issues in mind, the Office makes the following recommendations:

1. The Office submits that the reference to the definition of personal information and compliance with the Privacy Act should appear within the Bill;

2. In terms of authorised disclosure information, the Office suggests that:

- consideration be given to expressly excluding personal information from being authorised disclosure information; or
- amending the Bill to require jurisdictions to be assessed as having substantially similar principles for fair handling of the information to the IPPs; or be made subject to an agreement under s59H which includes equivalent privacy obligations to the IPPs;

3. The regulation making powers under clause s59H should expressly provide for the privacy of individuals to be a matter of consideration for the Chair of ACMA and the process include consultation with the Privacy Commissioner; and

4. Further consideration be given to excluding personal information from the operation of clause 59F.

There was also a submission from the Victorian Privacy Commissioner. The final paragraph of Helen Versey's letter to the committee says:

As noted above, the Explanatory Memorandum states that it is the legislature's intention for the provisions of the *Privacy Act 1988* to apply to personal information that is also authorised disclosure information. To prevent any ambiguity in interpretation of this bill, I recommend the insertion of the provision stating that it is the intention for the Privacy Act 1988 to apply.

That is what the government says it intends. I think it is important to put in the words that fulfil the intent of what the government wants to do. That way nobody is in any doubt. For people who read the bill and for people who are required to adjudicate in relation to the bill, it is there in black and white. My concern at times is that too often this government says something that is not matched by action or by the words in its bills. The bills in relation to the Northern Territory intervention talked about the legislation being a special measure, but in the next breath the bills basically excluded operation of the Racial Discrimination Act. You cannot have your cake and eat it too. There is a glaring inconsistency; the explanatory memorandum's provisions are not matched with clauses within the legislation.

I raise that as an issue about which there is obviously concern from an opposition point of view. I would have thought that it would be a matter that would be easily remedied by the government just picking up and inserting a clause in the legislation to follow its expressed intent in the explanatory memorandum. With that qualification, I do commend the bill to the House.

Ms LEY (Farrer—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (12.29 pm)—Part 1 of schedule 2 to the Communications Legislation Amendment (Information Sharing and Datacasting) Bill 2007 amends the Australian Communications and Media Authority Act 2005, the ACMA Act, to authorise the disclosure of certain information by the Australian Communications and Media Authority, ACMA, to the Minister for Communications, Information Technology and the Arts, departments, government agencies and regulatory bodies. ACMA frequently receives information through the performance of its functions and the exercise of its powers as the Australian government regulatory body responsible for broadcasting, telecommunications and radio communications matters.

The Minister for Communications, Information Technology and the Arts and certain other Australian government regulatory bodies have a legitimate interest in receiving information that is obtained by ACMA. At present, the circumstances in which ACMA can legitimately pass on information are uncertain. The amendments in this bill will provide ACMA with an appropriate level of certainty and, in so doing, will enhance the efficiency of the regulator's enforcement activities.

The amendments will be of particular benefit to ACMA in the context of its role in

the government's media ownership reforms that took effect from 4 April 2007. In dealing with industry in relation to a proposed merger, both the Australian Competition and Consumer Commission, or ACCC, and ACMA are likely to receive evidence relating to the question of control of commercial broadcasting licences. As arrangements currently stand, ACMA would be unable to share such information with the ACCC, even though it is relevant to the performance of the ACCC's statutory functions under the Trade Practices Act 1974 in considering and approving proposed media mergers. Amendments to the Trade Practices Act 1974 to provide the ACCC with powers to disclose protected information were recently passed by the parliament. However, no similar powers exist for ACMA.

ACMA has also established close relationships with overseas regulatory agencies in developing cooperative arrangements for the regulation of the internet industry. The global nature of the internet means that liaison with regulatory and other relevant bodies overseas is a vital part of addressing offensive internet material and working towards securing child safety online. This bill will make clear ACMA's ability to share with overseas regulatory agencies important information it has gathered pursuant to its online content responsibilities. It will also authorise ACMA to share relevant material with domestic law enforcement agencies, including the Australian Federal Police and the Director of Public Prosecutions. In addition, the removal of potential barriers to information sharing with regulatory and other agencies will go some way to helping reduce duplication and the reporting burden on industry. There have been some instances in which regulators have requested similar information from industry, creating an undesirable overlap and an otherwise avoidable burden for industry.

Clearly, the information ACMA receives from regulated entities has the potential to be sensitive, and it is therefore appropriate that the bill includes a number of provisions designed to ensure that appropriate protection is provided to sensitive and personal information. Whilst the majority of the information ACMA collects is commercial in nature, the continued application of the Privacy Act 1988, together with other safeguards incorporated into the bill, will ensure that appropriate measures are in place for the protection of personal information that might fall within the scope of the bill.

It should also be noted that the bill has been drafted so as to restrict ACMA's ability to share authorised disclosure information to certain prescribed circumstances that have strong links to the regulatory functions of other parts of the government. Further, the ACMA chairman must be satisfied that the recipient of the information will meet conditions regarding the handling of that information and that the information will assist the recipient in performing its functions. The provisions in this bill will enable ACMA to incorporate to the greatest extent possible with the minister, government departments and other key regulatory agencies in performing its vital functions in relation to the regulation of broadcasting, the internet, radio communications and telecommunications. The public interest in good governance would not be served by restricting the ability of regulators to work cooperatively and share information on related issues.

Part 2 of schedule 2 to this bill amends the Radiocommunications Act 1992 to correct anomalies relating to spectrum replanning for licences on the unassigned channels and amends the Datacasting Charge (Imposition) Act 1998 in relation to license fees on channel B. The bill amends the Radiocommunications Act 1992 to give ACMA greater flexibility in carrying out its spectrum manage-

ment functions in relation to datacasting transmitter licences. The provisions will permit ACMA to vary a condition of a datacasting transmitter licence that relates to radiofrequency spectrum after such a licence has been allocated. This will bring datacasting transmitter licences into line with broadcasting transmitter licences and other apparatus licences. The existing provisions do not allow ACMA to vary the spectrum specified in a datacasting transmitter licence after that licence has been issued.

These amendments will allow ACMA to address a range of technical issues as they arise. Such technical issues could include addressing potential interference with existing services and optimising spectrum for particular services such as mobile TV. The power to vary frequencies on which licences operate is already available to ACMA in relation to other transmitter licences. The amendments will create a consistent approach and enable ACMA to more effectively address technical considerations, including future spectrum replanning requirements after digital switch-over to reap the digital dividend.

These amendments will not adversely affect ACMA's ability to address interference issues. If interference with television transmission does occur, the datacasting transmitter licensee responsible for the interfering service must take immediate action to prevent the interference. Neither will these amendments reduce the need for consultation in relation to changes in frequencies for datacasting transmitter licences. The amendments will simply empower ACMA to make these changes after the licence is issued, which is consistent with ACMA's existing powers in relation to transmitter licences for broadcasting services.

The government's intention is that a channel B datacasting transmitter licensee will not be subject to an annual revenue based fee. The bill amends the Datacasting Charge (Imposition) Act 1998 to correct anomalies concerning the application of datacasting charges in relation to channel B to ensure that the government's intention is implemented in a case where channel B is controlled by a commercial television broadcasting service. I commend the bill to the House.

The DEPUTY SPEAKER (Mr Hatton)—The original question was that this bill be now read a second time. To this the honourable member for Grayndler 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.

Question agreed to.

Original question agreed to.

Bill read a second time.

Third Reading

Ms LEY (Farrer—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (12.37 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

INTERNATIONAL TRADE INTEGRITY BILL 2007

Second Reading

Debate resumed from 14 June, on motion by **Mr Ruddock**:

That this bill be now read a second time.

Mr CREAN (Hotham) (12.37 pm)—The International Trade Integrity Bill 2007 will finally see the government doing something to shut the stable door that was left wide open while AWB officials were shovelling money into Saddam Hussein's coffers. The bill is the government's response to the

wheat for weapons scandal—the payments, allowed through the government's negligence, made by the Wheat Board to Saddam Hussein. It is the greatest corruption scandal in Australia's history. The Cole inquiry which was set up to investigate this scandal was a flawed and limited inquiry. It revealed that these payments took place and that the Howard government and its ministers did nothing to stop them. The best construction that can be put on the whole sordid wheat for weapons affair is that the government was ignorant, incompetent and negligent—hardly the mob you would want to be running this country.

When I said that the inquiry itself was flawed, it was not to criticise the commissioner himself. Commissioner Cole did a thorough job, but he was constrained by the terms of reference which were specifically designed by the government to deflect blame away from the Prime Minister, the Minister for Foreign Affairs, the Minister for Trade and the Minister for Agriculture, Fisheries and Forestry. Commissioner Cole found that the Prime Minister and other senior ministers were warned at least 35 times that these matters should be investigated but, instead of following up on those warnings and investigating the serious allegations, what did these highly paid ministers do? They did nothing—absolutely nothing. It was sheer incompetence. So concerned were they about the serious allegations—all 35 of them—that they ignored them. It is negligence in the extreme. Indeed, the defence put forward by these dozy ministers was that they couldn't recall, they hadn't read the cables or that the warnings came to their offices but were not passed on by their minders. It is unbelievable. I do not think there is anyone in Australia who believes those defences. These denials amount in essence to a plea of guilty to the charge of negligence because the only other course would have been to admit that the government had detailed knowledge of the whole corrupt affair but did nothing about it.

The failure of the Howard government to respond to the 35 warnings has seriously damaged Australia's international reputation and has left Australian wheat growers with only very limited access to the once lucrative Iraqi wheat market. The illegal payments by the Australian Wheat Board were bribes to a regime so bad, we are told, that it had to be invaded and destroyed. Day after day the Prime Minister came into this place and trumpeted his reasons for invading Iraq, yet time and time again he, his ministers and their advisers ignored allegations that a major Australian company was topping up Saddam Hussein's war chest to the tune of $300 million. No wonder it has been called the 'wheat for weapons scandal'.

The Cole inquiry, as I said before, was flawed and limited in that it was not asked to examine the role of ministers in the discharge of their duties. In particular, the commissioner was not able to determine why the foreign minister did not enforce the UN sanctions against Iraq. In a sense, this bill belatedly responds to the questions that could not be asked by the Cole inquiry. The bill is welcome; it does strengthen Australia's capacity to enforce UN sanctions and to combat foreign bribery. It is just a pity that the government only took this action following a great national scandal. Despite repeated warnings, the foreign minister and trade minister failed to take any action to prevent an Australian company making illegal payments to a foreign government. What is more, it was a foreign government which Australia then, in company with other governments, in particular the US, attacked and invaded on the pretext that it had weapons of mass destruction—weapons never found and weapons which in fact did not exist. It was a nation which was invaded on the false premise

that Saddam Hussein was allied to al-Qaeda. We sent our soldiers to war against an enemy that we partly funded. What sort of incompetence is that?

Labor have always supported those brave men and women who were sent on government orders. We have full admiration for their courage and professionalism. We in the Labor Party opposed the Howard government decision to send them. Our argument is with the government of the day, not the troops that went over. What this government did through its negligence was to allow the funding of a regime that our troops were sent to overthrow. This war is Australia's greatest military and foreign policy disaster since Vietnam. It is a military morass in which we are now trapped—trapped with the United States with no plan for peace and no exit strategy. History, unfortunately, does repeat itself. This indeed is the Vietnam of the desert. The Australian Wheat Board scandal—the deceit and duplicity that characterised that sorry saga—is itself symptomatic of the wider tragedy of that Iraq war.

The Attorney-General, in introducing this bill, had the absolute effrontery to say that this bill:

> ... continues Australia's tough stance against foreign bribery and contravention of United Nations sanctions.

What hypocrisy. What sheer cant. It is as though, in the Attorney-General's mind, the Australian Wheat Board scandal had never occurred, as though an Australian company had not paid a foreign government in excess of $300 million in contravention of those very UN sanctions. If that is the case, why is this bill necessary? The Attorney-General went on to say:

> Australia is a significant player in international trade. We have a reputation as a corruption-free trading partner, and an important participant in enforcing UN sanctions ...

As the spokesperson for trade on this side of the House, I can say that I have been enormously impressed by the quality, commitment and honesty of Australian exporters. But the Attorney-General needs to know that our hard-earned reputation for that honesty, for that integrity, in international trade has taken a huge hit through the actions of the Wheat Board. The fact that, through its demonstrated ignorance, its incompetence and its negligence, the Howard government allowed the Wheat Board's dishonesty to occur unchecked and unpunished has seriously damaged our international reputation as honest traders.

As well as the damage to our international reputation, the behaviour of the Wheat Board and the negligence and incompetence of the Howard government have cost our wheat farmers and have cost our economy, and cost them very dearly. The present Leader of the Opposition, who was our former shadow trade minister, identified in the prosecution of this saga 25 separate warnings received by the government about the activities of the Wheat Board, even before the Prime Minister sent Australian troops to Iraq. These included warnings like the cable from Australia's United Nations mission raising concerns about an allegation that the Wheat Board was paying $14 a tonne into a Jordanian bank account owned by a son of Saddam Hussein. That was a cable sent on 13 January 2000. That same mission again cabled, reporting on Iraqi demands for kickbacks and illegal commissions on humanitarian supplies. That cable, by the way, went to the Prime Minister, the foreign minister and the trade minister, all on 9 March 2001. The foreign minister, when questioned about this in the Cole inquiry, said that he could not recall reading it. You would think that something like that would stand out. It reported on demands for kickbacks, the very things that were outlawed through the United Nations sanctions.

We on this side of the House welcome the bill. We hope that the amendments will be effective in curbing the type of dishonest and corrupt conduct that occurred during the wheat for weapons scandal. That said, the truth remains that no amendments and no legislation will be effective without the will to enforce them. It is all very well to get up on a soapbox and announce legislation giving departments and agencies powers to demand information and providing for new penalties for noncompliance. That is the easy bit. But this lazy, tired and stale government has not demonstrated through its term of office the will or the strength to confront the problem and to take the hard decisions. The hard part, of course, is the follow-up to the legislation and the commitment to enforcing it.

The bill contains information gathering and handling provisions to improve the ability of agencies to administer the UN sanctions. It also introduces new offences for individuals or companies which provide false or misleading information in connection with the UN sanctions regime, which import or export goods prohibited by UN sanctions and which otherwise act in contravention of a Commonwealth law that enforces a UN sanction in Australia. We welcome these provisions, provided they are enforced and provided the Howard government does not fall asleep again. They will help restore Australia's reputation as an honest and reliable exporter.

Even a cursory glance at the government's sorry record during the wheat for weapons scandal will reveal a government unwilling or unable to use the considerable powers that it already had to demand information of the Wheat Board. As the former Minister for Primary Industries and Energy, I am well aware that the Wheat Marketing Act already provided the government with all the power it needed to demand documentation and other evidence of the Wheat Board's illegal support for Saddam Hussein.

The approach of the current government stands in stark contrast to the approach which was taken by Labor when it was in office. In those days, Labor had to oversee the activities of the Australian Wheat Board in similar circumstances. During the first Iraq war, when sanctions were imposed on the regime by the United Nations, Labor saw to it that there was no rorting of this requirement under its watch. The then foreign minister, Gareth Evans, insisted that his department satisfy itself that the sanctions were not breached by Australian companies. During the Gulf War, there were no bribes paid.

Labor also managed to ensure that Australian wheat interests were protected. As the minister for primary industries, I announced ex gratia payments to grain growers who would have lost out because of the rigorous application of the sanctions. Labor did the right thing. That is the point: Labor ministers fulfilled their responsibilities. They did not display negligence, they did not go to sleep at the wheel, they did read the cables and they did pursue rigour in ensuring the implementation of sanctions, the imposition of which they had been party to insisting on. Labor protected the integrity of the UN sanctions, at the same time looking after the interests of grain growers. That is what effective ministers do—that is what they are paid to do; that is what they are elected to do—but not the sorry lot on that side of the House, on that occasion. We have to fulfil our international responsibilities and, if there is an impact on a section of Australian industries, seek to ease the burden.

What a contrast we have between the way Labor governed in the context of this situation and the way the government has so badly handled the situation this time around. The ministers in the Howard government

failed to fulfil their responsibilities to the international community, and they must bear a very large part of the blame for the loss of major wheat markets and a tarnishing of the Wheat Board brand in the international marketplace. All we can hope is that the government will use the new powers provided under this legislation more effectively than it used the similar powers it already possessed under the Wheat Marketing Act.

The government has also provided funds for the Department of Foreign Affairs and Trade to coordinate implementation of United Nations and bilateral sanction regimes and to monitor and ensure compliance with the sanctions. It could be argued that this is what DFAT should have been doing anyway; nevertheless it is a positive move.

The bill has been the subject of scrutiny by the Senate Standing Committee on Legal and Constitutional Affairs. That committee invited submissions and held a public hearing. The committee examined the bill in detail, analysed some differing views put to it, set out what it saw as the key issues and reported in August—this month. The committee considered that the bill would strengthen the implementation and enforcement of the United Nations sanction regimes in Australia and recommended that the bill be passed.

We welcome the government's commitment to promoting a culture of ethical dealing in connection with the United Nations sanctions and international trade. The Attorney-General is right to say that legislation alone is insufficient and that Australian businesses have the responsibility of maintaining a reputation for ethical dealing and integrity.

The commencement arrangements for the bill—on a date to be fixed by proclamation, or six months after royal assent—allow for consultation with businesses and industry stakeholders about the amendments and their implementation. The government is to run a general public information campaign and will also focus specifically on import and export businesses.

I want to make two points with regard to this. Whilst we welcome the process as a positive way of ensuring that businesses appreciate the moral and legal necessity to trade honestly and ethically, we would like to hear from the Attorney-General, when he sums up, some details about how this consultation and education process will be undertaken.

Secondly, regarding the campaign to inform the public of the changes, foreshadowed by the Attorney-General in his second reading speech, I am very suspicious of any public information campaign run by this government—and well we should be. One has only to look at the most recent manifestation, the Barbara Bennett Work Choices advertisements, to see how public information campaigns for this government become blatant political advertising. 'Know where you stand,' indeed! I would hope that any public information campaign would not be simply an exercise in exonerating the government from any blame or responsibility in the Wheat Board wheat for weapons affair.

Some unfinished business will remain after this bill is passed. The 2006 OECD report on bribery of foreign officials raised concerns about Australia's lack of monitoring of foreign bribery. The report also recommended a review of whistleblower provisions so that Commonwealth officials can report suspicions of foreign bribery without fear of retaliation.

The lesson of the Australian Wheat Board wheat for weapons scandal is clear. There needs to be substantial reform to protect and strengthen the integrity of Australia's public and private sectors. In the case of the Wheat Board scandal, our honest and hardworking wheat growers deserve it. All of our export-

ers, working hard to establish themselves in tough and competitive foreign markets, need it to be known that Australians are fair and honest traders. I move:

That all words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the bill a second reading, the House:

(1) notes that it has been 18 months since the OECD Working Group on Foreign Bribery in International Business Transactions released its Phase 2 Report on Australia and nine months since the Cole Inquiry, and yet we are only now seeing this legislation pass through Parliament;

(2) notes that this lax approach to Australia's obligations on bribery of foreign officials is unsurprising, given that the government—either through complicity or incompetence—allowed AWB to funnel $350million to the former Iraqi Dictator, Saddam Hussein;

(3) condemns the government for failing to take action on the scandal despite the repeated communications made to senior public servants, Ministerial offices and Ministers themselves;

(4) condemns the government for its failure to bring forward the full range of measures needed to bring Australia into compliance with our international obligations on bribery—which includes a failure to bring forward proper legislative protections for whistleblowers;

(5) notes that other key statutory instruments of Australia's fight against money-laundering and terrorist financing were delayed for years, with many still yet to be brought before Parliament; and

(6) condemns the government for its abject failure to uphold Australia's international reputation on these issues of importance".

The DEPUTY SPEAKER (Mr Hatton)—Is the amendment seconded?

Ms King—I second the amendment and reserve my right to speak.

The DEPUTY SPEAKER—The original question was that this bill be now read a second time. To this the honourable member for Hotham 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 BAIRD (Cook) (12.57 pm)—I am pleased to support the International Trade Integrity Bill 2007. I believe it is a significant piece of legislation. It is about Australia's trade integrity and reputation overseas, and it is important that we see this House support it. Certainly we have had much focus in this House on the events that occurred a few years ago in relation to the breaching of UN requirements, and I am very pleased to see that the Attorney-General has brought forward legislation which addresses this issue.

I heard the shadow minister for trade say that the events related to the AWB have seriously damaged Australia's reputation. As the leader of a trade delegation that recently visited Mexico, I think that is a little short of the case. In fact, the International Relations Committee, which is a bipartisan independent group, presented us with research when we visited that country. They had surveyed the attitudes of Mexicans to 25 countries around the world, and Australia was in the top three in terms of its reputation. So much for damage to our reputation. In fact, it remains strong. It is unfortunate that those events occurred—there is no doubt of that—and the AWB has paid a high price. The responsibility of the officials from that organisation is clearly questioned.

During the long debates that related to this whole incident, the opposition were looking for the silver bullet that would link ministers to these events. Of course, despite their efforts in this House, it was never established.

It was never established because it never occurred. The Cole inquiry that was established found that there was no evidence of ministerial involvement in any of these breaches. We need to put to rest all of the allegations that have occurred in this House, including the shadow minister's imputation about the conduct of the ministers in relation to these events.

When 2,000 companies from 66 countries were named in the Volcker report, only two countries set up further independent inquiries and one of them was Australia. This government moved quickly to establish the Cole commission—an independent, open inquiry, which had all the powers of a royal commission. There is something the majority of countries named could have pursued, and that is simply to do nothing, but we set up a totally independent body that was able to find what they could and make recommendations. This legislation implements the findings of the Cole royal commission. I believe it was a very good inquiry in the way it was conducted. There was the independence of the commissioner, and the recommendations that were produced were in line with the general views in the community. During that whole time, the Labor Party attempted to blame the government and questioned the integrity of ministers, but, at the end of the day, there was really no substance to what was being alleged.

This government is extremely serious about maintaining Australia's trade integrity and ensuring that businesses understand the laws of trade with UN-sanctioned regimes. My former role, well before coming to this House, was as a trade commissioner. The focus of those involved in trade activities is to get the orders. They would regard the niceties of what they need to do and, as part of the general background of events, what needs to occur. If they are involved in breaking UN sanctions, then we want to know about it. We do not care whether it relates to increasing our balance of payments or whether they are likely to get a big order or a bonus. In terms of this legislation, we say, 'If you breach these requirements, you will pay the penalty'—that is, both the companies and the individuals concerned.

This bill implements recommendations 1 to 3 in the report of the inquiry into certain Australian companies in relation to the UN oil for food program, which of course was the Cole inquiry, but it goes further. It relates not only to this particular issue but across the board in terms of UN trade activities where sanctions apply. Where the UN has decided to impose sanctions it is appropriate because there are significant human rights abuses or issues in the international scene which require the world body to implement sanctions which would indicate to that particular regime: 'The way you are conducting a business is inappropriate.' How else can you achieve the kinds of outcomes that we would like to see?

The bill will make changes to foreign bribery offences and tax deductibility of payments to foreign officials. Overall, the bill will improve Australia's ability to monitor and enforce UN sanctions and combat foreign bribery so that companies act within the guidelines and do not jeopardise Australia's highly regarded trade reputation. Through this bill the government will continue to protect Australia's highly regarded trading reputation. Because of the importance of international trade to Australia's economy, it is important that we do all that we can to ensure the integrity of not only the government but all those who participate in international trade, particularly where there is UN involvement.

The bill introduces a new offence to the Charter of the United Nations Act 1945 for contravening a Commonwealth law that en-

forces UN sanctions, recommended by Commissioner Cole. It introduces separate criminal offences. Companies and their officers must certify the accuracy of information provided in connection with trading activities subject to UN sanctions—it is not enough to say: 'Sorry, we've met our obligations. We put it in.' It is up to them, according to this legislation, to certify the accuracy. What have they done to ensure that it is all as they have declared? False or misleading information will be grounds for invalidating any authorisation to conduct business under a UN sanctioned regime. Not only would they lose out in the business but criminal consequences can apply as well. Agencies that administer UN-sanctioned regimes in Australia will be granted an information-gathering power to investigate whether companies are complying with UN sanctions, so the resources will be there to carry out this information-gathering activity.

In terms of achieving that through the legislation provided, the Customs Act 1901 will introduce new offences for individuals or companies who import or export prohibited goods without proper authorisation. These offences carry identical penalties to the new offences in the Charter of the UN Act. The aim is to effectively deter organisations who may be considering contravening the sanctions. The applications for authorisation to import or export UN-sanctioned goods will be made on approved forms and, again, penalties will apply to false or misleading information.

There is the question of the bribery of foreign officials. It is an issue and a challenge for everyone operating in the international marketplace and particularly as it relates to particular countries. The bill amends the Criminal Code Act 1995 to clarify the circumstances in which a payment to a foreign public official is not a bribe. In future a payment to a foreign official will be allowed only if that payment is required or permitted in the law of the place or country that governs the foreign official. This will be so regardless of the outcome of the payment or whether it was purported to be necessary for any other reason. Every exporter is put on notice by this requirement. It is no longer enough to say: 'That's what they all did. If you wanted to get your goods through, that's what you had to pay.' It is saying it has to be required by law that this payment is necessary in order to trade. It makes it a clear criterion.

There is also a change to the Income Tax Assessment Act 1997 to provide that an amount paid to a foreign public official is not a bribe only in circumstances where it was required or permitted by the written law that governs the foreign public official. The failure to obtain the advantage sought by the bribe will not be relevant to determining whether a benefit paid is a bribe to a foreign official. That also closes any loophole that exporters may be trying to use.

The definition of 'facilitation payment' in the Income Tax Assessment Act 1997 will also be aligned with the definition in the Criminal Code Act 1995. Facilitation payments are tax deductible and are not a bribe to a foreign public official. This will clarify the current law by ensuring that a benefit paid to a foreign public official will be considered a facilitation payment only if it is minor in value and for the sole or dominant purpose of securing a routine government action of a minor nature. There is clarification under the law of what is regarded as a bribe and this must be complied with or penalties will apply. This is in line with the Cole recommendations. I am sure all members of the House would approve of and support this clarification.

In conclusion, it is clear the government has moved to continue to ensure that Austra-

lia's international trade reputation remains strong, that our integrity is not impugned and that we are seen as being a first-rate country in terms of trading integrity. We have made the changes to the tax act, the Customs Act and the Criminal Code Act 1995. This will ensure that we define 'bribery', clarify the penalties imposed when UN sanction requirements are not complied with, clarify the legal written requirements of applications, clarify the responsibility of companies and individuals to check all the facts so that there are no breaches, and apply criminal sanctions for breaches. It is all on the table from here on in. Every exporter will know that, if they are involved in the UN sanction area, they have to comply or be subject to significant penalties.

It is important that we inform the public about these changes so that exporters will know. I heard a cynical comment by the shadow minister for trade. But the reality, having operated in this area and dealt with exporters, is that it is important that they all know about these changes. If you are going to introduce pretty harsh changes in responsibility and legal sanctions for noncompliance, it is appropriate that you very clearly let exporters know what is involved. There will be sufficient time for this consultation to take place with the businesses importing and exporting goods and services. Amendments will commence on a day to be fixed, by proclamation or six months after the bill receives royal assent. I am sure we would all agree with the time for consultation to ensure that information is out there so that people can comply. Legislation alone cannot accomplish this. It provides the necessary penalties, but it is up to every exporter to understand the spirit of the law. The spirit of the law is that we want all exporters to comply to ensure that Australia maintains a first-rate reputation for its trading integrity. I commend the bill to the House.

Mr BOWEN (Prospect) (1.13 pm)—The International Trade Integrity Bill 2007 arises from the recommendations of the Cole commission in relation to the Australian Wheat Board and the UN oil for food program in Iraq. This bill exposes the government's complete lack of credibility on this issue. When Labor raised the need to tighten these laws, the Treasurer and the Assistant Treasurer said that it was not necessary. In the arrogant manner we have come to expect, they said: 'The opposition don't know what they are talking about. The laws are fine.' This bill now implements several of the things we were calling for a long time ago. This is a story we have come to expect. The Labor Party raises an issue and says it is in need of reform. The government comes in and says: 'You don't understand the issues. You don't understand what you are talking about.' It dismisses it with a great deal of arrogance and then quietly comes back 12 months or two years later and introduces the exact legislation that Labor was calling for.

The bill amends the Charter of the United Nations Act 1945, the Customs Act 1901, the Criminal Code Act 1995, and the Income Tax Assessment Act 1997. The bill seeks to improve and strengthen the enforcement of all UN sanctions and to combat foreign bribery. It contains information-gathering and handling provisions to improve agencies' ability to administer UN sanctions. It introduces new offences for individuals or companies that provide false or misleading information in connection with a United Nations sanctions regime, import or export goods prohibited by UN sanctions or otherwise act in contravention of a Commonwealth law that enforces a UN sanction in Australia. It provides for amendments to the Income Tax Assessment Act, which I will turn to in a little while.

This bill is overdue and it follows the recommendations from the Cole inquiry, which

itself was limited in its scope by the government. It is a necessary first step in combating international bribery. As the honourable member for Hotham said in his speech in the second reading debate, other issues have been identified by the OECD in their *Australia: Phase 2 report on the application of the convention on combating bribery of foreign public officials in international business transactions and the 1997 recommendation on combating bribery in international business transactions*. That raised a series of issues. For example, the phase 2 report highlighted the issue of there being no formal requirement for auditors to specifically look for instances of foreign bribery or report indications of foreign bribery. The OECD was unconvinced by the Australian Taxation Office's view, and I quote:

> ... the payment of foreign bribes is not a significant occurrence in Australia. Accordingly the claiming of tax deductions for such payments has not been identified as a risk worthy of specific targeting in the ATO's Compliance Program 2004-2005."

Of course the AWB was paying $300 million, and claiming a $90 million or thereabouts tax deduction. So I agree with the OECD's lack of reassurance that foreign bribery is not a priority for the ATO.

This bill amends a number of acts, as I said earlier. The amendments to the Charter of the United Nations Act 1945 create a new offence for individuals and corporations engaging in conduct that contravenes a UN sanction in force in Australia and provides for increased penalties for breaches. Furthermore, they introduce strict liability for corporations which engage in conduct that contravenes a UN sanction in force in Australia, including in relation to UN counterterrorism financing sanctions. The bill creates a new offence for people or corporations who knowingly or recklessly provide false or misleading information in connection with the administration of UN sanctions. Amendments to the Customs Act 1901 introduce new criminal offences for importing or exporting goods sanctioned by the United Nations without valid permission, and introduce a new criminal offence for providing information that is false or misleading in a material way, or omits particular material, in an application for permission to import or export UN-sanctioned goods.

I would like to particularly focus on the tax measures included in this bill. Provisions regarding the bribery of foreign officials are contained in amendments to the Criminal Code Act 1995 and the Income Tax Assessment Act 1997. The amendments to the Criminal Code Act 1995 clarify the circumstances in which a payment to a foreign official is not a bribe. In future, a payment to a foreign public official will only be allowed if it is required by the written law of the country or place that governs the foreign official, regardless of the outcome of the results of payment or the alleged necessity of a payment. No deduction is available for bribes paid to public officials in the course of running a business. A bribe is defined as an amount incurred in providing a benefit that is not legitimately due to another person where the amount is incurred with the intention of influencing a public official. In the case of bribes to public officials, two extra factors are considered in determining whether a payment is a bribe. A payment to a foreign public official is not a bribe (a) where the provision of the benefit does not contravene the law of the foreign country or (b) where it is a facilitation payment—a payment incurred for the sole or dominant purpose of securing the performance of a routine government action of a minor nature. This is important as it was an area of some controversy in relation to the Cole royal commission. Bribes to Saddam Hussein were regarded as not being a breach of Iraqi law

because Saddam Hussein was of course a dictator and any bribe paid to him was regarded as not being illegal in Iraq and therefore not having legal implications in Australia. That is a clear loophole in the law.

The incredible thing is that a royal commission can find that the AWB deceived the Australian government and the United Nations by paying kickbacks and recommend that former executives face charges and yet those kickbacks were not bribes under Australian law and are legitimate tax deductions. I think Australian taxpayers are very disappointed that $90 million of their money has been given to AWB as a tax deduction. Amendments to the Income Tax Assessment Act 1997 align the definition of a bribe with that in the Criminal Code. The amendments provide that payments to foreign public officials are tax deductible only where the benefit paid is expressly required or permitted by written law, regardless of the results of payment or the alleged necessity of the payment. Failure to obtain the advantage sought by the bribe will not be relevant in determining whether a benefit paid is a bribe to a foreign official. The definition of facilitation payment in the Income Tax Assessment Act 1997 will also be aligned with the definition in the Criminal Code Act 1995. Facilitation payments are tax deductible and are not a bribe to a foreign official. The amendment means that under the tax law and Criminal Code an amount paid to a foreign public official is not a bribe only if the value of the benefit is minor in nature and incurred for the sole or dominant purpose of securing or expediting the performance of a routine government action of a minor nature. Currently the tax law makes no requirement that the value of the benefit be of a minor nature for a payment to be regarded as a facilitation payment.

This is something that the Labor Party has been talking about for some time. My predecessor as shadow Assistant Treasurer, the member for Hunter, moved amendments to the Income Tax Assessment Act 1997 to make this happen. He moved amendments on 28 March 2006 to the Tax Laws Amendment (2006 Measures No. 1) Bill 2006. The amendments provided that a payment under the Income Tax Assessment Act 1997 would not be a bribe if the value of the benefit was minor in nature and the payment was recorded consistent with the Criminal Code. The government—which has now introduced this bill—voted against that amendment. So there is a real inconsistency here. Labor's amendments align the definition of 'facilitation payment' in the Income tax Assessment Act 1997 with the definition in the Criminal Code. The Assistant Treasurer rejected Labor's amendments to align the two definitions. He was asked a question without notice in this House on 27 February 2006. My predecessor, the member for Hunter, asked whether the government would support Labor's amendments. The Assistant Treasurer replied:

> ... there was no need to follow on from such a stupid question as the member for Lilley put before—

That previous question was to the Treasurer.

> This smacks of desperation by a desperate leader and a desperate opposition in relation to the Cole inquiry.

He was further dismissive, saying:

> … there is no capacity under Australian law for a company to claim a deduction for a payment that is considered to be a bribe in another country.

That completely misses the point that the member for Hunter was making.

In another question, on 28 November 2006, requesting the Treasurer to accept Labor's plan to align the definitions, the Treasurer also dodged the question. He stated that a bribe is not tax deductible under law—something we already know. He responded:

The Commissioner of Taxation has full power in relation to this matter. The question, unfortunately, is based on a false premise.

I know there have been some issues raised in recent days about the Treasurer's credibility, and here is another one. The government come in and say: 'The Labor Party do not know what they are talking about. You don't understand; you've got a false premise; it's ridiculous; it's silly.' Then, 12 months later, their bill quietly adopts the very thing that the Treasurer and the Assistant Treasurer were called on to do, in this House by the Labor Party, more than 12 months ago. So this is a matter of credibility. Whenever the government come in here in their arrogant fashion and say, 'You don't know what you're talking about; you don't understand the basic principles of taxation and the basic principles of tax law,' let us remember the harmonisation of facilitation payments under the Criminal Code and the taxation act.

I am glad to see that the government have realised that they were wrong and have quietly adopted Labor's policy on this matter. I do not intend to harp on it because we do welcome it, but it is only appropriate that I put it on the record that the former shadow Assistant Treasurer consistently called for the sorts of actions we are seeing in this bill today and was ridiculed in question time by those opposite. Today, they are the ones who deserve ridicule.

We welcome this bill. It is better late than never. It should have been done 18 months ago when the Labor Party called for it to be done. We have little faith in the credibility of the government when it comes to matters such as this. They fail the test of being vigilant in relation to matters such as this, because if they were they would have been doing this 18 months ago when the Labor Party called on them to do it. I support the second reading amendment that has been moved by the member for Hotham. I commend that to the House and commend the bill to the House.

Mr JOHNSON (Ryan) (1.24 pm)—It is a pleasure, as always, to speak in the Australian parliament as the federal member for Ryan, a beautiful part of the western suburbs of Brisbane, which I have the great honour of representing. I look forward to the support of my constituents in the years ahead. This bill goes to issues of trade, international business and Australia's reputation. I think it is very important for members of the parliament to defend and promote our businesses and our nation on the world stage. Australian businesses are some of the most innovative and successful in the marketplace, and Australians in our very vibrant society can pride themselves on being citizens who promote integrity, not only in their personal lives but in the way they practise business free from corruption and bribery. This is especially true of our major international businesses which compete with the very best around the world.

In the 2006 Corruption Perceptions Index published by the not-for-profit group Transparency International, Australia ranked ninth, with a score of 8.7 out of 10—a very creditable ranking. It ranked ahead of virtually every comparable country: two ranks above the United Kingdom, at 11; five above Canada, at 14; eight above Japan, at 17; and 11 above the United States, at 20. The World Bank's Governance Matters 2007 Worldwide Governance Indicators ranks Australia on the 95th percentile for control of corruption. It was for these reasons that the circumstances surrounding the manipulation of the oil for food program by AWB and the subsequent Cole inquiry were very disturbing to us in the parliament and in the country. The Howard government is to be congratulated on having the courage to commission the national inquiry following the Volcker report. Let us not forget that this was a royal

commission, which had at its head a very distinguished Australian in Justice Cole. I think the International Trade Integrity Bill 2007 will reaffirm Australia's commitment to a corruption-free international trade regime; indeed, a corruption-free international culture of business practices. We will continue our tough stance against foreign bribery and any contravention of United Nations regulations.

Importantly, this bill will protect the integrity of Australian exporters in the global marketplace. In June, the Minister for Trade launched the 2007 *Trade statement*, which reflected very well upon Australian exporters and Australian business men and women. The government is to be congratulated on its policies to promote the framework and climate in which Australian businesses can get on with what they do best: doing business here in Australia and around the world, particularly in our region. The *Trade statement* showed that Australia's exports in 2006 were the highest on record, up some 16 per cent to $210 billion. That is more than double the 1996 export levels and a record in both value and volume terms. Nineteen of our of 25 exports reached record values. The success of our exporters and the growth in both numbers of exporters and profits since the Howard government came to office in 1996 is something we should be very proud of and continue to promote as much as we can. It is important to protect the integrity of those exporters who are competing with the very best and who are trying to do the right thing by operating in a corruption-free and trustworthy fashion, getting on with the business of putting their products and services out there with the best in the world.

The Ryan electorate has a very strong appreciation of the value of small business. It employs a lot of people in small- to medium-sized businesses. My constituents would be keen to know generally how Australia fairs in its exports of goods and services. I refer to the *Trade statement*, which was recently released by the Minister for Trade. It notes: coal, $23.3 billion; iron ore, $14.4 billion; personal travel, $11 billion; education services, a very important part of our economy—I have the University of Queensland in my electorate; students come from the region and other parts of the world to study at this very fine institution and deserve to have the very best quality of teaching and education—$10.7 billion; gold, $10.6 billion; crude petroleum, $6.7 billion; aluminium ores, $6.1 billion; aluminium, $5.9 billion; natural gas, $5.1 billion; beef, $4.9 billion; and professional business services, $4.5 billion. That is just a snapshot for the people of Ryan of some of the very significant dollars involved in our export industries.

It is very important to the Ryan electorate that businesses can flourish and the reason for this, of course, is that it contributes to standards of living, jobs and employment and strengths of our communities. If businesses are unable to practise, if they are unable to trade and engage in services with other businesses and consumers, at the end of the day that affects the livelihoods of everyday Australians. I think everyone understands how the Australian economy impacts upon their lives. We know that interest rates affect mortgage payments. We know that, as unemployment queues get longer, it becomes more and more difficult to get a job. We know that wages are critical to standards of living. But if we ask people about the nature of international trade, they might think it is something a little abstract. However, it is very important and it is critical for us to continue to promote trade in our overall economic architecture.

Australia's success as an international trading nation is a very important aspect of our economy. One in five Australian jobs depends directly on exports. Interestingly, in

the Ryan electorate in the western suburbs of Brisbane, the lives of almost 13,000 people are directly affected by the types of businesses for whom they work, because those businesses export to the region and to the world. It is very important for me to promote those businesses and to give them every opportunity of competing with other businesses interstate and in the region. But, of course, jobs also come from indirect trade. When we are buying foreign products, we must remember that that also gives Australians jobs. We do not want to get into a situation where the signal we communicate to the world is, 'We will export our products and you can't bring your products into Australia.' No country and no economy would accept only a one-way flow of goods and services, such that Australian consumers cannot purchase Australian T-shirts made in China, such as the 'Kevin 07' T-shirts, which I understand were not Australian made. That was very disappointing. Nevertheless, it is a free market and a free economy, and no doubt those Australians who support the opposition leader will purchase them. But I remind them that those T-shirts were not made in Australia. And I am happy to continue to promote the fact in the Ryan electorate that those Rudd T-shirts were not made by Australian hands on the Australian mainland or in Tasmania. But that is for the record. I think all Australians are aware of that.

Trade is not just about goods such as T-shirts made in China; it also involves services. Services comprise some 80 per cent of the Australian economy, and we have to do all we can to promote service opportunities in the business world in Asia. I think that is an area where we can really make a lot of mileage for Australians because Asia is a growing region. With the technical skills and experience of our services sector, particularly the sheer talent and ability of our financial services sector, we stand to benefit to the tune of hundreds of billions of dollars. International trade has always been tied with Australia's overall economic success.

In my presentation in the House the other day, I talked about the benefits of trade to Australia, starting back in the gold rush days. In the 1860s, the gold rush encouraged large-scale immigration and created a lot of wealth from gold exports. They made Australia a rich land at the time. Unfortunately, as we know, protectionist policies came into play in the last century which affected not only our economy but also the world's economy. We do not want to return to protectionism. We certainly do not want to see the world turn inwards in the trade arena. We will do all we can in this country to ensure that Australian businesses can compete in a corruption-free and bribery-free type of international economic landscape.

Given how important international trade is to Australia, this bill is in response to the recommendations of the Cole report, which was tabled in the parliament on 27 November last year. It will amend the Charter of the United Nations Act 1945 to create a new offence for people or corporations who engage in conduct that contravenes a UN sanction enforced in Australia or recklessly provides false or misleading information in connection with the administration of a UN sanction. The bill will also introduce a strict liability for corporations which engage in conduct that contravenes a UN sanction enforced in Australia, including in relation to UN counterterrorism financing sanctions.

In addition, the bill will amend the Customs Act 1901 to introduce new criminal offences for importing or exporting goods sanctioned by the UN without valid permission and for providing information that is false or misleading or omitting information in an application for permission to import or export UN sanctioned goods. Also very im-

portant is the provision in the bill to amend the Criminal Code Act 1995 to ensure the defence under section 70 to a charge of bribing a foreign public official is only available where the advantage paid to a foreign official is expressly permitted or required by law, regardless of the results of payment or the alleged necessity of payment.

This is an important bill. It reflects the Howard government's very strong commitment to supporting Australian businesses large and small. It reflects a very strong commitment to providing in our country a climate and legislative framework that will enable Australian businesspeople who are competing with foreigners to know that they have the full support of the national parliament, that they will be protected and that there is a clear signal that corruption and inappropriate legal business practices will not be tolerated at all.

We all know that the Leader of the Opposition made a name for himself in the community and within his own party over his embrace of this issue during the Cole inquiry. His attacks on the integrity and character of the Prime Minister, the Deputy Prime Minister and the Minister for Foreign Affairs were shameful. It was shameful to smear people's reputations in the fashion that he did. I know that this is politics and we are in a robust democracy, but I think there should be a line drawn in the sand between policy attacks and character assassination of the worst kind upon individuals. The attacks on Mr Howard, Mr Vaile and Mr Downer were just awful. They carried themselves with great dignity in the face of intense smearing on the part of the Leader of the Opposition. I am very disappointed that someone would seek to do that in the battle for ideas in this country and in the battle for policy annunciation.

In any event, that seems to happen from the opposition. But, through all of this, the Howard government was resolute and it did the right thing. It initiated the Cole inquiry and a full investigation into the AWB. And now, in the wake of the inquiry's findings, the damage done by the AWB's conduct has been fully revealed. Let us hope that some good comes from that for Australian businesses. Let us hope that we are stronger legislatively for it and stronger in a cultural sense so that there is a strong appreciation in the Australian economy that our businesses must conduct themselves with propriety and also with honour in their dealings. At the end of the day, in the overwhelming number of cases, businesses that do that would stand to profit from that—because when you try to play too many games in business, and indeed in politics, you will probably get caught out.

My parents ran a small business; they had a little corner store. From running a small business they were able to put three children through university. My brother is a neurosurgeon, my sister is about to graduate from medicine and I have the great honour of representing the Ryan electorate in the western suburbs of Brisbane. Being in politics, I am perhaps the black sheep. My brother is a neurosurgeon saving lives in Brisbane at the Royal Brisbane Hospital. I see that my senior colleague from Queensland, the member for Fairfax, is in the chair. As Chair of the Standing Committee on Health and Ageing he knows how important doctors are—especially in Queensland. I should make the observation that doctors also run businesses, and they are also important. I read an interesting piece in the *BRW* recently which said medical tourism to this country could generate some $600 billion for our economy. What a massive amount of money! It would increase the standard of living for all of us.

I wanted to make the point that we want small- and medium-sized businesses to grow

and make profits so that they can contribute more to their communities and Australian society at large. We want to see them flourish. We also want to see our big companies like BHP and Rio Tinto who compete with the giants of global business do very well. So this is an important bill. It promotes international trade in Australia in a cultural sense. It promotes the international standing of our companies, I think. I very much congratulate the government on this bill because, as someone who is very passionate about promoting Australian businesses, I think it is critical.

In the minutes I have left, I would like to draw to the House's attention an article in the *Wall Street Journal* about Australia's standing as a country that is open and supports economic liberty. Interestingly, Hong Kong ranks No.1, Singapore ranks No. 2, Australia ranks No. 3, the US ranks No. 4, New Zealand ranks No 5, the UK ranks No. 6, Ireland ranks No. 7, Luxembourg ranks No. 8, Switzerland ranks No. 9 and Canada ranks No. 10. For those who might be interested in international business, let me count back from the other end of the table. The last country on this list of 157 is North Korea. They are ahead of Cuba, Libya, Zimbabwe, Burma, Turkmenistan, the Republic of Congo, Iran, Angola, Guinea-Bissau, Chad, Burundi, Belarus and Venezuela. No disrespect to those countries, but I believe this shows that the countries and economies that are open and believe in giving their people opportunities to maximise their talents and engage with each other are the countries that flourish and prosper and end up with unemployment figures like Australia's—which, at 4.3 per cent, is the lowest in decades and, at the end of the day, makes a difference to the lives of every Australian. I warmly commend this very important bill to the parliament.

Mr KELVIN THOMSON (Wills) (1.44 pm)—The International Trade Integrity Bill 2007 seeks to repair the damage done to Australia's trading reputation by the AWB scandal. Sadly, it is a case of locking the stable door after the horse has bolted. The House should not need to be reminded of this, but right from the outset let us make no mistake about what a big deal the AWB scandal has been. In an international inquiry into an international scandal it was an Australian company which came out at the top—a gold medallist in the kickback Olympics, far outstripping any other company in the race. The Volcker inquiry estimated the AWB kickbacks at $US220 million. The next biggest supplier, Chayaporn Rice Co. Ltd of Thailand, came in at $US42 million, less than a quarter of the AWB sum.

There is no starker example of how this bill seeks to lock the stable door after the horse has bolted than in its amendments to the Income Tax Assessment Act. The bill is amending the Income Tax Assessment Act to align the definition of facilitation payment with that in the Criminal Code. This is precisely Labor policy and has been so for quite some time. For example, in March last year Labor moved an amendment to the Tax Laws Amendment (2006 Measures No. 1) Bill to align the facilitation payment provision in the income tax act with those in the Criminal Code. The government used its numbers here to defeat this change. What have been the consequences of the government's action? After the Cole report was handed down, AWB went off to the Australian Taxation Office and proceeded to claim the $300 million in kickbacks as a tax deduction. This is truly astonishing. AWB confirmed in late December, just before Christmas, that the tax office had ruled that the bogus trucking fees it had paid to Iraq in breach of United Nations sanctions in order to secure wheat contracts were not bribes and qualified as le-

gitimate business expenses. AWB's share price surged almost 10 per cent to $2.88 on the news that it had dodged a tax bill expected to be more than $100 million.

Commissioner Cole said that AWB was not guilty of the crime of bribery because the Iraqi officials who took the money from AWB were not breaking Iraqi law. This drew the not unreasonably incredulous response from Tracy Lee in the *Australian Financial Review*:

> Australian companies wanting to pay bribes overseas should make sure they do it in really corrupt regimes if they want to get a tax deduction.

She said:

> That is the ridiculous outcome from yesterday's decision by the Australian Taxation Office that has let AWB keep up to $180 million in deductions claimed on the payment of bogus trucking fees to the former regime of Saddam Hussein.

The *Australian Financial Review* obtained a letter to AWB from the tax office stating that it had relied on the Cole report in making its decision to allow AWB to keep over $100 million in tax deductions. We had the Treasurer saying that he was relying on the Cole inquiry as well. He said that the probabilities are that the tax office is bound by the Cole inquiry. But Commissioner Cole made no findings on tax matters, saying that it was 'beyond the technical and resource capacity of this inquiry to conduct a detailed investigation' into the tax treatment of the kickbacks. He drew 'to the attention of the Commissioner of Taxation the fact that this matter has not been the subject of any inquiry by me'. But, elsewhere in his report, Mr Cole said that the payments were 'not unlawful in Iraq'.

So we ended up with an astonishing situation. Each of them—the Cole commission, the tax office, the Treasurer—is saying: 'Don't look at me. It's not my job to stop AWB from getting a tax break for these kickbacks.' Whose job is it? If the Treasurer had not been so preoccupied with trying to undermine the Prime Minister by giving off-the-record briefings to journalists, maybe he would have taken a good look at Labor's amendment instead of imperiously dismissing it. And, if he had taken up Labor's amendment, Australia's hardworking taxpayers would not now be in the outrageous situation of bankrolling bribes to Saddam Hussein.

The Treasurer claims this was not the case and says the tax office was bound by Commissioner Cole's findings. But he produces no evidence for that; he simply asserts it. It is absolutely unconvincing. The shadow Assistant Treasurer, the member for Prospect, was quite right to bring to the attention of the House the history of this matter, with the member for Hunter having raised it in question time and having been dismissed by the government. Now we have the real proof of the pudding in the eating. Now we have before the House the very provision which Labor moved in March last year and which the Liberal Party rejected. The Treasurer says we are wrong, but he knows we are right, and this provision—to align the facilitation payment provision in the tax act with the facilitation payment provision in the Criminal Code—is the proof that the Treasurer knows we are right.

In introducing the bill the Attorney-General said the bill 'continues Australia's tough stance against foreign bribery and contravention of United Nations sanctions'. I had not realised until I read this that the Attorney-General possesses a sense of humour. This kind of remark is increasingly characteristic of a government grown out of touch and which has forgotten Abraham Lincoln's classic 'You cannot fool all of the people all of the time'. The Attorney-General went on to say, 'We have a reputation as a corruption-free trading partner.' The problem is

that this government has allowed that reputation to be trashed. Its response to the UN's Volcker report, the Cole inquiry, unfortunately turned into a monumental whitewash. It has achieved nothing by way of ministerial accountability for this debacle. It has achieved nothing by way of departmental or public service accountability for this debacle. It has achieved nothing by way of reform or restructure of AWB. It has achieved nothing in terms of prosecutions for individual wrongdoing. As I mentioned before, the crowning glory, the piece de resistance, was that, once the Cole report came down, AWB proceeded to claim the $300 million in kickbacks as a tax deduction and the tax office and the Treasurer went along with it.

I want to substantiate each of those claims in turn. First, there has been no ministerial accountability for the AWB scandal. The Minister for Foreign Affairs approved 41 contracts over a five-year period—contracts which contained over $300 million in bribes that have cost Australia's international trading reputation and Australian farmers dearly. Minister Downer made a virtue of his ignorance. He revelled in the fact that Commissioner Cole did not find he was criminally culpable. But the government had limited the terms of reference of the Cole inquiry to such an extent that it was unable to meaningfully evaluate the culpability of the government.

This is not a scandal that the government can disown. Under the relevant Security Council resolutions, national governments have a clear obligation to monitor compliance with the sanctions regime under resolution 661. Governments cannot escape responsibility merely by claiming that their national companies circumvented sanctions on their own initiative. Nor did the Cole commission have anything to say when evidence emerged contradicting government claims to the commission that it did not know about AWB's payments of kickbacks to the Iraqi government.

First there was Alia. The government claimed that it knew nothing about this Jordanian company, through which kickbacks were laundered, until the Volcker inquiry in 2004. But an email in September 2003 showed that Austrade officials met with the al-Khawam family—51 per cent owners of Alia—and the former head of the Iraqi Grains Board in 2003. Then there was the case of Tigris. The Minister for Foreign Affairs and other Howard government personnel claimed to the Cole commission that the first they knew about Tigris Petroleum's plan to defraud the oil for food program of $US8.8 million was through the Cole inquiry itself and that they had not heard of Tigris at all until 2003. But an email from AWB's government relations manager, Matthew Foran, says that he spoke with Minister Vaile's office in September 2002 advising the government to not make any public comment about a statement by the Iraqi embassy which explicitly referred to the Tigris deal. The email states that Minister Vaile's office contacted the offices of the Minister for Foreign Affairs and the Prime Minister to warn them of the statement by the Iraqi embassy. The Howard government was caught out misleading the Cole inquiry, first over Alia and then over Tigris, but the Cole commission failed to follow up these matters or deal with them in its report.

Nor has the Cole commission achieved anything at all by way of departmental accountability. Minister Downer simply ignored Commissioner Cole's findings of incompetence and negligence and announced that there would be no review of administrative practices within the Department of Foreign Affairs and Trade. This was incredible. It represented an all-time low in public accountability standards. It would seem like society is to blame. There was $300 million

in kickbacks and society is to blame. Nor has the Cole commission achieved anything in the restructure of AWB. Michelle Grattan reported:

> Ministers have signed off on a political compromise for the new bulk wheat export marketing system designed to get the Government through the election.
>
> A "kitchen cabinet" of John Howard and senior ministers decided farm organisations should be given until March to either set up a new grower-owned and controlled company to run the single desk, or have AWB demerge and AWB International operate the desk.

The Cole inquiry achieved nothing on this front either. We now know that the single desk—AWB's export monopoly, also known as the National Party's compulsory unionism—lives on. Two and a half weeks ago, on 30 July, Lenore Taylor reported in the *Australian Financial Review*:

> Angry backbenchers have accused Agriculture Minister Peter McGauran of using stalling tactics to protect wheat exporter AWB's monopoly status, after it emerged he had approved only three out of 85 applications from other wheat exporters since he was handed approvals power last December.
>
> NSW backbencher Alby Schultz—

the member for Hume—

> said it was "reprehensible" that so few licences had been approved, and some applicants he knew had been waiting for up to six months for a ministerial decision.
>
> "The system is obviously too slow … I know some growers who are being denied $55 a tonne more than they can get from AWB because exporters can't get a decision out of the minister," Mr Schultz said.

The report goes on to say that the member for O'Connor, who is described as 'outspoken'—I think he can live with that—said that he suspected the minister was using his decision-making power:

> as a disruptive tactic … to make sure applicants did not have time to get arrangements in place before the forthcoming harvest.

The article continues:

> Mr McGauran confirmed he had approved only three applications. He said nine applications were still pending. The rest he had rejected on public interest grounds.

This led to OzEpulse, which is a Sydney based grain exporter, urging the federal government to reverse its rejection of an export licence application to send 50,000 tonnes of Australian wheat to Yemen or face a Federal Court challenge in September. Some 80 per cent of Western Australian growers last year refused to sell to AWB. OzEpulse has launched a legal challenge, scheduled for mid-September, to last December's original licence rejection, claiming that the Minister for Agriculture, Fisheries and Forestry took into account irrelevant or false information. OzEpulse said that it was having the content checked because if the AWB submission looked false, misleading and untrue, and if they misled the minister—which is not that different from their actions in the Iraqi affair that sparked the Cole inquiry—they have a basis for a legal challenge. So, as far as the AWB and the agriculture minister are concerned, compulsory unionism lives on.

The bottom line is that, despite repeated emails and communications to ministers, their officers, staff and senior bureaucrats, commencing virtually from the inception of this scandal back in 2000, AWB was still able to provide some $350 million in funds to the Saddam Hussein regime in breach of the UN sanctions and Australian law, specifically the Customs (Prohibited Exports) Regulations 1958. No legislation, no matter how comprehensive or wide ranging, can have any effect when the government is willing to turn a blind eye and is unwilling or unable to enforce its own laws. This bill simply serves to highlight just how duplici-

tous the government has been regarding the whole AWB saga. The fact is that this government failed to enforce its own law and, through its negligence, allowed $350 million to be channelled to a terrorist dictator.

The SPEAKER—Order! It being 2.00 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

Mortgages

Mr RUDD (2.00 pm)—My question is to the Prime Minister. Would the Prime Minister inform the parliament what advice the government has received from the Reserve Bank and the financial market regulatory authority, APRA, on the implications for Australian mortgage holders of recent developments in the US subprime mortgage market?

Mr HOWARD—That advice in the first instance would come to the Treasurer, and I know the Treasurer will have something to say about this matter shortly. Let me say to the Leader of the Opposition that it is very important at a time like this to reassert our very strong confidence in Australia's financial institutions.

Australia is fortunate at this time that we have very strong, properly supervised and prudential financial institutions. We have two regulatory authorities, namely the Reserve Bank and APRA, both of which are run by people of the highest calibre. Clearly, a correction is taking place in world financial markets and that correction has been inspired by adverse developments in the American subprime mortgage market.

What I can tell the Leader of the Opposition is that, if you compare like with like, the number of loans in Australia which are the equivalent of the subprime market in the United States is about one per cent as against some 15 per cent in the United States. Some of the commentary mistakenly likens the low-document loans of some of the financial intermediaries to the subprime loans in the United States. That is a misinterpretation of the situation. The subprime loans in the United States are far more risky and adventurous and, for that reason, they have caused very considerable difficulties.

The markets at the moment are repricing credit. As a result of that, credit subject to being rolled over at frequent intervals will obviously incur a higher cost, and there will be some interest rate implications as a consequence of that. I draw the attention of the Leader of the Opposition to some of the more informed commentary that has been made on that matter.

Let me finally say to the Leader of the Opposition that, as we deal as a nation with this situation, we are fortunate that we do have strong financial institutions. They are well regulated. We have regulators in whom we have great trust. The other great pillar of our financial security is of course our very strong budget position. It is as well at this time that we have a strong budget surplus. It is as well at this time that we have low levels of inflation. It is as well at this time that this country's credit ratings are very high around the world and we have a strong, balanced economy.

As people examine the stock market and the developments in it, we should remember that the Australian stock market has enjoyed rises over recent years of unprecedented proportions and has performed in a very strong fashion compared with other stock markets. It is very important at a time like this that people not overreact. Adjustments do occur from time to time and there will be consequences of that. But if your fundamentals are

strong and economic management is experienced, if economic management has seen this country through earlier adverse developments such as the Asian economic downturn and the aftermath of the terrorist attack on 11 September 2001, that same strong economic management will serve this nation well at the present time.

Mortgages

Mr BARRESI (2.05 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House of recent developments in world financial markets? What are the implications for the Australian economy? What does this indicate about the need for careful economic management?

Mr COSTELLO—I thank the honourable member for Deakin for his question. I can inform him that overnight the United States stock market suffered further falls of around 1½ per cent arising from the subprime crisis in the United States. Stock markets around the world have followed suit as a consequence and, as of a short time ago, the All Ordinaries was down some five per cent. That is a very severe fall and one of the largest falls that we have seen in the last decade.

The consequence of that, however, is that the All Ordinaries is still some 17 per cent higher than its close at the end of 2005 and still around 35 per cent higher than its close in 2004. The news in the United States overnight concerned rumours that mortgage lender Countrywide Financial was having difficulty raising funds. The Australian financial system is not nearly as exposed to subprime or equivalent lending as that of the United States. In the United States, it is about 15 per cent of mortgages; in Australia, it is about one per cent.

The financial implications for the Australian economy are therefore much less as a consequence of subprime or non-conforming loans. However, there are Australian originators that do raise their funds in the United States. They raise funds in the United States to on-lend to Australian borrowers. Those institutions will have more difficulty raising those funds, and they will be required to pay a premium for raising them. As a consequence, some of those loans could rise in Australia because risk is being repriced. For those borrowers who have taken a loan from some of those institutions, there could be a direct effect. This issue does not concern the Australian banking system. The Australian banking system is well capitalised. There is no reason for Australian banks to pass on any consequence of this subprime failure in the United States.

Can I say that I have been in contact throughout the morning with the Australian Prudential Regulatory Authority. I have been in contact throughout the morning with the Reserve Bank of Australia. Our markets are functioning normally. There is liquidity in the markets. The arrangements that have been put in place are serving us well. One of the first things that the government did was to set up the Australian Prudential Regulatory Authority and, over the course of the last decade, it has discharged its duty very well indeed. Of course, this is not the first financial difficulty that the government has encountered. The Asian financial collapse of 1997 was certainly the biggest financial collapse of our lifetimes. As a consequence of that, we tested and strengthened our institutions, and they came through that crisis very strongly.

In closing, I say that it is important to bear in mind the real economy. The real economy is growing strongly. Despite the drought, it is growing at 3.8 per cent. Employment growth is solid, with over 250,000 new jobs created over the last year. Wages growth continues to be strong and sustainable. The profit share of corporate Australia is at an all-time high and, in due course, stock prices will reflect those

fundamentals. But this is a very significant development which is affecting Australian equity markets. It will affect Australian credit markets. It will affect some Australian borrowers. It will require very capable prudential arrangements, and it will require sensible economic management which focuses on the fundamentals. This is why we get the fundamentals of an economy strong: so that the economy can weather severe events which have a significant effect of this dimension.

DISTINGUISHED VISITORS

The SPEAKER (2.10 pm)—I inform the House that we have present in the gallery this afternoon the Hon. Gareth Evans, a former member, senator and minister. On behalf of the House, I extend to him a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Uranium Exports

Mr RUDD (2.10 pm)—It is good to have Gareth back in the chamber—a foreign minister with experience.

Government members interjecting—

The SPEAKER—Order! Members on my right!

Mr RUDD—My question is to the Prime Minister. Is the Prime Minister aware that the Indian Prime Minister told his parliament this week that the US-India nuclear agreement does not in any way affect India's right to undertake future nuclear tests? Is the Prime Minister also aware of a statement by India's chief scientific adviser, saying:

> Whatever reactors we put under safeguards will be decided at India's discretion.
>
> We are not firewalling between the civil and military programs in terms of manpower or personnel. That's not on.

Prime Minister, given this, why has the government of Australia decided to sell uranium to India?

Mr HOWARD—I preface my answer by observing that it is interesting that the Leader of the Opposition places a premium on experience. Can I say to the Leader of the Opposition that I will be speaking to the Indian Prime Minister later today about issues relating to the possible supply of uranium to that country, and I can inform the member that we would only supply uranium to India for peaceful purposes and if proper safeguards are in place, as we have with China. I think many Australians would find it rather strange, on reflection, that this country might sell uranium to China but not sell uranium to India.

India does have a very good non-proliferation track record. It has indicated that it does not intend to join the nuclear non-proliferation treaty, so we think it worthwhile to find practical ways to bring it into the non-proliferation mainstream. Of course, one of the conditions that would be involved if sales were to take place would be the negotiation of inspection arrangements with the international agency, the IAEA. I remind the House that, when in office, the Labor Party had no difficulty with uranium sales to France before it joined the non-proliferation treaty in 1992.

India is a major and rapidly growing emitter of greenhouse gases. And, unlike the doctrinaire, illogical position being taken by the Labor Party, we believe that uranium ought to be part of the solution and that nuclear power has to be part of the solution. India is the largest democracy in the world. It is a country that has stoically maintained its commitment to democracy since securing its independence from the United Kingdom. Sixty years ago yesterday, 15 August 1947, India received its independence. Over those

60 years, despite many challenges to democracy in that country, it has magnificently maintained it.

India is an influential regional power and a potential strategic partner for Australia. In those circumstances, we think that it no longer makes sense under proper conditions, in proper circumstances and subject to proper safeguards for this country not to contemplate selling uranium to India in the same way that we have contemplated, under proper conditions, selling uranium to China. That is how the government intend to handle this matter. When, after my discussion with the Indian Prime Minister, I have further things to say to the Australian public, I will.

Local Government

Mr CAMERON THOMPSON (2.15 pm)—My question is to the Prime Minister. Would the Prime Minister inform the House of developments in the Commonwealth's response to the Queensland government's proposal for forced local government amalgamations?

Mr HOWARD—I inform the member for Blair that the joint parties of the government met this morning and they have authorised the introduction of a bill into parliament as soon as possible to amend the Commonwealth Electoral Act. That bill will be entitled the Commonwealth Electoral Democratic Plebiscites Amendment Bill 2007. It will amend the Commonwealth Electoral Act to give effect to our commitment to assist local councils in holding plebiscites on amalgamations if they choose to do so.

Opposition members interjecting—

Mr HOWARD—I notice the static coming from the other side. Is this another contortion? I thought the Leader of the Opposition said he supported what I announced this morning, but maybe he is supporting it while allowing some of his friends to oppose it. That is a typical line. He is walking on both sides of the street.

Our amendments will do two things: firstly, authorise the use of the electoral roll by the Australian Electoral Commission for the purposes of conducting the plebiscites or referenda; and, secondly and importantly, this bill will provide that a state or territory law has no effect if it imposes any penalties on or discriminates against anyone who is involved in an activity associated with the holding of a plebiscite or referendum. My message to the Premier of Queensland is: let your people speak. Let the people of Queensland have their say. Let the people of Queensland, if they wish, express their democratic opinion.

Mr Brendan O'Connor interjecting—

The SPEAKER—The member for Gorton is warned!

Mr HOWARD—I will not express a view on whether I think individual amalgamations are good or bad, but I do express the view that it would be desirable for the Queensland Premier to abandon his jackboot tactics towards the councils of that state. This is the same Premier who rails against any attempt by the Commonwealth government to fill a gap left by a state service in the state of Queensland. In case anybody thinks that the Commonwealth government has no role, business or concern in relation to these matters, I tell the House that this financial year the Commonwealth will provide $403.5 million in general purpose and road funding to the councils of Queensland. That is more than 50 per cent of the amount the Queensland government claims that it will provide to local government in the state of Queensland. Any idea that we have no role, interest or concern in relation to local government in Queensland, that local government is entirely the responsibility of the Queensland government or that this is some kind of gratui-

tous intervention by the Commonwealth government is completely false.

I want to place on record that I first raised this matter on the day of the last budget. On the day the budget was brought down, I spoke very strongly on behalf of many people who had been to Barcaldine and attended a great rally, ironically enough, near the Tree of Knowledge. Ironically enough, that is the birthplace of a political party that we are all very familiar with. I spoke very strongly in favour of the people of Queensland being able to speak on this issue. I also record that the very next day after I made my statement somebody who was in the electorate of Kennedy, accompanying the member for Kennedy to some meetings, put his hand up in a fairly tentative way and said that it would be a nice idea for the people of Queensland to be consulted about this issue. That person was none other than the Leader of the Opposition.

DISTINGUISHED VISITORS

The SPEAKER (2.20 pm)—I inform the House that we have present in the gallery this afternoon members of a delegation from the Philippines who are visiting under the auspices of the Australian Political Exchange Council. On behalf of the House, I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Nuclear Energy

Mr GARRETT (2.20 pm)—My question is to the Prime Minister. I refer the Prime Minister to his announcement this morning on Commonwealth funded local government plebiscites administered by the Australian Electoral Commission. Will the Prime Minister now commit to funding plebiscites requested by any local authority on whether Australians will accept nuclear reactors and nuclear waste dumps in their local communities?

Mr HOWARD—I inform the member for Kingsford Smith that there is nothing under the present law to stop a local government body from holding a plebiscite and using the Australian Electoral Commission on a fee-for-service basis. I also inform the member who sits opposite that, unlike in Queensland where a law has gone through proposing specific council amalgamations, no specific proposals for a nuclear power plant exist anywhere in Australia. The member for Kingsford Smith knows this. It is perfectly open to either of the esteemed municipalities of Waverley—and the member will be very familiar with that municipality—or Randwick, if they so wish, to approach the Australian Electoral Commission on a fee-for-service basis.

Opposition members interjecting—

Mr HOWARD—It is very interesting. Here we go again. Let the House observe this. For the purpose of the state of Queensland, the Leader of the Opposition is saying, 'Yes, I am following John Howard on council amalgamations,' but he gets his environment spokesman, who comes from Sydney, to run a bit of interference on the other side. The old contortionist from Griffith—he cannot help himself. His predecessor as Labor leader was right: he was probably looking at those focus groups and those focus groups were saying, 'Well, look, on the one hand Beattie has really got you into trouble on this but, on the other hand, you don't want to sound as though you are against these amalgamations.' Let me say to the Leader of the Opposition that we have a very simple proposition—that is, let the people of Queensland speak. Don't try to gag them. 'Let my people speak,' is a very good injunction.

Local Government

Mr BRUCE SCOTT (2.23 pm)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister update the House on projects the government is undertaking in cooperation with local government. How are these projects assisting regional communities and are there any alternative views?

Mr VAILE—I thank the member for Maranoa for his question. As the member for Maranoa would well recognise, the coalition government works very closely and cooperatively with local government in many different ways in delivering programs across Australia. In his electorate of Maranoa there was a welcome project under the Regional Partnerships program, which was a $200,000 grant to the Blackall Shire Council to assist with the establishment of the Blackall cattle spelling centre.

These programs are very much needed in regional Australia. They are funded by the coalition Commonwealth government but they are delivered through local government because we believe in the fantastic role that local government has to play in the Australian system—and the structure in Australia—to deliver programs very efficiently to local communities. And local communities want their involvement as well. These projects help to drive economic growth in local areas because they are delivered by local government authorities.

The member for Maranoa asked whether there were any other views. We know there are other views and they emanate from the Queensland Labor government, who believe that local government is not doing a good job and do not want to give the people in those areas a say in doing that. In fact, the Queensland Labor government want to completely emasculate local government in Queensland. That is up to them, but we believe that the people in those local government areas deserve to have a say in what happens in their communities and in what their elected representatives do. But emperor Beattie in Queensland has got a different view. Here is an Australian politician who believes that he will rule for another 100 years if he so wishes. How arrogant is this Premier—he is unbelievable. After last week, the federal government announced that we would provide the support of the AEC to local councils to seek the views of their constituents—to allow people to have their say and to exercise freedom of speech in Australia. He actually legislated to sack any council that dared to seek the assistance of the federal government to obtain the views of their ratepayers on amalgamations. It is just outrageous in this day and age.

But today we saw where the real power in the Queensland Labor Party lies; it lies in the union movement. You only need look at the front page of the *Australian* to see power broker Bill Ludwig sending a very direct message to the Leader of the Opposition. But he has already sent a message to Labor candidates in Queensland. He said:

> I've sent the word out to the candidates. What the state Government has done is fair.

'I have sent the word out to candidates and they have all gone back into their shells in Queensland.' They are not commenting on this. They are not interested in representing the interests of the people they purport to represent because Bill Ludwig has told them to shut up and he sent the message down here to the Leader of the Opposition to do the same thing. So we know where the power lies. It reminded me to go back and have a look in that great publication *The Latham Diaries* about the involvement of the union movement in the Labor Party. You do not even have to get inside it—you can read it on the cover. But inside it, on page 254, where

the former leader of the Labor Party was trying to reform the involvement of the union movement in the Labor Party, he spoke about their participation. He said:

> I'm not opposed to unionism *per se*, just the idea of six union secretaries sitting around a Chinese restaurant table planning the future for everyone else.

That is exactly what they do. He sort of pinged the Labor Party on that in saying that the unions own the Labor Party root and branch. If you read the article that quoted Bill Ludwig today, you can see that as clear as the nose on your face. The Leader of the Opposition cries a few crocodile tears about what is happening to local government in Queensland—he tries to walk both sides of the fence—but he has got form on this as well. When he was the head of the premiers department at the time that Wayne Goss was the Premier of Queensland, they did exactly the same thing to local government without any consultation at all. So the Leader of the Opposition has got form. We can now see exactly what is going on with the involvement of the union movement. I said this last week: it is about the unions' involvement in local government. They are going to sit on every committee in Queensland. This is proof positive that the Labor Party is totally owned and controlled by the union movement and any future Rudd Labor government would be owned and controlled by the union movement.

Nuclear Power

Mr ALBANESE (2.29 pm)—My question is to the Prime Minister and I refer to his earlier answer that 'nuclear power has to be part of the solution'. I refer the Prime Minister to the official website of the member for Gilmore, which contained two contradictory petitions: one supports the establishment of a nuclear power plant and, in the second one, Joanna Gash says 'no nuclear power plants for Gilmore'. Does this attempt by the member for Gilmore to both support and oppose nuclear reactors explain why the government is yet to introduce the legislation outlined by the Prime Minister on 28 April to repeal the ban on nuclear reactors in Australia? Prime Minister, where will your 25 nuclear reactors go and why shouldn't the Australian people get a say in whether or not they go into their local communities?

The SPEAKER—Order! In calling the Prime Minister, I would inform the Prime Minister that he is not required to comment on another member's views.

Mr HOWARD—The member for Gilmore is a magnificent representative. What is more, she lets her people speak—and her people speak very warmly of her representation. I just assure the member for Grayndler that I am quite certain the Australian people will have plenty of opportunity to express their views about nuclear power on a number of occasions in the future.

But, while we are talking about nuclear power, I just happen to have come across a bit of paper, marked confidential, which is Professor Ross Garnaut's speech 'China's Economic Growth and the World Energy Balance'—uranium, energy et cetera. A question to Professor Garnaut reads:

> Ross, as China and India expand their energy needs, do you think, given the dangers inherent in relying too heavily on fossil fuel, that Australia has a moral imperative to sell uranium to—you know—large quantities to those two countries?

He is instructive on that, then goes on to dwell on another matter and then says:

> Well, I think we've all got imperatives, moral and otherwise, to address greenhouse issues seriously. Uranium is part of the alternative to fossil fuels and I think we've got to think about these issues rationally.

Can I say to the member for Grayndler, who puts himself forward as a serious member of the opposition interested—

Government members interjecting—

Mr HOWARD—Doesn't he? Do I do him an injustice? No, I do not do him an injustice. He does put himself seriously forward. If you want to be treated seriously, you have to consider all of the alternatives. It is a denial of reality to pretend that you can have a comprehensive approach to the issue of global warming without considering at least the possibility that, when economic circumstances have altered sufficiently, nuclear power becomes part of the solution.

We as a government are not going to indicate that a nuclear power station will go in one location or another. The Labor Party has spent all of this year trying to kid the Australian public that it believes in the market. If it really believes in the market, it must understand that decisions as to where nuclear power plants might be located in the future will not be decisions of the government; they will be decisions of commercial investment. Therefore, whether they are located in the magnificent Municipality of Randwick, the Shire of Shoalhaven, the Municipality of Waverley, the City of Ryde or, indeed, wherever you might go, it will be a matter of commercial decision making and not a decision of the government.

Workplace Relations

Mr BROADBENT (2.33 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister update the House on how the government's workplace reforms are encouraging job creation and wages growth? What are the risks to continued jobs growth and what is the government's response?

Mr HOCKEY—I thank the honourable member for his question. This government has helped to build a fair and flexible workplace relations system—a fair system that has delivered higher real wages; more jobs; importantly, a framework upon which strike action can lawfully be taken, if necessary; and a flexible workplace relations system that responds to the needs of individual industries and ensures that wage increases in one sector do not flow through to other sectors where those wage increases are unjustified. A modern deregulated workplace relations system is absolutely crucial for economic stability in an uncertain time. That is one of the reasons why we got rid of the job-destroying unfair dismissal laws, why we have made Australian workplace agreements more flexible and why we have curbed the irresponsible behaviour of the unions.

I am asked about risks. The greatest risk is the Labor Party getting into government. The greatest risk to the workplace relations system and its stability and contribution to the economy is the Labor Party's policy called Forward with Fairness being implemented. It is not just us saying this; it is virtually every business representative group—or perhaps I should say that it is every employer representative group, because without employers there are no employees and there are no employees without employers. Every representative employer group has slammed the Labor Party's policy.

Public servants, such as the Governor of the Reserve Bank and the Secretary of the Treasury, have warned about the impact of rolling back our industrial relations scheme. Major business leaders such as Graham Kraehe, Charlie Leneghan and Wal King have warned of the dangers of the Labor Party's policy. Economists, such as Econtech, Access Economics and HSBC have warned of the dangers of the Labor Party's policy. Today, Terry McCrann and Paul Kelly again have warned of the dangers of the Labor Party's industrial relations policy.

We continue to wait for the Labor Party's so-called transitional arrangements. When they released their policy in April, the reaction from all employer groups and a range of economic commentators was so fierce that suddenly they said they would have transitional arrangements to address business concerns. That is the equivalent of trying to turn mutton into lamb. They knew their policy was a dog, so they said, 'Well, we'll have some transitional arrangements to address the concerns out there.' We are interested in those transitional arrangements because, on the one hand, even as late as today, the Deputy Leader of the Opposition, one of the key architects of Forward with Fairness, was on Radio National saying that their policy would not be changing. At the same time, later this afternoon, the Leader of the Opposition said that the policy was simply a framework and that more information would be coming out.

This clearly illustrates the divide between the Deputy Leader of the Opposition and the Leader of the Opposition. We know that the Leader of the Opposition is running around town having one-on-one meetings with business groups, saying to them: 'Hey, listen, don't worry. I'm cutting Julia Gillard out of the loop; I'm cutting the deputy leader out of the loop. I know she's a bit of a concern, but don't worry. Let's talk about the transitional arrangements.'

As the Treasurer says, some mothers do have them. He did not let me down. I thought for a minute that maybe the gap was closing between the Leader of the Opposition and the Deputy Leader of the Opposition, but out came the member for Lilley with a doorstop today. Journalist: 'Has Julia Gillard been sidelined during negotiations with business about the IR policy?' The member for Swan: 'I don't think so. I'm not sure. She might have been sidelined; she might not have been sidelined. I don't really know what the Leader of the Opposition is up to.' This is the chief spokesperson for the Labor Party on economic policy and he is not even aware of the discussions going on between the Leader of the Opposition and business groups about the Labor Party's industrial relations policy. The only economic policy the Labor Party has released is a dog. It barks like a dog, it walks like a dog and it is full of fleas. Mr Speaker, do you know what the danger is? The danger is to the economy, because the Labor Party's industrial relations policy will take us back to a pre-1993 environment at a time when Australian cannot afford it.

Workplace Relations

Ms GILLARD (2.39 pm)—My question is to the Minister for Employment and Workplace Relations. Will the minister confirm that there are now up to 100,000 workplace agreements backlogged and awaiting approval under the Howard government's Work Choices laws? Minister, isn't it a fact that these agreements are going to be dealt with by approximately 200 temporary workers employed by employment agencies, not the Workplace Authority, and that these temps, who are given just six days training, include a number of foreign backpackers?

Mr HOCKEY—Firstly, there is certainly not a backlog of 100,000. That is complete rubbish. Secondly, isn't it interesting that the Deputy Leader of the Opposition comes to the dispatch box crying about how many of these Australian workplace agreements are backlogged. Yet the Leader of the Opposition says that only four per cent of the workforce are on AWAs, when, in fact, substantially more Australians are embracing Australian workplace agreements—nearly one million by the time of the next election. Even on my rudimentary calculations, that is a hell of a lot more than four per cent.

Ms Gillard—Mr Speaker, I rise on a point of order on relevance. How are they being processed? By whom?

The SPEAKER—The deputy leader will resume her seat. The minister is entirely relevant.

Mr HOCKEY—Thirdly, the Workplace Authority is responsible for applying the fairness test. In fact, the Deputy Leader of the Opposition should know that because she voted for it. I know she does not understand our laws, but she does not understand her own either. That is the disappointing part of it. Finally, if the Labor Party—

Ms Gillard interjecting—

The SPEAKER—The Deputy Leader of the Opposition is warned. The minister has the call and the minister will be heard.

Mr HOCKEY—Finally, if the Labor Party is so concerned about the Workplace Authority and the role it has, and is such a strong supporter of the role it has in checking every agreement, why does the Labor Party want to abolish the Workplace Authority? Under our policy, agreements are checked by an independent third party. Under the Labor Party there is no-one checking those individual contracts, especially those that pay 45c for all penalty rates.

Future Fund

Mr TICEHURST (2.43 pm)—My question is addressed to the Treasurer. Will the Treasurer outline to the House how the government is adding to savings through the establishment of the Future Fund? What is the risk of running down long-term savings for short-term spending?

Mr COSTELLO—I thank the honourable member for Dobell for his question. As he knows, the government has now reduced the Labor debt of $96 billion in net terms to zero and the government is building a Future Fund to provision for future liabilities that will hit us as the population ages. This Future Fund has been lauded by the OECD and the IMF, which said:

> Australia's Future Fund also looks like a good model for other countries.

The Future Fund will not work, however, if politicians are able to raid it for their own political advantage, because we will never have the opportunity to have long-term savings. This government is introducing legislation to make it explicit in the legislation of the Future Fund that no government will be able to direct it to invest in a particular company or to use the assets of the fund to support a particular activity. That will ensure that Labor's grubby attempt to get its hands on the Future Fund will be contrary to legislation.

I expect that Labor will support this legislation because the member for Lilley has been demanding, for months if not years, that the Future Fund be a locked box. As he said on 6 November 2005:

> We have to make the Future Fund a locked box ... It's very important there is public confidence in the Future Fund and that it is a locked box that can't be raided by the National Party, Peter Costello or anybody else.

We agree with that statement in its entirety. It should not be able to be raided by anybody, and so legislation is now coming into this House so that all members of parliament can vote as one to make sure that the Future Fund will not be raided for a particular company or a particular investment or for a particular activity.

It is important at a time like this that there is one level of government which is saving. The Commonwealth government is saving, the business sector is borrowing heavily and the state sector is borrowing heavily. It is very important that not only the Commonwealth save but it put its Future Fund beyond

the grip of inexperienced politicians who would destroy Australia's future prospects.

In closing I want to add my welcome to Gareth Evans, who is in the gallery today. He was the first shadow Treasurer I ever faced in this parliament, and the best. I fear to tell him—and this will come as a surprise to him—since he was the shadow Treasurer they got WTG: worse than Gareth. The attempt by the current member for Lilley, undoubtedly the worst shadow Treasurer Australia has seen in the last decade—

Ms Roxon interjecting—

Mr COSTELLO—I know that is a big call! I made it after carefully considering it. I do not just make these things up. You are sitting next to one of the ones who was in line for that accolade. Raiding the Future Fund would be one of the worst things that could possibly be done for the Australian economy.

Workplace Relations

Ms GILLARD (2.47 pm)—My question is again to the Minister for Employment and Workplace Relations. Minister, how many of the approximately 200 temps who are not employed by the Workplace Authority but who are applying the misnamed 'fairness test' are temporary residents of Australia with no background in industrial relations let alone in Australian industrial relations? Minister, what would a foreign backpacker know about an Aussie fair go or fair compensation?

Mr HOCKEY—About as much as a Scottish trade union leader.

Illicit Drugs

Mr BARTLETT (2.48 pm)—My question is addressed to the Prime Minister. Would the Prime Minister advise the House of government measures to address the problem of illicit drugs in our community and, in particular, how the government is helping parents to deal with this issue?

Mr HOWARD—I thank the member for Macquarie for his question. There is no issue that bothers Australian parents more than the threat of illicit drug use. It represents one of the continuing social challenges to the well-being of young Australians, and anything that governments can do to help parents deal with this terrible problem they ought to do. I am very proud of the fact that since 1997 this government has spent more than $1.4 billion under its Tough on Drugs strategy across education, treatment and law enforcement measures.

I am very pleased that over that 10-year period there has been a major change in community attitudes to the use of what used to be called soft drugs, like marijuana. Eight or nine years ago, attempts were made at a state parliamentary level on both sides of politics—both Labor and coalition—to decriminalise marijuana in the mistaken belief that marijuana was harmless. It is now realised by a growing number of Australians, particularly the parents of young people who have taken their lives in deep depression or because of a severe mental illness occasioned by marijuana abuse, that marijuana and other so-called soft drugs represent an enduring menace to the health of many thousands of young Australians.

We are making progress in the war against drugs, but we have a long way to go. I say to those cynics who over the years have said it was all a waste of time and the answer was to legalise it all and the problem would go away, that they could not have been more mistaken. The problem will only get worse if you legalise it all because you are saying to the drug traffickers and you are saying to the parents of children desperately trying to break the habit that it is all too hard and you might as well give up. This government will never give up in the fight against drugs. We will never adopt a harm minimisation strategy; we will always maintain a zero toler-

ance approach. I am pleased to report that the percentage—

Mr Kerr interjecting—

Mr HOWARD—I notice some people from the other side are interjecting. I notice the member for Denison is vigorously interjecting against a zero tolerance approach. That will be noted. But can I just tell the House that the percentage of the population—

Mrs Irwin interjecting—

Mr HOWARD—Another member is interjecting. The member for Fowler is now adding her voice.

Mrs Irwin interjecting—

The SPEAKER—The member for Fowler has made her point!

Mr HOWARD—The percentage of the population who have used an illicit drug in the past 12 months has dropped from a level of 22 per cent in 1998 to 15 per cent in 2004. The rate of cannabis use has fallen from an all-time high of 18 per cent in 1998 to 11 per cent in 2004. Heroin use dropped from 0.8 per cent of the community in 1998 to 0.2 per cent of the community in 2004. As a result of our strategy, hundreds of young Australians spent last Christmas with their parents who otherwise would have lost their lives or taken their lives as a result of heroin abuse.

That is why we introduced a $150 million package of measures in April to deal with the challenge of psychostimulants, including ice. Included in these measures is a $32.9 million program for the third phase of the National Drugs Campaign, launched this morning by my colleague the Minister for Ageing. This is a very hard-hitting communication program. It contains graphic television advertisements that drive home the misery, the shame, the degradation, the loss of dignity, the loss of physical appearance and the loss of mental stability of people who engage in the use of illicit drugs. It has been developed in consultation with the expert reference group of the Australian National Council on Drugs. It is uncompromising. Some may be offended by it, but we make no apologies for the direct message that is communicated.

There will be another booklet sent to parents. The one circulated in 2001 was extremely successful. Seventy-six per cent of parents who read the book reported that they found it easier to talk to their children about drugs after reading the book. Ninety-three per cent of 15- to 17-year-old children were willing to talk to their parents about drugs, and 92 per cent of young people said that parents could influence them not to use drugs. It is a campaign that will go on for years. In some senses it is a campaign without end. But it is a campaign that is yielding results, it is a campaign that is saving lives and it is a campaign based on the resolute belief of this government that you never surrender to the scourge of illicit drug taking.

Workplace Relations

Ms GILLARD (2.54 pm)—My question is again to the Minister for Employment and Workplace Relations. Will the minister rule out the following: that the misnamed fairness test is being dealt with by temps who are not employed by the Workplace Authority but who are applying the test, that the temps have only six days training, that the temps include foreign backpackers and that the temps use this guide in applying the test and are responsible for identifying the right award out of more than 4,000 awards? Will the minister rule those things out or confirm them?

Mr HOCKEY—I am not ruling anything in or out on the run. The fairness test was introduced on 7 May. The Workplace Authority began full operations on 1 July. It is interesting that there has been an increased level of lodgements of Australian workplace

agreements, collective agreements and union collective agreements—because you can have union collective agreements under Work Choices, which the Labor Party does not mention, of course. Under our legislation—which the Labor Party voted for—every agreement that is lodged that satisfies the requirements will be tested by the fairness test. That fairness test is applied by the Workplace Authority. The Workplace Authority, when it applies that test, accepts responsibility for whether the test is accurate or not, as an authority.

If somehow the Deputy Leader of the Opposition thinks that she is scoring some massive political point on the fact that foreign workers are used—foreigners brought into Australia or foreigners already working in Australia—can I say that there are hospitals in Australia that are full of foreign nurses working in them, and there are hospitals in Australia that are full of foreign doctors working in them, who are providing essential services for Australians. I think that if she is in the business of dog whistling on this sort of thing then it will come back to bite her. The Workplace Authority is applying a test that was approved by this parliament. It is doing a fine job. Barbara Bennett is doing an excellent job for the people of Australia. Importantly, it illustrates comprehensively that our workplace relations reforms are being embraced by the Australian workplace.

Hospitals

Mr BAKER (2.57 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister update the House on developments regarding the federal government's proposal for a Commonwealth funded, community controlled hospital at the Mersey hospital in Latrobe, Tasmania? What alternative policies are there and what is the government's response?

Mr ABBOTT—I do thank the member for Braddon for his question. It is very clear what is at stake here. On the one hand you have got the state government, which is planning to downgrade services at the Mersey hospital, and, on the other hand, you have got the Commonwealth government, which plans to preserve them, thanks to the advocacy of this great member for Braddon. Under the government's plan, the Commonwealth will fund the hospital, the community will control the hospital and the hospital will deliver the same range of services as have been safely and effectively delivered at this hospital for many years. The Commonwealth's plan is a $45 million a year addition to health services in Tasmania, and it will free up whatever the Tasmanian government is currently spending at the Mersey to improve services at other hospitals, such as Burnie and Launceston. This is a project of national significance. Having one level of government funding a hospital should end the blame game, and having a community trust controlling the hospital should stop or at least reduce the bureaucracy which so often strangles the delivery of public hospital services.

In accordance with the implementation plan released on Tuesday, I can today announce that the Chairman of the Mersey Hospital Community Advisory Committee is the Hon. Neil Batt, a former Deputy Premier of Tasmania, a former National President of the Australian Labor Party and a former chairman of the Commonwealth Serum Laboratories. He is an outstanding Australian who will do a very good job and who ought to be treated with respect by members opposite and by the Tasmanian government. He will be assisted by a deputy chairman, the Hon. Ian Braid, who is currently the Mayor of Kentish—which is served by the Mersey hospital—and a former Tasmanian government minister. I am pleased to say that these

gentlemen will begin their important work early next week.

Yesterday the Leader of the Opposition belatedly accepted the need for federal intervention in the delivery of health services in north-western Tasmania. Today he floated his plan. According to the Hobart *Mercury*:

Labor leader Kevin Rudd is likely to promise a new hospital at Ulverstone ...

His long-term initiative ... is designed to fit in with the new Tasmanian Health Plan put in place by the State Labor government in May.

Ms Roxon—Why aren't you quoting the *Australian* today?

The SPEAKER—The member for Gellibrand is warned!

Mr ABBOTT—There is one massive problem with this: it denies the people of the Mersey region comprehensive general hospital services for the five to 10 years which it would take for any new hospital to be built. There is a choice facing this Leader of the Opposition. He can come back to the state government and prove that on this, as on so many other issues, he is a patsy for the Premier or he can back the Prime Minister and demonstrate yet again that there is no case to change the government of this country. The only game this Leader of the Opposition can play is follow the leader. The only question is: which leader will he follow now?

Workplace Relations

Ms GILLARD (3.01 pm)—My question is to the Prime Minister and follows the inability of the Minister for Employment and Workplace Relations to answer my earlier questions. I refer to the Prime Minister's statement of 4 May that those administering the misnamed fairness test for AWAs under his Work Choices laws will 'apply a bit of Australian common sense and people experienced in this area can make a judgement as to whether fair compensation has been given'. Given that the temps dealing with the test have only six days training and are not experienced, and in some cases they are not even Australian, does the Prime Minister stand by this statement?

Mr HOWARD—I thank the Deputy Leader of the Opposition for reminding me of my having said in May of this year that we ought to apply a bit of Australian common sense. Let me apply a bit of Australian common sense and say that the question of whether somebody is applying Australian values or making a contribution to this country does not depend upon their place of birth. As somebody who represents an electorate where something like 35 per cent or more of people were born outside this country, I find the question quite offensive. Speaking on behalf of my constituents, let me say that I find any attempt to divide people according to where they were born quite offensive.

Opposition members interjecting—

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

Ms Vamvakinou interjecting—

The SPEAKER—The member for Calwell will remove herself under standing order 94(a).

The member for Calwell then left the chamber.

The SPEAKER—The Prime Minister has been asked a serious question and the Prime Minister will be heard.

Mr HOWARD—I know the Deputy Leader of the Opposition is trying to appeal to the fact that we have these terrible foreigners here. That is what she is getting at—it really is—and I do not really think that should come into it.

Moving on from the application of Australian common sense to which I referred a moment ago, if you have a proposition which says that you cannot lose your penalty rates or your overtime unless you receive compen-

sation in return for it, that sounds like a lot of Australian common sense to me. It is Australian common sense that you would normally measure that compensation in monetary terms, but if the substitute for monetary terms is adequate, clear and visible you may in fact accept that in return. You may accept enhanced childcare facilities. You may accept particularly flexible working arrangements, depending upon the circumstances of the individual. I think these are common sense principles. They are principles that are understood by Australians.

Ms Gillard—Who is applying them? Six days training!

The SPEAKER—The Deputy Leader of the Opposition has already been warned.

Mr HOWARD—The real contribution that the Deputy Leader of the Opposition has made to the industrial relations debate in Australia is not any one of the questions she has asked me or any of the questions she has asked the minister but the interview she gave on Radio National this morning, when she reminded the small business community of Australia—those 1.9 million men and women in this country who are small business entrepreneurs—that if Labor wins the next election those old unfair dismissal laws will be back. They will be back without any conditions. They will be back in a way that will discourage small business from taking on more staff.

We have seen a spectacular fall in unemployment. We have had a 29 per cent fall in the level of the long-term unemployed in this country over the last year. A major contribution to that has been the removal of Labor's old unfair dismissal laws. What has happened is that small businesses have said, 'Okay, I can now take on four or five new people and if one of them doesn't work out I can let that person go without facing a lawsuit and being told by some commission or bureaucrat to pay that person $30,000 or $40,000 a year to go away.' That is what used to happen before and that is what the member for Lalor wants to bring back.

Foreign Policy

Mr RICHARDSON (3.07 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister advise the House of any links between Australia's foreign policy and Australia's prosperity? Is he aware of any alternative policies, and what is the government's response?

Mr DOWNER—I thank the honourable member for Kingston for his question and his interest. Over the years Australia's links with foreigners have been very beneficial to this country. One job in five in Australia is created as a result of trade. That is links with foreigners. They are not all bad; they are okay. Twenty per cent of our GDP comes from exports, and our exports have doubled since 1996 to $210 billion. The point I make is that to achieve these sorts of things requires a foreign policy which builds close relations with key countries. We have never been apologetic for building a strong relationship with the United States of America, and with Japan, China, Indonesia and India. These five key relationships have been crucial to us. When things have got difficult in international economics those key relationships have been especially important to us. I think back to 1997-98 and the Asian economic crisis. Not only did Australia weather that crisis with very great distinction, if I can put it that way—and the Prime Minister and the Treasurer deserve great credit for the way Australia did weather that crisis—but also, importantly, we were able at that time to provide assistance to countries in Asia and help them get out of difficulties; countries such as Indonesia, Thailand and the Republic of Korea. The point I make is that strong bilateral relationships help you through diffi-

cult economic times, particularly with key countries.

Today we have volatility and uncertainty in global financial markets. That is of concern. The Prime Minister and the Treasurer have spoken about that. It is yet another occasion when we need to use our strong relations to make sure that Australia can weather this storm as best it can, and I am sure we will.

The simple point I make is this: to run a successful foreign policy in Australia, amongst other things you need to have strong relationships with five key countries, including: with the United States, a relationship that the Labor Party wishes to downgrade; with Japan—and the Labor Party, by the way, opposed the historic security agreement that we reached with Japan recently; and with China. The Leader of the Opposition has spoken highly of his relationship with China, which is, by the way, fine, and that he is going to make a great visit to China.

Mr Costello—To solve global warming.

Mr DOWNER—We await that visit, which was apparently a visit, as the Treasurer interjects, to solve global warming. When it comes to India, we have heard a bit of opposition over the last couple of days. A suggestion which will not be particularly—

Mr Crean—Will you support them in APEC?

Mr DOWNER—Yes, we will support them. A suggestion, by the way, that India is a country that cannot be trusted because it will proliferate nuclear weapons is not a suggestion that I suspect is welcome in New Delhi. Neither is it a fair criticism of the Indian government nor the Indian parliament, because India does not have a record for being a nuclear proliferator.

The Labor Party wants to replace the strong relationships that this government has studiously built over the last 11 years with its curiously described notion of liberal multilateralism. Everything will have to be decided by the United Nations and by the General Assembly. You are basically saying that you will contract out our foreign policy and we will give the French, the Russians, the Chinese as well as the Americans and the British a veto—any one of them—over what we might want to do. When you are operating in a difficult international economic environment you need those strong relationships with key countries. I do not think the Secretary-General of the United Nations is going to be able to help deal with some of these very difficult international economic issues, even with the best will in the world and all the determination he can muster. This is a country that needs a common-sense and practical foreign policy and not some sort of head-in-the-air kind of theoretical foreign policy articulated by the Leader of the Opposition and built around some construct of liberal multilateralism—some concept from a textbook years old and very dusty.

Iraq

Mr McCLELLAND (3.12 pm)—My question is also to the Minister for Foreign Affairs. In terms of the minister's stated goal, earlier this week, of establishing peace and prosperity in Iraq, how does he rate his achievements when: hundreds of thousands of people are dead; over four million have been driven from their homes; the brutal sectarian militias have infiltrated the security forces; tens of thousands of Christian families are being persecuted and brutalised on a daily basis by all factions; oil production has been slashed; Iran has been emboldened; and international terrorism has been made worse? Minister, if this represents foreign policy success, what on earth represents failure?

Mr DOWNER—I thank the honourable member—I really sincerely do—for his

question, because today is 16 August and that is the honourable member's first question to me in his capacity as the opposition spokesman on foreign affairs. Well done! I anticipated the question because the honourable member put out a press release yesterday saying exactly what he has just said in the question. My answer to the question is: if that is the definition of success—

Opposition members interjecting—

Mr DOWNER—Oh! Very grown up, aren't you, over there in the Labor Party. Very grown up! If the Labor Party asks a question like that it deserves a serious answer. The member for Barton says: 'If that is a definition of success, what is a definition of failure?'

Mr Tanner interjecting—

The SPEAKER—The member for Melbourne is warned!

Mr DOWNER—I will tell you what a definition of failure would be. A definition of failure would be to pull all troops out of Iraq and allow all of that country—with violence already throughout much of the country, particularly the Sunni triangle—to be inflamed in a massive and horrific civil war, to see hundreds of thousands of people killed in that conflict—

Mr Snowdon interjecting—

The SPEAKER—The member for Lingiari is warned!

Mr DOWNER—and to see neighbouring countries drawn into that conflict as a result of the tensions and killing within Iraq itself—to see Iran, Saudi Arabia, Turkey, Jordan and other countries drawn into the vortex of conflict in Iraq. Yes, if you want to know what the definition of failure is, that would be a definition of failure. I just make the point that, as far as I know, in key countries around the world there is only one major political party that supports that solution, and that is the Australian Labor Party. No matter how difficult the situation is in Iraq today, there are not too many people who join the Labor Party in thinking that a better policy would be just to wash your hands of the place, turn your backs on the people and allow them to kill each other on a scale that would make the present violence look minor. That would be a definition of failure.

Fuel Options

Mr MICHAEL FERGUSON (3.15 pm)—My question today is addressed to the Minister for Industry, Tourism and Resources. In thanking him and the Prime Minister for their support for Scottsdale, I ask if the minister would update the House on practical government measures to help Australian motorists to take advantage of cheaper fuel options.

Mr IAN MACFARLANE—I thank the member for Bass for his question and also congratulate him on his strong support for his constituents, particularly yesterday for the members of the Scottsdale community, who received some $6 million to ensure that over 350 jobs remain in that community. With that sort of community commitment, we will see the member for Bass returned to this place.

One year ago this week, the Howard government unveiled a practical initiative to help Australian families cope with rising fuel prices. The eight-year LPG vehicle conversion scheme offers motorists $1,000 towards the costs of an LPG dedicated vehicle or $2,000 towards the costs of converting a vehicle to LPG. This initiative has seen an unprecedented response from the general public. After 12 months, the rate of inquiry on this scheme continues to be very strong. We have seen more than 70,000 motorists convert their vehicles to LPG and take advantage of the cheaper fuel option. That has seen this government step in behind those motor-

ists with $139 million worth of support. In some cases, these motorists have recouped their part of the conversion costs in as little as four months, and those savings are ongoing, thus easing the pressure on family budgets.

While this government has offered Australians tangible help on fuel prices, the members opposite have taken a very different approach. When it comes to addressing petrol prices, Labor promises—yet again—a more costly token bureaucracy with no guarantee of making any difference to the costs in family budgets. That is in stark contrast to the practical, on-the-ground assistance we see coming from this government and is more evidence of the lofty rhetoric from the Leader of the Opposition that has nothing to offer for Australian families.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Workplace Relations

Mr HOWARD (Bennelong—Prime Minister) (3.18 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The Prime Minister may proceed.

Mr HOWARD—I have been informed, since I gave an answer on the long-term unemployed, that the monthly figure that came out today shows that the fall is now 21 per cent over the last 12 months.

Workplace Relations

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.19 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The minister may proceed.

Mr HOCKEY—In relation to the question from the Deputy Leader of the Opposition, I can confirm that the Workplace Authority staffing levels are increasing from around 250 to 800 staff and that in the interim, while they are recruiting those full-time staff, they have been employing temporary staff hired through three recruitment agencies. They can be classed as contract labour.

Honourable member—Backpackers?

Mr HOCKEY—They do not know whether they are backpackers because they do not wear a backpack to work! But they can say—and I have been advised by the Workplace Authority—that experienced workplace relations practitioners make all of the decisions in relation to the fairness test.

QUESTIONS TO THE SPEAKER

Environment and Heritage Committee Report

Mr ALBANESE (3.20 pm)—Mr Speaker, I have a question to you. I refer to the *Sustainable cities* report of the House of Representatives Standing Committee on Environment and Heritage, dated August 2005, which was tabled on 12 September 2005. This is a serious report to which there has been no government response yet. Could you please write to the relevant government ministers and ask them to respond to this bipartisan report on behalf of the government?

The SPEAKER—I thank the Manager of Opposition Business. As he would be aware, that report is listed on the schedule of outstanding reports. It is not the chair's prerogative to do more than that, but the shadow minister may wish to direct his question to the responsible minister or, if he chooses to, he could also write to the House of Representatives Standing Committee on Procedure.

Parliament House: Child Care

Mr PRICE (3.21 pm)—Mr Speaker, I have a question to you. Can you please advise whether or not a timetable has been developed to transform the staff bar into a childcare facility? Will you advise honourable members of the timetable? Mr Speaker, are you able to assure honourable members—and I would go so far as to say 'guarantee'—that this, the 41st Parliament, is the last parliament where there will be no childcare facilities?

The SPEAKER—I thank the Chief Opposition Whip. As I think he would be well aware, being a member of the House committee, the Department of Parliamentary Services has been seeking expressions of interest for operators for a childcare facility. I will make further inquiries and report back to him on the progress.

Breastfeeding

Ms HALL (3.22 pm)—Mr Speaker, I am sure you are aware that the House of Representatives Standing Committee on Health and Ageing tabled a report last week entitled *The best start*, following an inquiry into the health benefits of breastfeeding. I am sure your attention has been drawn to recommendation 10:

> That the Speaker of the House of Representatives and the President of the Senate take the appropriate measures to enable the formal accreditation by the Australian Breastfeeding Association of Parliament House as a Breastfeeding Friendly Workplace.

Government members interjecting—

The SPEAKER—The member is raising a serious question. She will be heard.

Ms HALL—The ministers on the other side of this parliament may not agree that Parliament House should be accredited, but the House of Representatives committee felt that that recommendation was worthy of consideration.

The SPEAKER—The member does not need to debate her question.

Ms HALL—Mr Speaker, my question is to ask you to report back to the House on whether or not you will see that that accreditation takes place.

The SPEAKER—I thank the member for Shortland for her question. I certainly have taken note of that part of the report and am giving careful consideration to a response.

Questions in Writing

Mr BOWEN (3.24 pm)—Mr Speaker, I seek your assistance under standing order 105(b) to attain answers to the following questions. Firstly, there is question No. 2332, which was asked of the Treasurer on 8 September 2005, to which no answer has been received. Also, no answers have been received to question Nos 2215, 3260, 3278, 3273, 3276, 3277, 3299, 3301, 3311, 3314, 3315, 3366, 3372, 3378, 3385 and 3483.

Mr Melham interjecting—

The SPEAKER—The member for Banks is not assisting. I thank the member for Prospect and I will follow up on his request.

Questions in Writing

Mr MURPHY (3.25 pm)—Similarly, I need a bit of assistance under standing order 105(b). I feel I have been upstaged by the member for Prospect. On 13 June, question No. 6026, to the Minister for Revenue and Assistant Treasurer, first appeared on the Notice Paper. There are also the following questions: No. 6027 to the Minister for Revenue and Assistant Treasurer, No. 6028 to the Minister for Revenue and Assistant Treasurer, No. 6029 to the Minister for Revenue and Assistant Treasurer and No. 6030 to the Minister representing the Minister for Communications, Information Technology and the Arts. They have not been answered. On the following day, 14 June, I asked question No. 6036 to the Minister for Agriculture,

Fisheries and Forestry, No. 6037 to the Minister for Agriculture, Fisheries and Forestry and No. 6038 to the Minister for Agriculture, Fisheries and Forestry. I would be grateful, because the parliament is coming to a conclusion, if you could write to those ministers as a matter of urgency and seek reasons for the delay in answers to those questions.

Mr Abbott interjecting—

Mr MURPHY—The Leader of the House interrupts. This parliament is in its twilight. I have a very good question for the Prime Minister on today's *Notice Paper* about the date of the election—question No. 6280—and I would like an immediate answer.

Mr Howard—Tell us the date.

Mr MURPHY—I would like you to tell us the date—unbosom the date. There would be a great moment of ecstatic release from Sydney to Perth—right across the country—because we would like to know the date of the election.

The SPEAKER—The member for Lowe has made his point. I will follow up the member for Lowe's request on those questions.

AUDITOR-GENERAL'S REPORTS

Report No. 5 of 2007-08

The SPEAKER—I present the Auditor-General's Audit report No. 5 of 2007-08 entitled National cervical screening program—Follow-up audit: Department of Health and Ageing.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr ABBOTT (Warringah—Leader of the House) (3.27 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:

ASIO, ASIS and DSD—Parliamentary Joint Committee—Reports—

Review of the listing of four terrorist organisations—Government response.

Review of the listing of six terrorist organisations—Government response.

Intelligence and Security—Parliamentary Joint Committee—Reports—

Review of the re-listing of Al-Qa'ida and Jemaah Islamiyah as terrorist organisations—Government response.

Review of the re-listing of ASG, JuA, GIA and GSPC—Government response.

International Labour Organisation—Submission report on ILO instrument—Maritime Labour Convention 2006 (No. 186—MLC 2006).

National Capital and External Territories—Joint Standing Committee—Report—Review of the Griffin Legacy amendments—Government response.

Procedure—Standing Committee—Report—Consideration of the annual estimates by the House of Representatives—Government response.

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

DOCUMENTS

Mr ABBOTT (Warringah—Leader of the House) (3.28 pm)—I present documents on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House.

Humanitarian crisis facing Assyrian Christians in Iraq—from the member for Prospect—137 Petitioners

Protecting children from internet pornography—from the member for Chisholm—1 Petitioners

Protecting land adjacent to the Morialta Conservation Park, South Australia—from the member for Sturt—960 Petitioners

Lack of mobile phone coverage in the Wanaaring area, NSW—from the member for Parkes—333 Petitioners

Commonwealth immigration policy—from the member for Warringah—12 Petitioners

Commonwealth immigration policy—from the member for Higgins—23 Petitioners

Commonwealth immigration policy—from the member for Bennelong—82 Petitioners

Activities of Tamil Tigers in Australia—from the member for Berowra—344 Petitioners

Need for Medicare office in Hastings, Victoria—from the member for Flinders—1618 Petitioners

Legal rights for same sex couples—from the member for Berowra—25928 Petitioners

MATTERS OF PUBLIC IMPORTANCE

Local Government

The SPEAKER—I have received letters from the honourable member for Hinkler and the honourable member for Barton proposing that definite matters of public importance be submitted to the House for discussion today. As required by standing order 46(d) I have selected the matter which, in my opinion, is the most urgent and important—that is, that proposed by the honourable member for Hinkler, namely:

The urgent need for action to allow citizens to express their views in respect of forced local government amalgamations.

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 NEVILLE (Hinkler) (3.29 pm)—Local government is the most fundamental unit of democracy in this country. It has a longstanding tradition dating back to the culture and laws we inherited from the UK and have refined since. That makes it all the more bewildering that Queensland members of the opposition did not support this discussion today and gives the lie to the Leader of the Opposition's claim that he is supporting the Prime Minister on this matter.

Having said that, local government serves all manner of communities, from far-flung shires in the heartland of Australia to cities like Brisbane, which has an operating budget greater than the state government of Tasmania—if you like, a state within the state. The recent move of the Beattie government to force the amalgamations of councils was a cynical, ham-fisted move that will impact on smaller provincial cities and rural communities right throughout the state.

Before we head into the fullness of the debate, let me make one thing perfectly clear: neither my colleagues nor I oppose amalgamations per se. If two or more cities or shires want to come together in a free expression of will by their residents, if there is consultation, a case made for and against as we have in referendums, and a poll or plebiscite following that, then I am comfortable with the decision, as are all of my colleagues.

There is an argument, of course, that some doughnut councils might be better served by joining the nearer provincial city, and there has been some evidence of that. So we are not against amalgamations per se. There are others like Crows Nest and Rosalie that want to come together. There is a fair amount of evidence that Hervey Bay and Maryborough want come together. If these things are properly subject to consultation and tested by a vote then I will support the results.

But there is a country mile between that approach and the thug-like approach where no dissent of any sort is tolerated. In fact, people in provincial cities that support amalgamation believe all local authorities are entitled to a free vote. But what do we have? We had a five-year consultative program

called the triple S process, in which 118 of Queensland's 125 regular councils were constructively participating. They were well into it. There were trying to find ways of sharing machinery pools, group buying and doing all those sorts of things.

They were not dishing it up to the government—quite the contrary: they were working with the state government to achieve the three S process. But, 18 months into it, it was suddenly abandoned. Why? I suspect it was because they proved that these councils, with a few exceptions, would be best staying as they were and that resources could be shared between adjoining councils. So what happened? It was cancelled overnight and in its place, a so-called Local Government Reform Commission, perhaps more aptly named the local government amalgamation commission, was given three months to suggest new boundaries, albeit within constrained terms of reference.

One month was allowed for submissions. This is the most fundamental unit of democracy and we have one month for submissions. We have six weeks, do we not, when the AEC looks into our boundaries? Then in the two months that remained—60-odd days or, I suppose you could say, about 48 working days—the commissioners were asked to consider 37,000 submissions. Then there were to be no public hearings and no testing of evidence. How is that? In fact, the commission's report was presented at 10 one morning last week, and it was signed off by lunchtime the same day. What sort of scrutiny did state cabinet give the report? None.

Mr Hardgrave—A rubber stamp.

Mr NEVILLE—At 4 am one day last week the world changed and 84 local authorities were abolished overnight. Only 73 continue. It is interesting—we have had the Victorian experience thrown in our teeth a few times this week, have we not? But in Victoria, infinitely smaller in area than Queensland, even the Kennett government kept 78 councils. We were left with 73, so it was an even fiercer process than the Victorian one.

What will the effect be? Take my own area of Bundaberg. We will go from 32 councillors, who are out there in the community consulting with people, down to 11. The Central Highlands, represented by my good friend the member for Maranoa, goes from 38 to eight. If you really want to see a doozy, in the Minister for Industry, Tourism and Resources' area of Toowoomba we go from 69 councillors to 11. Even the Torres Strait, where people live on islands, goes from 59 councillors down to 16. In part of my own area, North Burnett goes from 41 councillors down to seven. Also you should note that some of these councillors will have greater responsibility than the state members. What sort of an imbalance does that create with the three tiers of the government when you will probably have to have mayors being paid more than the state members of parliament to justify their positions? It is an absolutely extraordinary thing. Why would the Queensland state government do this?

Mr Bruce Scott—It's illogical.

Mr NEVILLE—We will come to that. I think the member for Maranoa is probably right. The south-eastern corner is fast running out of resources and money, so if you can close down a lot of country councils and alter the payments to councils, you can keep a bit more down in that south-eastern corner. I hope I do not give any offence to my colleagues who have electorates in the south-eastern corner, but we have seen with the Traveston Dam what the Beattie government is capable of if it wants something in a particular area. Might it be to politicise local government? If you get great big area councils then it will be easier to have Labor can-

didates stand for council. Perhaps that might be the case.

Might it be part of a policy to further advance control-freakism and centralisation? I ask that because this same Beattie government is rolling the port authorities into each other. It rolled the Rockhampton Port Authority into the Gladstone Port Authority. It melded the Bundaberg Port Authority with that of Brisbane. And, surprise, surprise! We also have, of the district health councils, the North Burnett health council getting rolled into the Bundaberg one, and there is a similar pattern across the rest of the state. It is control-freakism, all right. It is centralisation of government, and this particular form of amalgamation is just another manifestation of it.

Might it be a thinly disguised attack on councillors who might become National or Liberal MPs? A lot of Liberal and National MPs come from local authorities—not that they ever stand as Liberals or Nationals in those local authorities; they all stand as Independents. Why do we need to have politics about who collects the garbage, where the water comes from, where the sewerage is and who mows the parks and so on? Why do we need to have politics about who builds the roads? Of course we do not need it. But if you can make the councils into bigger units and knock out a lot of the conservative types of people who generally serve on them, you can, if you like, reduce the gene pool of the conservatives. Some might say I am paranoid, but, no, I am not.

Mr Beattie has form. Was it not Mr Beattie who fairly recently brought in a rule that said that instead of standing down to contest a state election, you have to resign from your council? Of course, there would be the cost, if you lost, when the election was over and you wanted to recontest your seat. You would have to stand again or, if you did not stand, there would have to be a by-election, with all the expense. Why could you not let someone stand down? If they won, they would resign. If they did not win, they would go back on council. But, no, there could not be anything as simple as that. They get rid of them because they are probably a conservative candidate.

Mr Beattie tried it with federal members. Did you all know that? He tried to do it with federal members, but the High Court had something to say about that. What are the local reactions to this?

Mr Bruce Scott—Outrage.

Mr NEVILLE—It was outrage on a scale that you could not imagine. Childers, in the seat that I sit in, is a beautiful town. The Prime Minister has been there; it was after that dreadful backpacker hostel fire. It is one of the most progressive shires in the state and has been abolished, I might add. Bill Trevor, the mayor, told me that a protest meeting there generally attracts 60 to 80 people. How many did it attract for this issue? There were 400. In a little town like Biggenden there were 250. There were 125 at Gin Gin. In Brisbane, we had the biggest marches since the marches about the Springboks and the Vietnam War. There were between 6,000 and 8,000 people who marched through the streets of Brisbane just a week or so ago in the lead-up to show week. Yeppoon is a lovely place. It is a holiday resort just east of Rockhampton. Just a day or two ago they had 1,500 people protest. In the seat of Flynn—a lot of which, until recently, was in my seat, so I have a great deal of affection for it—there were 200 councillors. That number will be reduced to 40. And the Labor Party ask why the people of Central Queensland are angry. There will be 160 councillors out there baying for blood, let me tell you.

It is interesting to see what various people have said. The President of the ALGA and the LGAQ, Paul Bell, said, and this was with respect to you, Prime Minister:

> The response of the Prime Minister is now to have legislation which overrides the state legislation in regards to the draconian principles of Beattie's about sacking councillors or ... having huge fines imposed on councillors, is really really a strong move we believe for ... putting democracy back into Queensland.

Take a bow, Prime Minister, from Paul Bell.

I might now slip back into Flynn for a minute and tell you what Chris Trevor said. Chris was a devotee who wanted to be part of the Beattie government and who was rolled over convincingly by Liz Cunningham. Chris Trevor, who has woken up to the fact that this is an absolute no-no in Central Queensland, was quoted in an article as saying that communities were:

> ... very, very angry, disappointed and saddened.

The article continued:

> "As I travel through the electorate I can fully understand why," Mr Trevor said.
>
> "That is their number one issue and their only issue at the moment."

That is coming from the Labor candidate. The article went on:

> He feared the issue could harm his election chances.
>
> I'd be foolish to say that it's not going to affect my chances, certainly the indication out here in the community at the moment is that it will," Mr Trevor said.

Let me give you another one. This is my opponent, Gary Parr. Bundaberg being an AWU town, I might add, Gary Parr is under the thumb. He was quoted in the *Courier-Mail* as saying:

> There is no comment, because it could work either way …

Does that mean that it could harm the Beattie government or that it could harm the opposition leader's potential government? He went on—and wait for this:

> … and I have not put enough time into it.

It has been the central issue in Queensland for the last four weeks, and the Labor candidate knows nothing about it. For God's sake! The article went on to state that Mr Parr also refused to say whether or not he had been instructed by head office not to comment. Today's *Courier-Mail* tells the story. I am sure that it was Bill Ludwig who told him not say anything.

In the moments remaining, I ask: what have we done to these good people who have served the state? We have allowed the Beattie Labor government to threaten them with fines. We have allowed them to sack councils that had the temerity to ask for a referendum. What a dreadful thing it would be to consult the public! This is an outrage of monumental grounds and I compliment the Prime Minister for the move he took today. *(Time expired)*

Mr SWAN (Lilley) (3.44 pm)—The federal parliamentary Labor Party absolutely agrees that citizens should have the opportunity to express their views on forced amalgamations. That is the very strong view of the federal parliamentary Labor Party. We have a very strong commitment to local democracy.

Mrs De-Anne Kelly—Mr Deputy Speaker, I rise on a point of order. I understand the Leader of the Opposition supports this, but he is not in the House. He is never here.

The DEPUTY SPEAKER (Hon. IR Causley)—There is no point of order. That was a frivolous point of order.

Mr SWAN—If only those opposite supported this principle all of the time. In this House today, during question time, we saw the very selective approach of our Prime

Minister to local democracy. He was too smart by half today, our Prime Minister. He was too tricky and too dishonest. Early in question time, he was in full support of ballots for council amalgamations in Queensland. Only a matter of minutes later, when asked a question about the siting of 25 nuclear power plants, where did local democracy go? Local democracy went right out of the window. Less than an hour ago the Prime Minister said to those local authorities that do not want nuclear power plants that they must understand that the decisions as to where nuclear power plants might be located in the future will not be decisions of the government; they will be decisions of commercial investors. In other words, no local planning laws are going to apply. Nuclear plants will be rammed down the throats of local communities. There is no new-found commitment here to local plebiscites. All of those members over there, such as the member for Fairfax, the member for Hinkler and the member for Longman, who face the prospect of having nuclear power plants in their electorates—

Mrs Draper—Mr Deputy Speaker, I rise on a point of order. I understand that the Leader of the Opposition supports the motion but is not present in the House. He should be here.

The DEPUTY SPEAKER—That is not a point of order. I will not accept another point of order. I will deal with somebody who tries one of those again.

Mr SWAN—We saw the typical tricky, dishonest approach of the Howard government. They are too smart by half. They support localism when it might suit their immediate political interests but they have no commitment to the principle of localism when it comes to their deep-seated ideological prejudices. These deep-seated ideological prejudices simply demonstrate why the government are so out of touch and why I believe Queenslanders will see right through this manoeuvre.

The government can cross its fingers and hope this will have some huge political impact in Queensland, but the one thing Queenslanders know about the Howard government is that, when it comes to the key issues that go to the core of their personal security, they have a government that is extreme, out of touch and out of time, a government that wants to rip away their wages and working conditions, that is not committed to doing anything about climate change, that does not understand the importance of education and that is not coming to grips with the fundamental problems of combating terrorism. This is a government that is out of touch and out of time, a government that is only left with slick, tricky political manoeuvres. That was on display all in the space of about an hour during question time today.

Let me be very clear about the attitude of the federal parliamentary Labor Party, of our leader, Kevin Rudd, of all the Queensland Labor Party members and of the federal Labor caucus to this proposition. It is very clear. Our position is that the shire amalgamations proposed by Mr Beattie should be voluntary. This is no different to the position of the member for Hinkler. He said that he actually supports amalgamations. We think they should be voluntary. I think that that is what he assumes as well. That is a position we outlined well before the member for Hinkler ever thought of it or was told to think it.

Secondly, we have said that there are other ways to achieve efficiencies, through the common purchase of services by shires combining to purchase sewerage services or water services. That is a point that the Leader of the Opposition made abundantly clear in Queensland from the very beginning. Lastly, and most importantly, he made this point

well before the Prime Minister ever thought of this manoeuvre:

> ... if there are proposals for a forced amalgamation, then that should be tested through the democratic process.

That is the position of the federal parliamentary Labor Party—one that the Leader of the Opposition has expressed directly to the Premier of Queensland. He is a grown-up man who can make his own decisions and take his own positions. We will take ours, we will fight for them, we will articulate them in Queensland and we will articulate them in this national parliament because we believe they are correct.

That brings us to the bill that the Prime Minister spoke about before question time. He said its purpose was to authorise the use of Commonwealth electoral rolls in local government areas where state rolls were not available and to provide for any state law that discriminates against local councils or other people involved in the plebiscites to be invalid. We agree with this. We think it will be a very good principle to put in place when this government is trying to ram those power plants down the throats of local communities. We think it will be a very good principle, but we did not get any endorsement of that from the Prime Minister in the House today. The Prime Minister has also said that he is not opposed to amalgamation, but he does not particularly like local governments. We can go through his history and see his opposition to the constitutional recognition of local governments over a very long period of time.

But, of course, that bill and this matter of public importance are not about local government at all. They are all about the short-term political interests of the Howard government, not the long-term national interests. Why did we suddenly have this matter of public importance on the last sitting day of one of the last sitting weeks in the life of this parliament? I will tell you why. It is because this government has just endured one of the worst months of its political history. In its 11-year-old long life, it has had one of its worst political months.

First of all, there were the damning attacks on the Prime Minister by his own Treasurer. They were in a biography in which the Treasurer deliberately accused the Prime Minister of failure through his reckless spending and putting upward pressure on inflation and interest rates. Then there was the revelation that the Treasurer had planned to wreck the Prime Minister's leadership because he did not think he could win an election. Then we saw the farce of the Treasurer and the Prime Minister coming into this House pretending there was some new friendship between them. It is just a joke.

On top of that, the Prime Minister's own pollster confirmed that most Australians think he is tricky, dishonest and out of touch. That is what Queenslanders will see in the bill that is to come before the parliament. They will certainly welcome the opportunity to vote, but I can tell you who will not be getting any credit for it. It will not be one John Howard, because they saw through him a very long time ago. The bill has appeared in that environment.

If something was so urgent, would you not have thought that if this Prime Minister were in such control, had such political command and really understood what the Australian people needed and what was required to address future challenges we might have seen some proposal today from him to address the inflationary pressures and the interest rate pressures that the RBA has repeatedly warned the government about? But there was nothing urgent from the Prime Minister in that area, despite what rising interest rates are doing to the living standards of so many

Australian families. Or have we seen anything of an urgent nature from this Prime Minister about the critical question of housing affordability? Not a thing. Something like one million Australians live in housing stress. Did we have a bill rushed into the House to deal with that critical question? Did we have a bill rushed into the House dealing with nuclear proliferation issues? No. Of course, we know why, because that was revealed during question time. Did we have anything brought into the House to address the unfairness and extremeness of the government's industrial relations laws? Of course we did not, because we have a Prime Minister who is not listening to the concerns of Australian families around the kitchen table. And, of course, we also know that Australian families have stopped listening to him. He has not been listening to them and they have certainly stopped listening to him, because he is not out there with positive proposals addressing their immediate kitchen table concerns.

He has got every stunt and every trick in the book. That is why this Prime Minister has had such a horror month and why this Prime Minister is reduced to standing in the courtyard on this last sitting day with his stunt about plebiscites in local government amalgamations. It is a stunt and nothing more. We welcome his stunt. He stood here today doing it because he is a Prime Minister who is in deep political trouble. He has about as much credibility today as a protector of democracy as he did yesterday when he proclaimed that he and the Treasurer had a wonderful, harmonious relationship. That is about as believable as the statement that the Prime Minister is a democrat. Fair dinkum! Does he think he can con people all of the time? It is just absurd. He is so far out of touch that he actually thinks this stuff works. It does not. For the Prime Minister to come into this House and say with a straight face that he had a wonderful, harmonious relationship with the Treasurer just shows how twisted and dishonest this Prime Minister has become. Nobody could contain their laughter—not even people on the front bench could contain their laughter. And, of course, the Treasurer was laughing again at the Prime Minister when he had his back to him during question time.

I will tell you why this is the case: because the government, on so many issues, fails what I call the motivation test. They do not do something because it is right; they do it because the election is 10 weeks away. They always fail the motivation test. We are in trouble on the environment: 'We had better pretend we have an emissions trading scheme.' We are in trouble on education: 'We had better give ourselves an extreme makeover in the budget.' We are in trouble on industrial relations: 'We will invent a no-disadvantage test.' All of these issues, including this bill and this debate today, fail the motivation test. The government have not introduced this measure because they are right; they have introduced it because there is an election 10 weeks away and they think it might in some way, somehow, save their miserable political hides. I do not think the Australian people will buy that because, when long-term governments like this fail the motivation test, the people simply stop trusting them. They know that every time they move they are not doing it for the right reasons; they are just doing it to save their miserable political hides and that is all. They are not motivated by what is right for the country; they are motivated by what might be right for the Liberal and National parties. That is why those in the government fail the motivation test and that is why at the end of the day this measure will not have the political impact that the desperados opposite think it will have for them. The Queensland people will see right through it.

The Prime Minister has been pretending to be a democrat. But consider the claim of the Prime Minister being a democrat in light of the recent changes to the Electoral Act. The government have now put through changes to the Electoral Act that could disenfranchise up to 160,000 people at the next election. Why? Because they think those people might just vote Labor because they are predominantly young people. It fails the motivation test again. Why is it that, on the eve of an election, when they have got their backs to the wall, we get this change to the Electoral Act which will have the practical effect, they think, of saving their miserable political hides. On that measure alone, they have failed the motivation test. If the Prime Minister is so in love with local government, why did he let Jeff Kennett do what he did to local government in Victoria? Once again, they fail the motivation test. And where was the Prime Minister on the critical issue of constitutional recognition of local government? There has been no action on that for over 11 years. Once again, the government fail the motivation test.

We are pleased that there will be ballots in Queensland—we welcome the outcome—because we do believe in the democratic processes. But this government should not kid itself that this shabby political manoeuvre is anything other than that or that somehow people in Queensland are going to stand up and clap because the Howard government failed the motivation test. They understand that you have failed the motivation test, they understand the political motivation of what you are on about and they will mark you accordingly. The most important thing here will be a successful outcome for those local communities. We on this side of the parliament have been arguing from the very beginning that these amalgamations should be voluntary—that there should be a process of consent. We have argued that strongly in Canberra, in Queensland and in Bundaberg, and we will keep arguing for it. *(Time expired)*

Mr CAMERON THOMPSON (Blair) (3.59 pm)—It is a real privilege to come into this discussion on a matter of public importance and to defend the right of Queenslanders to determine what they want to do about local government amalgamations. At the moment, Queenslanders are having a good look at the worst Queensland government in their state's history. They are having a good look at the arrogance of the local government minister and the arrogance of Peter Beattie. The Premier of Queensland is drunk on power and he has been telling Queenslanders about what he is going to do in that state and how, if he wants to, he can rule it for 100 years. I can tell you, Mr Deputy Speaker Causley, this is sticking right in the guts of Queenslanders. They are being told by the Queensland government how they must live in a range of ways which only suit the Labor Party and do not reflect the aspirations and genuine concerns and fears of Queenslanders.

We see in this parliament the face of the Labor Party opposite, where every single member is a trade union member. We see opposite 70 per cent of them being former union bosses. Members of the Labor Party are defined by their union background. There is no group opposite, when you talk about Queensland, more fundamental to the motivation of power—that is, the distribution of union power in Australia. When you are talking in the Queensland context, you are talking about Bill Ludwig and the power he uses to influence this parliament and the Queensland parliament through ciphers like the member for Lilley and the member for Oxley and his deputies in this place.

So, when on the front page of the paper today I read that one of Labor's most power-

ful factional bosses has rebuked party leader Kevin Rudd and ordered federal Labor candidates to back off in their confrontation with Queensland Premier Peter Beattie over council amalgamations in that state, I know what message is being given to the member for Lilley and the member for Oxley. We had a speech previously from the member for Lilley that ranged from the sublime to the ridiculous, but never once did he voice a strong commitment to support the electors of Queensland—to give the people of Queensland a vote on this question of local government amalgamation which they so desperately crave.

What really gets people in Queensland angry is that, at the time of the last state election, the Premier of Queensland, Peter Beattie, went to the polls telling Queenslanders that their opportunity in relation to local government amalgamation was with the triple S process. It was a process where there would be no forced amalgamations and there would be a kind of a corporate love-in; there would be size, shape and sustainability. They were the three Ss: size, shape and sustainability. Councillors would talk together and come up with an outcome.

But what happened after the election—after Queenslanders unfortunately had placed their trust once too often in Premier Peter Beattie? The triple S was thrown out and in came the SS—the jackbooted stormtroopers. People like Local Government Association President Mr Bell had been told that there would be a corporate coming together of the councils. The Local Government Association supported that. They said: 'We want to be able to set the pace. We want to be able to consult with our people and produce the outcome they want.' In places like Gatton and Laidley, they were looking at outcomes where, for example, they might have two councils that would share all council resources. This was the kind of thing that was put on the table and then, in an untimely manner, all support for it was ripped away; it got ripped out. It was taken away and replaced by the stormtroopers.

I spoke before about the one figure who controls not only the AWU and, therefore, the ALP within Queensland but also his patsies here in the federal parliament. What has happened in this latest scenario? Bill Ludwig, the fat posterior of the Labor movement in Queensland, has finally stirred, and what has been produced? The member for Lilley and the member for Oxley, with the most inane and pathetic failed defence of their own electors.

We got nothing from these characters, apart from an effort—coordinated by Mr Bill Ludwig and the AWU—to lock in union power in Queensland. We have the worst state government in Queensland, controlled or puppeteered by Mr Ludwig. He has his puppets at the state level and at the federal level, but he is not satisfied. He wants them through every local council in Queensland. What does he get in return for that? We have already heard that there is a proposal to have all council employees in the state working for a state authority, a state department. Why is that? It is so that all those people will wind up being numbers for Bill Ludwig and the AWU when it comes to convention time for the ALP. They get to control the operation of the ALP. *(Quorum formed)*

I thank my colleagues for their support and I return to the subject of the AWU and its control in Queensland. The AWU sees this process as an opportunity to lock in Labor and union control of local councils. Across Queensland local authorities are seeing the potential they can get by increasing the flexibility of their workforce, and that does not appeal to Bill Ludwig. Opponents are coming out of the woodwork to talk about the arrogance of the Beattie government and

the fact that it is the most hated government in Queensland's history.

Mr Ludwig is telling his members of the right faction, such as the member for Oxley and his other patsy, the member for Lilley, to pull in their heads. They are being told not to confront the government over this issue and to allow Premier Peter Beattie to go ahead and smash these councils together in any old way that he wants, and those patsies opposite will follow along with it. Sure, we hear a lot of noise from the member for Lilley about other things. But what is his position on this? Where is his determined defence of local councils, which is something that his leader has said that he will follow through with? *(Time expired)*

Mr GRIFFIN (Bruce) (4.09 pm)—Given that the member for Blair is still here, I will start with a few comments about his contribution on the matter of public importance. Members might recall that earlier today the member for Blair started with a quote from *Macbeth*, who was 'from his mother's womb untimely ripped'. I think he got the wrong Shakespearian experience. He should have seen Ian McKellen's recent fantastic performance in *King Lear*. That play is about an old king, a king who has had a long rule, but beneath him all is not well. What we see is a situation not dissimilar to that facing the Howard government. We see the siblings on the front bench all fighting amongst themselves about who will take over and what will happen next. We see them continually briefing journalists. They are very, very unhappy. Initially the king sits above it and does not quite know what is going on. But, over time, he eventually descends into a situation which is nothing more than tragic; he is just losing it. That is probably the most appropriate Shakespearean play to use when talking about the Howard government today. Beyond that, what else can I say about the member's contribution? We had references to fat posteriors and patsies—not a lot of it parliamentary and not a lot of it relevant. Then again, that is what we would expect at this time, in this place, in this sort of debate.

Before that, we had the contribution from the member for Hinkler, who introduced the matter of public importance. He talked about cynical and ham-fisted policies. I must admit that I was not paying attention when he said that and I was not sure who he was talking about. Apparently he was talking about the Premier of Queensland, but I thought he was talking about the Prime Minister. When we look at some of this and the movement that has occurred on this issue in recent times, that is what we have actually seen.

The member for Hinkler also said that the Labor Party's approach to this issue is inconsistent with the approach it took to the Kennett coalition government reducing the number of councils in Victoria. His rationale for Kennett's actions is that Victoria is infinitely smaller on a geographical level, but I had a funny thought here. Although it is obviously something that we must take into consideration, I thought this was about people, about population. I thought it was about a democratic process and not how many square kilometres councillors represent; it is about the number of people they represent. It appears that this government's rationale for taking action to ensure democracy is based on the area represented, not the number of people, and I think that is sad.

The member for Hinkler made an interesting point about a conspiracy theory. He said that this is about reducing the number of conservative councillors and reducing the gene pool of conservatives in the coalition in Queensland. I would like members to focus on that for a second. He said that what we are going to do is reduce the gene pool of the Queensland conservatives—reduce the gene

pool, or puddle, of the National Party in Queensland. I thought they had been doing that pretty well themselves. As a conspiracy theory, it appears that the gene pool has already been hit, and pretty hard. The drought in Queensland and around Australia is not only about water.

I ask members to focus for a second on the notion of John Howard as a champion of local democracy. How often have we seen that? Can anyone suggest when we have seen that? We all know—and we have seen it consistently in the way he has reacted in recent months—that there is only one poll that counts for this Prime Minister, and that is the next opinion poll. He focuses on the next opinion poll and what he must do to get himself out of the mess that he has got himself into. I suppose there is one other factor—that is, it depends on who produces the poll. We all know that if it is a poll that the PM wants to listen to—that is, a poll he will take notice of—it is best if it comes from Mark Textor. We all know that Textor gives him his lines.

I quote from an article by Sid Marris from 7 August:

> Mr Howard's latest confrontation with the States follows the revelation this week of a warning from the Liberals' pollster Mark Textor that the Coalition was unpopular and needed to capitalise on voter discontent with State governments.

Frankly, that is what we have seen today. We had the ridiculous situation at the start of this debate, before matters were brought to order by the Deputy Speaker, of several members of the coalition getting up and trying to make a cheap political point about the fact that the Leader of the Opposition was not present during this debate. I might add, when they were speaking, neither was the Prime Minister present. Why did they make that point? For a pretty clear reason: they see this as an opportunity to try and drive a wedge, because that is what it is all about. The points of order they raised were about that, and the nature of the contributions to this debate so far by both speakers on the other side was exactly that.

But we can make some points about this issue. Labor believes that, with forced amalgamations, people want and are entitled to have their say on the matter. We do not oppose that; we have supported it. In fact, more than that, who actually said it first? That was back in May, and who was it? Was it the Prime Minister? No, it was not the Prime Minister. It was the Leader of the Opposition, who made that fact very clear.

There is another point that the coalition really have to get their head around: on one hand it claims we are controlled by the states and in a situation where we do their bidding and yet, when Kevin Rudd is clear that on occasions when he disagrees with the state government he will take action or an alternative position, we get attacked. There is nothing consistent about the coalition's actions on these issues—nothing at all. Their only consistency is in trying to take a state issue and create a federal political impact. That is what it has all been about.

But Kevin Rudd has been clear about this. He has been clear about the fact that he does not support forced mergers of local councils. He supports a local choice and a local voice for the people of Queensland. He sees that as an important principle that should be maintained.

As I understand it, it was not until 7 August that we saw some action by the Prime Minister on this issue. It took him a long time to catch up, as it has taken him a long time to catch up on climate change and on so many other issues, particularly over the last year or two. We continually see him make mean and tricky attempts to capitalise on issues, but he is always behind the game—a man who really is not up to scratch now on

the challenges we face as a nation into the future.

I will come back to the point about Victoria and what happened with amalgamations down there. The fact is that it was completely driven by the conservatives, and at that time there was not a boo out of the federal coalition. We all know what John Howard's real attitude is to things like local government. In 1988, when Howard was Leader of the Opposition—

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Bruce will refer to members by their electorate or by their title.

Mr GRIFFIN—In 1988, when the Prime Minister was Leader of the Opposition, Labor put a referendum to the people to constitutionally recognise local government. John Howard, the then Leader of the Opposition, led the Liberal campaign against the constitutional amendment—he opposed it. Further, in 2006, Labor moved an amendment to a motion in the parliament to recognise local government in the Constitution. The Minister for Local Government, Territories and Roads, the member for Robertson, said he opposed it, and it was opposed.

Labor's position with respect to local government has been clear: we see it as an important part of the democratic system. We have sought to have it enshrined in the Constitution and given its proper place. On this occasion we are very clear about the fact that more can be done to ensure the people of Queensland have a say.

Let us not forget what is driving this from the coalition's point of view. It is about politics; it is about trying to bash the states; it is about trying to pick up on issues which, historically, they have been against. As I mentioned earlier, when I talked about the references to Shakespeare made by the member for Blair, this is more about King Lear than Macbeth. It is more about a leader whose time has passed, who needs to move on and who is in a situation where the Australian people will move him on in the very near future. The attempt to use this issue as a wedge will fail. There is absolutely no doubt about that.

Mr BRUCE SCOTT (Maranoa) (4.19 pm)—What a pathetic performance from the other side of the House. Here they are, coming into this House trying to say that they support democracy and yet, when this matter of public importance was put up this afternoon, not one person on the other side stood in support. This is the day when we restore democracy in Queensland. What we have seen in Queensland under the arrogant Labor government led by Peter Beattie is a government prepared to do anything and bring in draconian legislation which strips away people's rights. It strips away freedom of speech. *(Quorum formed)* I thank my colleagues for coming in and defending the right of people to speak out. Defending freedom of speech in this country is a fundamental principle of any democracy. What we have seen from the Labor Party is—

The DEPUTY SPEAKER (Hon. IR Causley)—Members may not stand. If they want to stay, they should sit in their seats.

Mr BRUCE SCOTT—that, during debate on one of the most important pieces of legislation to defend democracy in this country, they are prepared to call a quorum, during this MPI. What a disgraceful performance. It says a great deal about the Labor Party's hypocrisy when it comes to supporting this federal coalition government's defence of democracy and the right to free speech in this country. Let us ask ourselves, in the limited time I have: who are the little people who are going to be hurt by these forced amalgamations in Queensland? These are the small people, the families, the work-

ing families, the 45,000 workers who work for local governments in Queensland. All of their jobs are at risk with these forced amalgamations, without consultation with the people and without consultation with the councillors who were elected by those working people to represent their views and to look after their communities. They are the people who are going to lose their jobs, but does the Labor Party worry about that? Does Kevin Rudd worry about that?

The DEPUTY SPEAKER—The member will refer to members by their electorate or their title.

Mr BRUCE SCOTT—Does the Leader of the Opposition worry about that? No. Who is going to pay the compensation for the devaluation of a family's home in western Queensland? Who is going to pay the compensation for the loss of a business asset in a small country town that loses its local council? *(Time expired)*

Mr RIPOLL (Oxley) (4.24 pm)—Everyone in this place should be honest about the reason we are here today in the federal parliament, where the Howard government in the end will just ram through any legislation it likes, including this legislation, not because it believes in anything but because of the electoral cycle. This is all to do with an election coming up soon. This is all about a Prime Minister in electoral trouble and what he sees as a political opportunity. Never in the 30 years that this Prime Minister has been in parliament has he done anything like this—supported democracy or championed any cause—unless there was a personal political opportunity for him. It has always been about him and nothing else. It is not because the Prime Minister has suddenly today decided that he wants to support or believe in democracy or to give people a say on anything at all. In fact, we saw in this place today government members doing everything they could to interject and disrupt the contributions by members on this side. In the end it is all about the political opportunity of the Prime Minister in trying to regain some traction in my home state of Queensland.

While many Queenslanders have given a lot of support to this coalition government — in fact, 22 seats at the last election versus only six for Labor—not much has been returned to them. I am sure many of the people who live in those 22 seats are starting to add that up. For all the support they have given this government, very little support has been returned. It certainly has not been returned in government funding for key programs in regional areas, for road funding or for anything else that would say, 'We appreciate your support and vote.' They will take the votes but they give nothing back.

On this side of the House Labor believe in democracy and giving people a say. That is why we will be supporting this bill. Even though we understand the intent, the reasoning and the spirit behind it, we will be supporting this bill because people ought to have a say. They ought to have a say in a whole range of areas. I would like to see that consistently done by the other side, by the government, and it does not do it. This is the government that is completely focused on itself, its own future and saving its own political hide. Not for one minute is it focused on the future of this nation.

Mind you, all the government members in the discussion have said they support the forced amalgamations. That is the great irony in this debate. They come in here passing legislation to purport to do something, but when it comes to the end they say: 'We do support amalgamations. We just think we ought to take a political opportunity at this time.' After 11½ very long years this is the record of this government. They have ripped billions of dollars out of our education sys-

tem. They tore up the Commonwealth dental health care program. They gave us balaclavas and dogs as the new method of control. They allowed $300 million from Australia to go into the hands of Saddam Hussein. They have taken away people's rights in the workplace. They have spent the greatest amount ever spent in Australian political history on advertising. They spent more than Coca-Cola and McDonald's put together.

But when it comes to democracy, where were John Howard and this government when the Victorian Premier at the time, Jeff Kennett, decided to sack all of Victoria's councils? He was silent. Not a word came from the Prime Minister. Where was he when Joh was setting up the gerrymanders to keep himself in power in Queensland? Nowhere to be seen. Where was John Howard on democracy when people wanted a say on the Iraq war—a real, big issue for this country and for the whole world? Where were this government and John Howard then? Nowhere to be seen. They were very quiet. Where was John Howard when the Liberal Party moved a motion in Queensland to stop the go-ahead of the Wolffdene Dam? They said that dam would go ahead over their dead bodies.

The reality is that the government is out of touch. If you want to talk about real democracy, why has this government just passed laws to shut down the electoral roll to legally prevent people from voting? It has ensured that hundreds of thousands of young people will not get an opportunity to vote in 2007. Every election year there is a five-day window of grace when the writs are called, when an election is called, which gives a lot of young people and people moving around the opportunity to enrol for the vote. That is the record. That is reality. That is what this government does. It does everything in its power to keep itself in power but at every opportunity takes away people's right to democracy. *(Time expired)*

Consideration interrupted.

ADJOURNMENT

The SPEAKER—Order! It being almost 4.30 pm, I propose the question:

That the House do now adjourn.

Mr Ruddock—Mr Speaker, I require that the question be put immediately without debate.

Question negatived.

Mr Price—Mr Speaker, on a point of order: I understand that there are arrangements in place that would facilitate the Attorney-General in this matter, but no agreements have been made in relation to the subsequent tabling of any reports at this time. As a consequence of the agreement, the opposition did not divide and is allowing the Attorney to proceed.

The SPEAKER—I note the comments of the Chief Opposition Whip. We might have further discussions between the government and the Chief Opposition Whip over this. In the meantime, I call the Attorney-General.

INTERNATIONAL TRADE INTEGRITY BILL 2007

Second Reading

Debate resumed.

Mr RUDDOCK (Berowra—Attorney-General) (4.31 pm)—I intend to be brief. Those who engaged in the debate are not here, and the points that they took are really ancient history. The International Trade Integrity Bill 2007 is about the future. I want to thank the members for Hotham, Cook, Prospect, Ryan and Wills for their contributions to the debate. I would also like to thank the Senate Standing Committee on Legal and Constitutional Affairs for their work inquiring into and reporting on the bill. The committee agreed to the bill without amendment.

I would like to respond to a few of the matters mentioned in today's debate, includ-

ing the second reading amendment moved by the member for Hotham. First, the OECD working group have advised the government that they do not want a response until next year and that it would be inappropriate to respond formally to the OECD report before then. The government have moved quickly to respond to Commissioner Cole's report. We have established a task force. We have given it funding and it is carrying out its investigations. In relation to paragraphs (2) and (3) of the member for Hotham's amendment, I will quote from Commissioner Cole, who said:

> ... there is no evidence that any of the Prime Minister, the Minister for Foreign Affairs, the Minister for Trade or the Minister for Agriculture, Fisheries and Forestry were ever informed about, or otherwise acquired knowledge of, the relevant activities of AWB.

He also found no evidence of illegal activity to suggest wilful blindness by the Commonwealth.

In relation to the remaining paragraphs of the amendment, the government's response to the issue of whistleblowers will be considered further in the development of a response to the OECD's phase 2 report. I reject the suggestion that the government has been slow in its response to the threat of money laundering or terrorist financing. In fact, the second tranche of reforms has been developed, and significant reforms were contained in the Anti-Money Laundering and Counter-Terrorism Financing Act passed earlier.

In response to the concerns raised about Australia's international reputation, again it is useful for me to quote from Commissioner Cole, who said in the prologue to his report:

> ... AWB has cast a shadow over Australia's reputation in international trade. That shadow has been removed by Australia's intolerance of inappropriate conduct in trade, demonstrated by shining the bright light of this independent public Inquiry on AWB's conduct.

The government remains committed to ensuring that Australian businesses uphold our international obligations in relation to trade sanctions and combating foreign bribery. This bill reaffirms the government's commitment to these goals and sends a clear message that the contravention of UN sanctions and bribery of foreign officials will not be tolerated. In conjunction with other efforts by the government to raise awareness of international trade obligations, the amendments in this bill will encourage a culture of ethical dealing in Australian business that will improve Australia's already fine reputation in international trade. As there are no amendments proposed to the bill, I commend it to the House. As I foreshadowed, I oppose the second reading amendment, primarily because it is all ancient history and this bill is about the future.

The SPEAKER—The original question was that this bill be now read a second time. To this the honourable member for Hotham 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 propose to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Third Reading

Mr RUDDOCK (Berowra—Attorney-General) (4.35 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

COMMITTEES

Treaties Committee

Reports

Dr SOUTHCOTT (Boothby) (4.35 pm)—On behalf of the Joint Standing Com-

mittee on Treaties, I present the following reports: *Report 86: Treaties tabled on 27 March and 9 May 2007*; *Report 87: Treaties tabled on 13 June 2007*; and *Report 88: Treaty tabled on 7 August 2007*.

Ordered that the reports be made parliamentary papers.

Dr SOUTHCOTT—by leave—I move:

That the House take note of the reports.

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

Publications Committee

Report

Mrs DRAPER (Makin) (4.37 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.

ADJOURNMENT

Mr RUDDOCK (Berowra—Attorney-General) (4.37 pm)—I move:

That the House do now adjourn.

Iraq

Mr McCLELLAND (Barton) (4.37 pm)—I want to say something about the government's insincerity with respect to its policies on the Iraq conflict. First of all there is its failure to acknowledge its responsibility with respect to the initial conflict. The Prime Minister gave as the reason for supporting the invasion of Iraq the fact that the United Nations sanctions against the regime of Saddam Hussein had failed. Yet it has not disclosed that one of the main reasons the sanctions failed was the role of an Australian company, the Australian Wheat Board, which was paying a total of some $300 million in bribes to the regime of Saddam Hussein, contrary to those sanctions. No-one to date has been held accountable for the greatest bribery scandal in Australia's history.

No-one has accepted responsibility on behalf of the government for supporting the invasion of Iraq before the final report of the United Nations weapons inspectors was in. The inspectors were basically saying: 'Hold your horses, there's more work to be done. Halt the invasion until you get our final report.' Of course, that final report would have reported, as history has shown, that there were indeed no weapons of mass destruction.

The other area where the government is insincere is this: precisely what is our purpose in Iraq? Firstly, the invasion was to find nonexistent weapons of mass destruction. It then became regime change—that was the advocacy. To establish a beachhead of democracy became the next reason. Then it became protecting the Japanese construction workers. And then it became a security overwatch function. As I understand it, Australian troops have not been called out to perform that role since they were deployed for that purpose. We also had mention from the Hon. Dr Brendan Nelson, the Minister for Defence, that it was to do with oil and energy security. I suspect Dr Nelson was sincere in his advice to that effect but he was quickly undermined by the Prime Minister and the Minister for Foreign Affairs.

The other area where the government is completely insincere is in recognising the extent of the catastrophe in Iraq. The Minister for Foreign Affairs during the week said that withdrawal of troops would create a crisis rivalling Darfur. If you look at the facts, what has happened in Iraq certainly rivals Darfur. Depending on the estimates, you have somewhere between 75,000 and 600,000 people killed—500 in the last 48 hours—and about four million people have been displaced.

The framework is just not happening. Everyone recognises that if there is going to be a solution to the violence in Iraq then it has to be a political solution not a military solution, but the infrastructure is not there. They are not the words of a politician confronting an election; they are the words of the former Prime Minister of Iraq, Mr Allawi. He said this week: 'There is no security, there is no political reconciliation, there are no services,' and, 'The government is dysfunctional,' and, 'Day after day we are witnessing more and more control by the militias on the police and also infiltration into the army.' They are not my words; they are the words of the former Prime Minister of Iraq. Yet our government gives an open-ended unconditional commitment to the government of Iraq in circumstances where it unquestionably is not doing enough to get its own house in order. Indeed, recent reports have suggested that members of the administration are actually giving names to militias for them to be targeted by those militias for murder, kidnap or torture. How the government can justify giving an open-ended, unconditional commitment to such a government beggars belief.

The minister said that we are about cutting and running; the Labor Party, the Baker Hamilton report, 11 presidential candidates and 270 members of the United States congress are not about cutting and running. They are about a phased withdrawal to put real pressure on the government of Iraq to say that they have to step up to the plate and take charge. Writing letters is not going to be enough. Only the pressure of a phased withdrawal to say that at a given point in time they will have to step up and take responsibility for their own security in Iraq will do. Nothing less is going to get them to change their ways and become a government that governs in the national interest rather than the narrow sectarian interest that they are currently following.

Tasmanian Pulp Mill

Mr WOOD (La Trobe) (4.42 pm)—When I was 16 I rafted down the Franklin River, the year after it had been saved. The experience was inspiring to say the least; it gave me an appreciation of Australia's amazing natural environment and highlighted in particular the importance of preserving the Tasmanian wilderness. That is why today I rise to express my concern to the House about the pulp mill proposed by Gunns Ltd to be established at Bell Bay, in northern Tasmania. The Gunns pulp mill process has become more than just a Tasmanian issue; it is something that has become of grave concern to many Australians.

My electorate of La Trobe includes the Dandenong Ranges National Park, which might explain why residents in my electorate feel such outrage at the conduct of the Tasmanian Labor government, which has railroaded its own independent environmental assessment process. I share this outrage. My chief concern is Gunns' withdrawal of the project from the independent joint federal-state assessment by Tasmania's Resource, Planning and Development Commission, RPDC, citing the lack of an end date. It has since emerged that the RPDC had concluded that the company's project information was critically noncompliant. To keep the project afloat the Tasmanian Labor government passed legislation to establish a different approvals process requiring much less scientific scrutiny and to be carried out by consultants hand-picked by the Tasmanian government to produce a report in just six weeks.

The reports that have now been cobbled together can hardly be considered comprehensive. Sweco Pic, the Swedish firm engaged to produce the environmental assess-

ment, visited Tasmania for only two days. Further, both reports will not be subject to independent scrutiny, something which would have occurred had the RPDC conducted public hearings as originally intended. Given these problems, particularly with the environmental assessment, I am pleased that the Commonwealth has exercised its right under the EPBC Act to fully examine those matters that fall within the Commonwealth jurisdiction and to approve or reject the proposal having considered all relevant evidence, public submissions and advice from Environment Australia.

Last year, Gunns delivered a presentation to the backbench committee for environment and heritage on the proposal. Gunns explained that they currently export their sawlog residue to be milled into pulp in countries like Japan and that, if the mill were not built at Bell Bay, they would be forced to build a mill offshore, probably in South-East Asia. No-one wants to see Australian jobs and industry go offshore, but it is incumbent on all governments, state and federal, to ensure that projects of this size are not going to turn out to be environmental catastrophes. Further, at that meeting I asked the Gunns representative directly whether Gunns would be using old-growth forest wood at the mill, and I was told categorically that they would not. I was assured of this. I can only take them at their word, but the project should not go ahead if there is any prospect that old-growth logs will be used.

It should be borne in mind that the Commonwealth does not have authority to overrule the Tasmanian government on this issue. The Commonwealth government assessment of the pulp mill is restricted to matters relating to endangered species and the Commonwealth marine area which begins 5.4 kilometres from Tasmania's coast. Last week's Federal Court judgement confirmed that environmental matters which extend beyond these, such as forestry operations and air pollution, are matters only for the Tasmanian state government.

Because the Tasmanian Labor government has shown itself to be completely incapable of standing up for the Tasmanian environment, I have met personally with Malcolm Turnbull and asked him to do everything in his power to ensure that this project does not go ahead unless he is satisfied that endangered species such as the Tasmanian wedge-tailed eagle will not be further endangered by the mill, that the impact of pollutants from the proposed pipeline will not endanger the health of migratory marine species and that the ocean environment will not be threatened by the effluent disposal pipeline four kilometres offshore.

Further, I call on the Tasmanian state Labor government to resubmit the project to the RPDC to allow it complete its comprehensive independent environmental assessment and to make Gunns commit that old-growth logs will be not used, as a condition of the mill gaining approval. We must do all we can to ensure that every environmental question is answered before this mill is built. The dangers to our natural environment are far too great to leave to chance.

Howard Government

Mr PRICE (Chifley) (4.47 pm)—On 18 November 1996, the Prime Minister delivered the Sir Robert Menzies Lecture. The Prime Minister's lecture was entitled 'The Liberal tradition: the beliefs and values which guide the federal government'. The House will not be surprised to learn that it contained saintly praise for the founder of the Liberal Party. I do not begrudge the Prime Minister that. The Liberal Party, cobbled together barely half a century ago from a motley crew of anti-Labor interests, needs all the mythology it can muster. Given that the Prime Minister joined the Liberal Party

soon after its founding, it is no surprise that he has some regard for Sir Robert Menzies.

What might surprise the House is that, in that lecture, the Prime Minister attacked what he called 'instinctive political oppositionism' and said:

> Where there is broad agreement I believe that nothing is lost by recognising that fact.

Of course, we all know that the Prime Minister has changed a lot since 1996. Now, weeks before an election, this clever politician thinks he can gain some political advantage by criticising the opposition for expressing broad agreement with aspects of government policy.

There was more in this lecture to surprise the House. In November 1996 the Prime Minister said 'civility' was one of the values that defined his government. He put it like this:

> Australians deserve – and are now getting – the restoration of civility in public life.
>
> Where there are genuine differences of view, they need to be debated directly and robustly, but not in a personally abusive way.

Unfortunately, the value of civility had no life beyond the pages of the Prime Minister's speech notes.

This government has turned the denigration of its critics into an art form. Far from upholding the value of civility, the government's behaviour is deteriorating. In question time we have heard the Minister for the Environment and Water Resources make the extraordinary claim that the Leader of the Opposition is single-handedly responsible for the current drought in south-east Queensland. Last week, the Assistant Treasurer described the Leader of the Opposition as a 'load of crap'. One day earlier, the Minister for Health and Ageing descended to schoolyard taunts by calling the opposition leader a 'wimp'. And, in the past month, the Minister for Foreign Affairs went down the same slippery slope when he called the opposition as a whole 'cry babies'. The minister for health, who cannot help but keep himself in the news for the wrong reasons, has recently uttered a phrase on the ABC *Lateline* program that I cannot repeat in the House. He went one better when he repeated the phrase at a media doorstop the following day.

It is not just the opposition who get abused by this government. This week a group of climate change sceptics from the government backbench attacked Rupert Murdoch because he does not share their view that climate change is caused by clouds and vapour. And it is not just the powerful who cop it either. Last week, the increasingly petulant Minister for Foreign Affairs attacked a student from Narrabundah College who had the temerity to challenge the government's appalling record on combating climate change. This performance followed his earlier outburst at Sydney airport when the minister asked if critics of government bungling over the Haneef affair wanted those responsible to 'fall on the ground and grovel—eat dirt'.

The Liberal candidate for the seat of Maribyrnong was forced to resign for using grossly offensive terms to describe the Victorian minister for transport. My Labor colleagues have previous drawn to the attention of the House outrageous and abusive behaviour by Young Liberals directed at fellow Young Liberals and Indigenous Australians.

On each occasion, the Prime Minister has taken no action to rein in those who hector or those who abuse or assault in the name of his party. The Prime Minister has broken many promises over the last 11 years. The delivery of greater civility in public life is yet another of them.

Hanson Swan Business Awards

Mr HENRY (Hasluck) (4.51 pm)—I rise this afternoon to speak about the Hanson

Swan Business Awards that were held on Saturday night in my electorate of Hasluck. These awards recognise business excellence and are conducted by the Swan Chamber of Commerce. The Swan Chamber of Commerce have great goals. Their goals are:

> ... to build a better business environment for our members and to transform our region into a premier choice for business operators.

Their mission is:

> To provide a business friendly environment, which is committed to allowing all local businesses the opportunity to flourish.

There is no doubt that in the time I have been associated with the Swan Chamber of Commerce they have been one of the most dynamic and effective business groups I have been involved with. I would like to congratulate their president, Mr Peter McDowell, and their executive director, Sandra Wallis, for their great effort. It was well and truly on display on Saturday night for the Hanson Swan Business Awards held at the Sandalford Winery.

The Sandalford Winery is a very historic winery, founded in 1840, and is located on the banks of the Swan River in my electorate of Hasluck, an easy 25 minutes from the CBD. They certainly produce quality wines and have a great reputation for those wines. They sell those wines in some 35 countries across the world. It is not surprising that they were winners on Saturday night. The Sandalford Winery won the Swan Business of the Year category of the Hanson Swan Business Awards, recognising the excellence that they have provided in the area and across the country for a long period of time. This is the third time they have won. They won the award in 2004, 2006 and 2007.

The Sandalford Winery were also the winners—and this is not surprising—of the Quality Customer Service category, which was sponsored by our local newspaper, the *Echo*. It is no doubt as a result of the great efforts by Peter and Garry Prendiville, Grant Brinklow, their winning team, and the use of their world-class facilities that they have been so successful in these prestigious awards. There is no doubt that Sandalford Winery make a huge contribution to the Swan Valley, and the Swan and Midland regions, with respect to employment, attracting tourism and helping to support the economy in the area. The award for Business of the Year is the top award in this program, which is run by the Swan Chamber of Commerce and strongly sponsored by a number of businesses in the area—the primary sponsor is Hanson Construction Materials.

On that night, I had the pleasure of sitting next to the Businessperson of the Year. The gentleman who received the Businessperson of the Year award for 2007 was Mr Kim Gascoigne of Gascoigne Furniture—a business that has been operating in Perth since 1975. They moved to Midvale, in the electorate of Hasluck, in about 1984. They manufacture a very fine range of furniture, including chesterfields. It is very interesting to see that some of the chesterfields in the Prime Minister's suite come from Gascoigne Furniture in my electorate, in Midvale in Western Australia.

Mr Brendan O'Connor—Advertising!

Mr HENRY—You could call it that. It is certainly worth advertising. It is quality furniture. In addition to that, they have operations in Asia and Europe. So they not only employ 60 people in my electorate in their factory at Midvale but also employ a lot of people in Asia and Europe to produce great products. I can highly commend it. Mr Gascoigne has won this award before, in the mid-1990s. Not only that, he makes a fantastic contribution to local Indigenous youth, and that is very much appreciated and highly regarded in the area. There were other win-

ners on the night. There were 12 different awards, including Best Home Based Business, sponsored by the Small Business Development Corporation and won by Quick Ideas; Best New Business, sponsored by the City of Swan, was Fit Chips; Best Non-Retail Business, sponsored by the Stefanelli Group of Companies, was FX Digital; Contribution to Youth Training—*(Time expired)*

Home Ownership

Mr BRENDAN O'CONNOR (Gorton) (4.56 pm)—I am glad to see that the member for Hasluck is proud of his electorate. Indeed, I noticed that he made reference to some companies, and it is a great thing to see good Australian products being made there and elsewhere around the country. Of course, currently those employees, if they are in the federal system, are subject to Work Choices—legislation that the member for Hasluck voted for and supports. He supports it and knows that employees do not have basic rights to protect their own conditions of employment. He knows that in the electorate of Hasluck there are employees suffering as a result of the government's disregard for those people. He has to confront the concerns of employees in Hasluck and be honest with them. Do not come up here to Canberra and vote for Work Choices—I say to the member for Hasluck, through you, Mr Speaker—and then go back to the electorate and pretend that you are not a big advocate of Work Choices. I am sure the electorate, if they do not know now, will know soon the government members who have indeed spoken in favour of that extreme and unfair set of laws.

This afternoon I want to raise some concerns that I have about the disregard that the government has for the householders of Australia. Indeed, I think it is fair to say that, while the Prime Minister and the Treasurer feud, householders of Australians suffer. While the government fiddles, the dreams of the young families wanting to buy their home or even keep their own home burn. Australian families with mortgages have endured nine consecutive rate rises—five since the Prime Minister promised to keep interest rates at record lows.

Recent data from the 2006 census has shown that my electorate of Gorton has the dishonour of ranking No. 1 in the state of Victoria for households suffering from household stress. Over 35 per cent of households in Gorton use more than 30 per cent of their income to repay their mortgage. More than 35 per cent of the households of my electorate pay more than 30 per cent of their income just to maintain the mortgage and keep their house. That is a frightening figure. I am very concerned that, if there is another interest rate rise—indeed, as a result of the most recent interest rate rise, people may lose their homes—there will be even more pressure. The government, of course, cannot guarantee that that will not happen, even before the next election. So we have grave concerns in my electorate about householders under enormous pressure, which I find obviously very disconcerting but particularly troubling given that the Prime Minister, at the last election, promised to keep interest rates at record lows.

The SPEAKER—Order! It being 5.00 pm, the debate is interrupted.

House adjourned at 5.00 pm

NOTICES

The following notice was given:

Ms Kate Ellis to present a Bill for an Act to amend the definition of a low-impact facility under the Telecommunications Act 1997, and for related purposes. (Telecommunications (Amendment) Bill 2007)

Thursday, 16 August 2007

The DEPUTY SPEAKER (Hon. IR Causley) took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Paige Robertson

Dr EMERSON (Rankin) (9.30 am)—I want to speak today about a special Australian, Logan City student Paige Robertson. At the tender age of 14, Paige has a greater appreciation of life than most people in our generation. Paige has a congenital heart defect and has had open-heart surgery four times. She has had closed-heart surgery twice. She has survived bacterial endocarditis, which is a life-threatening infection that attacks the heart. Not content just to be a survivor, Paige has made it her mission to help other kids with heart conditions. Paige is the founder and president of Heartkids Queensland support group, Kidz 4 Heartkidz, and was Logan's Young Citizen of the Year in 2007. Paige raises funds to assist children suffering with congenital heart complaints, to help them fulfil their own little wishes. Her latest initiative is called Wish you Well. It raised enough funds to present Julian Summers, a Groves Christian College year 1 pupil, with a laptop computer to help him work while away from school due to his condition. Paige is a true visionary. She is an example of what one young person can do to make a difference to so many young lives.

When I say 'many lives', I mean it. We need only look at the facts. One in 100 children is born with a congenital heart defect. That is just over 2,000 children a year. Congenital heart defect is the No. 1 cause of child death. Congenital heart defects can never be completely cured and, sadly, for many they can never be treated. Paige has been through the system and wants to make a difference to kids' lives. She has initiated several programs for kids and their siblings to make their struggle just a little bit happier. One of these initiatives is Heartkidz cams. Paige wants to supply every CHD kid with a Heartkidz cam so they can interact with their teachers and friends while in treatment at home. Contact with friends and, yes, even teachers gives kids the hope that they are not alone in their struggle. I would recommend that if the government is prepared to spend hundreds of thousands of dollars on marginal seats in the lead-up to the election it could afford to spare the money to make one girl's vision come true. At 14 years of age, Paige Robertson is truly an inspirational young Australian.

Recreational Fishing Community Grants Program

Mr SLIPPER (Fisher) (9.33 am)—I am particularly pleased today to talk about Australian government funding of close to $100,000—in fact, $97,500—which will be put towards a state-of-the-art fish cleaning station at Mooloolaba on Queensland's Sunshine Coast. The Maroochy Shire Council facility, to be located near the Parkyn Parade boat ramp, is expected to include a refrigerated bin for fish waste. This will reduce the dumping of fish frames into the Mooloolah River. Of course, as we know, those fish frames can potentially attract sharks, creating problems for the people who use the waterways. Fishing is very popular activity on the Sunshine Coast for both locals and tourists. These new facilities will add an extra level of hygiene and safety to those who wish to clean their catch before they head home or to their accommodation. Importantly, the new facility will also reduce the unwanted problems caused by the dumping of fish waste into the river.

The Mooloolaba fish cleaning station is among 110 projects across the nation that are sharing some $4.4 million from round 5 of the Australian government's Recreational Fishing Community Grants Program. The Commonwealth contribution of $97,500 will be about 50 per cent of the cost of the facility, and the rest of the cost will be put in by the Maroochy Shire Council, which is also designing the fish cleaning station.

Around $14.1 million has been provided under this program for projects such as boat ramps, fishing platforms, jetties, educational programs, fishing clinics and rescue activities. Groups such as fishing organisations and other community groups and clubs will benefit from the grants, as will keen anglers and those who only fish occasionally. This is not the first of these grants that we have been able to obtain for the electorate of Fisher on the Sunshine Coast. Last October we got close to $40,000—in fact, $39,422—for six new fish cleaning stations at popular Caloundra city fishing sites.

These are dividends to the Australian community from 11 years of sound economic management by the Liberal and National party government. We would not be able to put in these positive community initiatives if we had not been able to grasp the nettle, repay Labor's debt and manage the economy well. I know that the member for Moncrieff, which is on the Gold Coast, shares my sentiments with respect to that because I know that fishing is also a recreational activity in his area—but the fish catches there are not as good as those on the Sunshine Coast, which is much more pristine! Having said that, I am very pleased to applaud this Australian government project. It will benefit tourists and locals, and I hope that we will be able to obtain further grants of a similar nature. *(Time expired)*

Pharmaceutical Benefits Scheme

Ms OWENS (Parramatta) (9.36 am)—A few weeks ago I met with Bernie Banton, from the Asbestos Diseases Foundation of Australia, about the government's failure to list Alimta on the Pharmaceutical Benefits Scheme for people with mesothelioma, the most debilitating and aggressive asbestos related disease. The life expectancy of such a patient is just five months from the time of diagnosis.

Recent studies show that patients who take Alimta and Cisplatin live longer than those treated with Cisplatin alone—significantly, up to three months longer or more. Alimta not only increases life expectancy, by inhibiting tumour growth, but improves the sufferer's quality of life in its final stages through reduced fatigue, cough pain and loss of appetite. The governments of France, Sweden and Japan subsidise the drug for sufferers in those countries and the United Kingdom National Institute for Health and Clinical Excellence recently approved the use of Alimta in the treatment of mesothelioma.

In Australia, it is approved for sufferers of lung cancer caused by smoking but not for sufferers of mesothelioma caused by asbestos fibres. As the drug costs $18,000 for an 18-week course, it is out of reach for many sufferers. We are particularly aware of asbestos related disease in my electorate because the James Hardie plant in Camellia was a major employer in the region for decades. Whole families worked there, and we all know someone who is suffering.

After my meeting with Bernie Banton, I took the unusual step of writing to the federal Minister for Health and Ageing asking him to reconsider the decision not to list Alimta on the PBS for mesothelioma sufferers—unusual because in general I support arms-length decisions by medical experts but this is an unusual case caught between state and federal responsibility:

health services caught up in blame shifting, cost shifting and demarcations which makes Alimta available to some people in some states, depending on how they contracted the disease, but leaves no access for others. People who contract this disease because they played on the floor as children while their father demolished a fibro wall are not covered, but, thankfully, people who were exposed to asbestos at work are covered in some states.

We in government sometimes think it makes sense to separate responsibilities. Sometimes it does, but only if the purpose of dividing responsibility between state and federal governments is to improve the effectiveness with which we address the problem, not, as in this case, if dividing responsibilities becomes a way to avoid addressing the problem, to make it someone else's responsibility and to avoid the cost, or inadvertently leaves glaring holes and inequity for sufferers. We are talking here about health and the quality of life of people and their loved ones who have just a few months left to share.

Australia has the highest reported rate of mesothelioma in the world. All reports indicate that the rate will grow in future decades before declining. I am still waiting for a response to my letter to the Minister for Health and Ageing. I am aware that his letter to the Asbestos Disease Foundation suggested that this is a state matter, but while I am waiting I would like to remind the whole government that before the last election the Minister for Health and Ageing made a commitment to support cancer treatment for sufferers of asbestos related disease. Perhaps it was not a core promise, but for whatever reason sadly we are still waiting for the commitment to be honoured. *(Time expired)*

Gold Coast Hospital

Mr CIOBO (Moncrieff) (9.39 am)—I rise today to talk about the crisis that is currently engulfing the Gold Coast Hospital. It is a crisis because the simple facts are that the Beattie Labor government has underfunded, understaffed and ignored the Gold Coast Hospital for far too many years. Unfortunately for what is Australia's sixth largest and fastest-growing city, we are now faced with the consequence where our Gold Cost Hospital, despite the best efforts of staff and the best efforts of doctors, is constantly shackled by a lacklustre state Labor government that has simply under-resourced that hospital. The consequence of that for my city is profound. What is clear is that we have front-page article after front-page article talking about the absolute shambles that is the public health system on the Gold Coast.

The question could be asked: what has the Howard government done about it and what have I done about it? I am pleased to say that I am part of a government that has provided record funding to the Beattie Labor government—some $8 billion under the Australian Health Care Agreement—to ensure that they have at their disposal the kinds of resources necessary to provide the citizens of our city, the constituents in my electorate, with the kind of first-class health care that they are they are looking for. Unfortunately, despite the $8 billion record funding that the Beattie Labor government have received, the Gold Coast is simply not getting its fair share from the state Labor government, because they would rather choose to spend that money elsewhere in the state. The consequences are front pages like this one that I have seen in my local newspaper, talking about hospital patients walking away from the hospital. We have seen a carry-on where ambulances line up outside the emergency ward at the Gold Coast Hospital with patients waiting to be treated. *The Gold Coast Bulletin* editorial from 26 July this year stated:

Already the Gold Coast Hospital regularly goes on by-pass, while patients being kept in ambulances in the street waiting for beds to become vacant are not unheard of.

If an epidemic were to occur, the prospect of patients lined in the street as is the case in third-world countries may be the next we see on the front page.

It simply is not good enough. I have got to say that we are growing tired of the Beattie Labor government's false promises. I have here a photograph of a sign erected on the proposed site of the new Gold Coast Hospital. It says at the bottom: 'Project commencing early 2007'. It is the middle of August, and the state Labor government have not even turned a sod of soil on that site. With the $8 billion investment provided by the Howard government to the Queensland Labor government, it is time Labor stopped pretending they really are concerned about health and actually started delivering for my constituents and for the residents of my city.

Newcastle

Ms GRIERSON (Newcastle) (9.42 am)—Yesterday the developer General Property Trust released a $500 million redevelopment plan for the Newcastle CBD, which it is hoped will lead to a significant revitalisation of the city centre and the creation of around 3,000 direct jobs. The plan involves opening up the Hunter Street mall, the main thoroughfare, and redeveloping the surrounding site to include residential, commercial, retail and entertainment outlets. For some time the CBD of Newcastle has been a missing link in the revitalisation of our city. Now this development has the potential to complement the successful work that has been done in the Honeysuckle precinct and create a new retail heart to our city.

Under Labor's Better Cities Program, the waterfront at Honeysuckle has been transformed into a vibrant cafe, commercial and residential area. I am proud to say that, having been a board member for almost five years of the Honeysuckle Development Corporation, the results are excellent. Similarly, the GPT proposal looks like an opportunity to capture retail, business, tourism and entertainment opportunities for our growing population.

There has been much debate in Newcastle recently about crime and antisocial behaviour in the inner city and about the balance between development and protecting heritage. This proposal by GPT can be a great opportunity for community discussion about how our city moves forward, how we balance a vibrant nightlife with a growing number of residents and how we create modern amenities while remaining true to our heritage values. I look forward to assisting at all levels of government the smooth progress of this development so that its potential is optimised and the right balance is struck. By working together, I am confident we can get a great outcome for the city of Newcastle. I also know that hypothetical designs by Newcastle University architecture students for the civic precinct just west of the Hunter Street mall are currently on display and there are discussions and plans afoot for the redevelopment of the west-end itself.

A revitalised CBD, served by rail into the heart of the city, with the Honeysuckle precinct and the civic cultural precinct to the west, plus the Coal River Heritage precinct and the Newcastle Hospital redevelopment site to the east, presents an exciting prospect and vision for a new beating city heart. Such a heart could also spread new energy and, we would hope, reinforce the links, both physical and knowledge based, to our new centres of learning at the university, TAFE and CSIRO; to our innovative manufacturing, industrial and sustainable energy centres; to our air and seaports; and to our growing suburbs and residential centres. These are

very exciting times for the city of Newcastle and an opportunity to create a very modern and vibrant liveable city.

With climate change upon us, of course, the challenge of creating sustainable cities is great, but, in the wake of the long weekend storms in Newcastle, creating survivable and liveable cities is also essential. We can meet these challenges with a vision of creative energy, and certainly this proposed investment is a mark of confidence in the future of Newcastle. I congratulate GPT on its commitment and I look forward to examining the details of the proposal and helping to ensure we get the best outcome for our city. *(Time expired)*

Rural Health Services

Mr FAWCETT (Wakefield) (9.45 am)—I rise today to talk about health care in regional Australia, and particularly in regional Wakefield, South Australia. Stephen Holmes, who has been very actively involved in the RDAA and is a GP in Clare, in the north of Wakefield, describes very passionately and accurately the demise of rural communities when health services are wound back. He uses as an example what happened in the township of Blyth when their hospital was closed down a number of years ago.

Unfortunately, there are moves around Australia to reduce services. On TV just this week on *The 7.30 Report*, Professor Leeder was advocating a reduction of services and further centralisation of regional health services, claiming essentially that rural people could not deliver safe health services. The RDAA certainly contests that and highlights a deal of research that shows that rural communities can in fact deliver safe health services. I am disturbed at this time to see that the South Australian government continues its program of merging hospital boards, taking elements of control away from local communities and closing things like obstetric services at the same time that we have groups like SARRAH, who represent allied health professionals; RDAA and others calling for increased services in rural communities.

At the same time, the federal government is increasing obstetric support by having additional payments to provide obstetric services in country areas. In Wakefield we are providing things like the out-of-hours services in Gawler and additional positions for doctors. There are a range of things happening to make these services more viable and effective, so I am disappointed to see actions which are closing these down.

The future of our communities is good in regional South Australia. The Adelaide Plains area around Balaklava is an example. There is a hospital there, and there is a great deal of growth in Port Wakefield, with the Wakefield Waters development. Primo have just decided to reinvest there. There is a huge potential for that area, but what people are calling for is not only things like adequate education but also adequate health. So, at a time when our communities are looking to expand, they are looking for this certainty not of having heart surgery but, the basic things like obstetrics and primary care following an emergency. Those kinds of services need to be preserved in our country hospitals so that our communities can grow and prosper as they clearly can do and wish to do. I welcome the federal government's initiatives to support this and I call on Minister Hill in South Australia to revisit some of his thinking about downgrading rural health services.

Education Funding

Mr PRICE (Chifley) (9.48 am)—Again in the local papers the New South Wales Teachers Federation are attacking me. They have announced that a group of teachers and parents are in

Parliament House—this, of course, is incorrect: there is one teacher and one parent—expressing keen disappointment that I have not been prepared to take up their issues. It is true that a number of schools have written to me about funding. I think the Teachers Federation have run one of the most dishonest public campaigns that I have ever witnessed. They suggest that public schools receive less funding than private schools.

The truth is that public schools overwhelmingly get money from the state government and from the federal government and private schools overwhelmingly get money from the federal government and a small component from the state government. No public school—high school or primary school—receives less taxpayer funding from both sources than the private schools in my electorate. I refuse to campaign on the basis that private schools in my electorate should get zero funding and all taxpayer funding should go to public schools.

Mr Newbold, who is the federation rep at Rooty Hill, has said that there has been a long campaign to get a library at Rooty Hill High School, and that is true. But I am pleased to say that we—that is, Richard Amery, me, the principal, the former school captain Patrick Keating and the students in the community—have been very successful, and it is well underway. Mr Newbold never mentions in his press release that the federal government has contributed $2.343 million or 60 per cent of the funding for that particular project.

I value what is done at Rooty Hill High School. I was recently there for the induction of the new school leaders. I was particularly pleased that Sylvester Aben, whom I had seen in a detention centre, has now been given a leadership position at that school. Indeed, the school principal has been recognised with an award for the leadership she provides. I will stand by public schools and I will advocate for public schools, but I am not going to do it to the detriment of private schools.

Royal Australian Air Force Base Richmond

Mrs MARKUS (Greenway) (9.51 am)—I wish to congratulate the government on announcing last Saturday that the Royal Australian Air Force base at Richmond will remain open permanently. There will be no more uncertainty for those who serve on the base and for the people of the Hawkesbury. RAAF Base Richmond is an institution. The base was established in 1925 and was the first for New South Wales and the second in Australia. The base has been part of the Hawkesbury for over 80 years. The base served a major role from 1923 through to 1925 and now is a hub of logistic support for the Australian Defence Force in Sydney. Richmond RAAF base provides support for specialised defence units, including the Tactical Assault Group (East), the 4th Battalion, Royal Australian Regiment, and the Incident Response Regiment. It is also the home of the C130 airlift fleet.

I was privileged to be present at the Richmond RAAF base on Saturday when the Minister for Defence, the Hon. Dr Brendan Nelson, announced to Air Force personnel; local council representatives, including the mayor; and local chamber of commerce representatives that the Richmond RAAF base was to remain there permanently. There are many businesses in the Hawkesbury which rely on the base and the income generated. I spoke firsthand on the weekend with many of the families and Air Force personnel, who welcome the announcement.

The base provides over $400 million annually to the economy and approximately $390 million to the annual household consumption in the New South Wales region. It also provides approximately 14 per cent of the gross regional product, and over nine per cent of total re-

gional employment comes from the base. The base is estimated to directly and indirectly contribute to over 6,000 jobs in the region.

I would like to particularly make mention of Mr Kerry Bartlett, the federal member for Macquarie, who has worked long and hard lobbying for the past 10 years to ensure that the base is secure for the region. I was passed the baton late last year and have been working hard since then to ensure that the Australian government committed to the ongoing operation of the base. After meeting with the Minister for Defence on many occasions and also having meetings with Air Commodore Jack Plenty, Base Commander Tracey Simpson and Chris Young, of MBF/Airspace DF Richmond, I was delighted to hear the minister on Saturday commit to retaining the base. I would like to thank the minister and also the Prime Minister for considering the future of Richmond RAAF base and our region and weighing up what is best for our region and for the broader community.

Richmond RAAF base plays a pivotal role in Sydney, which is why it is imperative that it remains open. It is the only secure point of departure in the Sydney basin for large-scale operations. Having lived and worked in the Hawkesbury, I know firsthand that the base is significant not just to the Hawkesbury but also to the Western Sydney region. The permanent commitment will enable people to move forward and plan for the future with absolute confidence. The job of a good federal member is to listen to the needs of the community. *(Time expired)*

League of Historical Cities: City of Norwood, Payneham and St Peters

Ms KATE ELLIS (Adelaide) (9.54 am)—We spend a lot of time in this parliament talking about problems, and it is my great pleasure today to instead be able to share yet another success story from the electorate of Adelaide. In 1994 in Kyoto the League of Historical Cities was born. This league recognises the contribution that significant and historical cities have made to culture and heritage throughout the world. Last month the City of Norwood, Payneham and St Peters, in my electorate of Adelaide, was admitted to that prestigious international list. I would like to congratulate the city and its 34,000 residents on this wonderful achievement, which sees Norwood, Payneham and St Peters join just 71 other cities around the world—cities which include Rome, Prague, Jerusalem and Montreal. The city represents not only the people within these suburbs but all of South Australia and indeed the country, becoming just the third Australian city, alongside Melbourne and Ballarat, to join the league.

Let me tell you a little about the City of Norwood, Payneham and St Peters. Like much of South Australia, it is a city rich with heritage, culture and passion for its history. In fact, more than that, it is a city full of very important historical firsts. The City of Norwood, Payneham and St Peters holds the honour of being the birthplace of local government in Australia. On 7 July 1853, the former City of Kensington and Norwood became the first suburban municipal town council to be declared in Australia. In addition, in that same year the city held the first secret ballot in Australia, believed to be the first documented example conducted in our country's electoral history. I believe that all of us who like to celebrate the joys of our democracy can be grateful for this.

There are a number of other important firsts for this city—far too many for me to list here today—but another significant one is that the settlement was where the first electric tram service began operation in Australia. The admission to the League of Historical Cities highlights the City of Norwood, Payneham and St Peters as a leader in cultural heritage and the conser-

vation of built heritage. I have no doubt it will live up to the league's aims to encourage opportunities for the exchange of ideas about how to preserve historical and cultural assets and integrate them into the fabric of modern societies.

I would like to particularly take the time to congratulate Mayor Robert Bria and the current council on doing a fantastic job in gaining the recognition which this city so deserves. They work tirelessly within the local community and to get recognition on a global stage. It is a wonderful achievement when Australians either as individuals or as communities are recognised on a global scale, and I think that we should all once again congratulate the city on this remarkable achievement.

South-East Queensland: Water

Southern Brisbane Bypass

Mr HARDGRAVE (Moreton) (9.57 am)—The member for Adelaide talked about the birthplace of democracy and local government. Let me tell you that the death of democracy is taking place in Queensland right now because of the arrogance of a state Labor government whose majority is so large that their concern for the views of everyday Queenslanders has long gone. It has evaporated. They have this belief that all power and all knowledge resides in the executive office boardroom in George Street. The decline of democracy has meant that Queenslanders are being thrust into an amalgamation of local government authorities. Whilst it does not directly affect people in my area, it is this style of government that is of enormous concern to electors in the southern suburbs of Brisbane.

They are greatly concerned about the Queensland government's plans to grab the water from their water tanks, which are now being installed in record numbers around houses in my electorate. In many cases, people have received state government and Brisbane City Council rebates to install those water tanks. The Queensland government have the power now to seize control of that water, put a meter on that water and control that water. There is no legal impediment to stop them and the plan is writ large in the aspirations of the Queensland government. Water which comes off the roofs of peoples' houses and drains into their tanks is to be stolen by a Queensland government that have failed to invest in the infrastructure to provide the water that south-east Queenslanders need and deserve.

South-east Queenslanders and people in the electorate of Moreton are greatly disserviced also by a Queensland government that show no care or concern about the fact that people in my electorate are the only Queenslanders who pay a toll to access the best road. I have spoken about it in this place many times before. I have been told by Labor Party state members and by Labor Party city councillors in my area that my ambition to have a traffic plan built around the postcode of 4109 to stop the trucks from using local roads like McCullough Street and Beenleigh Road is not possible. I have also been told by state members that it is impossible to take the toll off the southern Brisbane bypass.

Why is it that the residents of south-side Brisbane are the only Queenslanders who pay a tax to use a road? Because the Beattie government do not care. Their simple ambition is writ large and plain for everybody to see: get rid of local government, work tirelessly to try and stop federal Liberal and National Party members from being returned in their seats and deny them access to local schools to communicate freely with P&Cs, principals, teachers, students and constituents. They stand in the way of our access to schools. It is only with the permission

of the Queensland education minister that I can visit high schools like my old school, MacGregor high school. People in Australia should be alarmed at the way in which an arrogant state Labor government are now riding roughshod. I can assure you that I stand very firmly in the corner of everyday Queenslanders against the Beattie Labor government. *(Time expired)*

The DEPUTY SPEAKER (Hon. IR Causley)—Order! In accordance with standing order 193 the time for members' statements has concluded.

THERAPEUTIC GOODS AMENDMENT BILL 2007

Debate resumed from 9 August:

Second Reading

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary to the Minister for Transport and Regional Services) (10.00 am)—I present the explanatory memorandum to this bill and move:

That this bill be now read a second time.

I am pleased to introduce the Therapeutic Goods Amendment Bill 2007. The amendments provided for in this bill are necessary to allow many devices currently marketed in Australia that are essential for patient treatment and for the ongoing provision of healthcare services to be supplied beyond 4 October this year whilst under reassessment by the Therapeutic Goods Administration.

The amendments provided for by this bill provide great certainty for patients, for healthcare providers and for the medical device industry in Australia. In 2002, the government introduced a new regulatory system for medical devices which allowed a five-year transition period, ending on 4 October this year, for previously marketed devices to comply with new legislative requirements. These requirements are based on principles developed by the Global Harmonisation Task Force for Medical Devices, which comprises regulators and industry representatives from Europe, the United States of America, Canada, Japan and Australia. Under the existing terms of the transition period, sponsors who wish to continue to supply previously registered and listed therapeutic devices after 4 October 2007 are required to have their products re-entered in the Australian Register of Therapeutic Goods as 'included medical devices' following assessment against the new legislative requirements by the TGA by 4 October this year.

The framework introduced by the government was and continues to be at the vanguard of medical device regulation globally. The framework is one that is in line with international best practice and ensures that products newly available to the Australian community comply with current internationally accepted requirements. However, when the scheme was introduced it was estimated that in excess of 30,000 devices would need to make the transition to the new scheme and consequently require reassessment by the Therapeutic Goods Administration. This has posed significant challenges for both the medical device industry and the TGA to ensure there is continued supply of vital medical devices after October 2007.

A belated influx of applications and the likelihood of further last-minute applications means the TGA may not be able to complete its assessment of all outstanding transition applications in time for the 4 October 2007 deadline. Many sponsors who have submitted applica-

tions to transition their products are now faced with uncertainty about whether they will be able to continue to supply those products after 4 October 2007. Similarly, purchasers and end users of devices are faced with uncertainty about continued access to transitioning products. Disruption to the supply of medical devices due to failure to transition by 4 October this year could have a significant impact on consumer access to vital medical devices, the supply of medical devices to healthcare facilities, the operation of healthcare facilities, consumer confidence in the health system as well as the economic viability of Australian medical device companies.

The amendment provided by this bill substitutes the existing requirement for medical device sponsors to have their products entered in the ARTG as 'included medical devices' by 4 October 2007 with the requirement to lodge an application with the intention of transitioning their products to the new scheme by 4 October 2007. Under these amendments, sponsors and end users of medical devices will have certainty of continued supply and access because it will depend solely on the sponsors submitting an effective and successful application to have their product transitioned by 4 October 2007.

The government places a high priority on the availability of and access to important treatments by Australians and the presence of a strong, vibrant medical devices industry in its therapeutic policy planning. This new amendment is an important part of that planning, for it allows for continued access to important treatments by Australian consumers and healthcare providers whilst ultimately ensuring that all medical devices available in Australia comply with current internationally accepted requirements.

Ms ROXON (Gellibrand) (10.05 am)—I rise to speak on the Therapeutic Goods Amendment Bill 2007. Labor supports this bill. The purpose of the bill, as the Parliamentary Secretary to the Minister for Transport and Regional Services has outlined, is to amend the Therapeutic Goods Act 1989 to effectively extend the transition period enabling therapeutic devices currently listed or registered on the Australian Register of Therapeutic Goods to be entered in the ARTG as medical devices under the regulatory scheme introduced by the government in 2002. The bill also makes consequential amendments to two other acts. Labor will support passage of the bill through the parliament.

By way of some background, the Australian Register of Therapeutic Goods is a computer database of therapeutic goods established under the Therapeutic Goods Act and administered by the Therapeutic Goods Administration. Therapeutic goods listed on the register are divided broadly into two classes: medicines and medical devices. The new regulatory framework for medical devices is contained in chapter 4 of the act, which commenced operation on 4 October 2002. The new regulatory framework provided for two transition periods to enable therapeutic devices currently listed or registered on the ARTG under the old regulatory scheme, set out in chapter 3 of the act, to be entered on the ARTG as medical devices under the new scheme by 4 October 2004 or 4 October 2007.

The first transition period that ended on October 2004 required sponsors of previously exempt medical devices and some medical devices that were no longer excluded from the operation of the act to have their devices included on the ARTG. The second transition period, established in section 9B(2) of the act, is due to expire soon—on 4 October 2007. The effect of that current section is that therapeutic devices registered or listed under chapter 3 will be taken to have been cancelled on 4 October 2007 or, if entered on the ARTG as an included

medical device under chapter 4 of the act before that date, the date on which the inclusion takes effect. The effect of cancelling the registration or listing of a therapeutic device under chapter 3 would be to prevent the sponsor of those devices from being able to market them to the general public.

The need for the amendments before us today arises because of delays in implementing the new regulatory scheme for medical devices introduced by the government in 2002. The introduction of that scheme necessitated that more than 30,000 medical devices be reassessed by the TGA in order to transition from the old to the new scheme. We understand from both the government and industry groups that this requirement for reassessment has posed significant challenges to both the TGA and the medical device industry, with the result that it now appears that all of the necessary reassessments may not be completed by the 4 October transition deadline. The amendment in this bill seeks to effectively extend the transition period to allow for that to happen. The bill replaces the existing requirements for medical device sponsors to have their products entered on the ARTG as included medical devices by 4 October 2007 with the requirement to lodge an application with the intention of transitioning their products to the new scheme by 4 October 2007.

These amendments effectively allow for the continued supply of devices until such time as the TGA has completed its assessment of the compliance of the device, rather than mandatory cancellation on 4 October 2007. In the absence of these amendments some medical devices would be prevented from being marketed for public use, not only adversely affecting the commercial supply of medical devices to the general public and interrupting access by patients and health practitioners but also potentially undermining the domestic medical devices industry, with particular commercial disadvantage for sponsors of such devices.

Labor have sought the views of industry representatives and understand that they do support this legislation. The bill is due to commence, if passed, on 3 October 2007 and will, therefore, provide protection for those in the industry who have not been able to fulfil the earlier process that was in place. According to the explanatory memorandum, there are no significant financial implications.

We support this legislation because we understand, firstly, that the potential disruption to the supply of medical devices could undermine consumer access to vital devices. This sort of disruption should obviously be avoided if possible. Secondly, we support the bill because it will also ensure certainty of continued supply of such devices in healthcare facilities and help maintain consumer confidence in the system. Finally, we support the bill because it will remove uncertainty within the industry and ensure that the economic viability of the very large Australian medical device industry is not undermined by delays in the new regulatory scheme. I commend the bill to the chamber.

Ms HALL (Shortland) (10.10 am)—I would like to make a quick comment on the Therapeutic Goods Amendment Bill 2007. The bill before us today—as the shadow minister and the Parliamentary Secretary to the Minister for Transport and Regional Services have stated—amends the Therapeutic Goods Act 1989. It effectively extends the transition period presently ending on 4 October 2007 to enable therapeutic devices currently listed or registered on the Australian Register of Therapeutic Goods under an old regulatory scheme to be entered in the ARTG as a medical device under the new regulatory scheme introduced by the government. Labor, as the shadow minister has already stated, support this legislation—particularly be-

cause we do not want any potential disruption to the supply of medical devices, which could have a significant impact on the supply of medical devices to healthcare facilities and on consumers' access to vital medical devices. With those few words, I will end my comments.

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary to the Minister for Transport and Regional Services) (10.12 am)—in reply—I acknowledge the contribution of the shadow minister for health on the bill. Because the opposition cannot organise themselves in opposition—let alone hoping to organise themselves in government—we had additional comments from the member for Shortland, and I welcome them. The amendments provided for in this bill are necessary to allow many devices currently marketed in Australia that are essential for patient treatment and for the ongoing provision of healthcare services to be supplied beyond 4 October this year. Under the existing provisions in the Therapeutic Goods Act 1989, registered and listed therapeutic devices that have not been assessed against new legislative requirements introduced in 2002 and entered in the Australian Register of Therapeutic Goods, the register, as 'included medical devices' by 4 October this year can no longer be supplied commercially in Australia. The amendment provided for by this bill substitutes the requirement for medical device sponsors to have their products entered in the register as 'included medical devices' by 4 October this year with the requirement to lodge an effective application with the Therapeutic Goods Administration with the intention of transitioning their products to the new regulatory scheme by that date.

The scope of the amendment covers two broad situations. The first is where an application for inclusion of the device in the register has been lodged with the TGA. The second is where an application must first be made to the TGA for its certification of a product's compliance with quality, safety and performance requirements set out in the legislation. This second situation has been covered because of the importance of this certification as a prerequisite to a valid application for inclusion in the register for devices specifically identified in the Therapeutic Goods (Medical Devices) Regulations 2002. Without this bill, the cancellation of the entries in the register will affect not only those products that sponsors do not intend to transition to the new regulatory scheme but also products that are the subject of an effective application undergoing review by the TGA but not completed at the time the transition period ends on 4 October.

The consequence of cancellation of the latter group of devices from the register will be a hiatus in commercial supply of those devices leading to commercial disadvantage for the sponsor and an interruption of access by patients and their practitioners to important healthcare services and treatments. Under these amendments sponsors, practitioners and their patients, and healthcare providers will have certainty of continued supply of medical devices while the TGA completes its assessment to ensure the devices comply with the current internationally accepted standards. I commend the bill to the House.

Question agreed to.

Bill read a second time.

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

INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (No. 2) 2007

Second Reading

Debate resumed from 21 June, on motion by **Mr Pearce**:

That this bill be now read a second time.

Mr RIPOLL (Oxley) (10.16 am)—It is a pleasure to speak on the International Tax Agreements Amendment Bill (No. 2) 2007. I also welcome the many departmental staff who have come along to support the minister and hold the minister's hand. I always think it is important that ministers drag along as many bureaucrats as they possibly can to ensure that they do not make any mistakes!

Mr Hardgrave—Just because you slept in and got up on the wrong side of the bed, you don't have to get into the public servants.

The DEPUTY SPEAKER (Hon. IR Causley)—Order! We might come back to the bill.

Mr RIPOLL—After that very rude outburst from the member for Moreton, who is obviously feeling a lot of pain today—it is not a comfortable day for the member for Moreton—

The DEPUTY SPEAKER—The member for Oxley should know that it is not private members' statements. We have a bill and he will speak to the bill.

Mr RIPOLL—Thank you and I will appreciate it, too, if I can get some order from government members, because they are being very disruptive to my contribution.

The DEPUTY SPEAKER—If the member wants to reflect on the chair, I will sit him down immediately.

Mr RIPOLL—Absolutely not. I would never do that. But I find government members attacking me very disruptive to my right to speak in this place.

The DEPUTY SPEAKER—If the member wants to speak, he will come to the bill.

Mr RIPOLL—I will—if the government members give me that opportunity. Thank you very much to the departmental staff. I know they are very hard workers. As I have said in this place many times, it is always a pleasure to speak on these bills. This is the second international tax agreement bill for the year. Labor is happy to support this bill, because it is a bill about getting some good business done. The bill gives force of law to a renegotiated tax treaty with Finland by inserting the text of the treaty signed in November 2006 into the International Tax Agreements Act 1953, which is a prerequisite for the treaty's entry into force.

The bill updates the tax treaty with Finland to help increase trade and investment between Australia and Finland and provides for greater cooperation between tax authorities to prevent fiscal evasion and tax avoidance. The Finnish tax treaty replaces the existing treaty with Finland signed in 1984. The new tax treaty is largely based on the current OECD model and the United Nations Model Double Taxation Convention between Developed and Developing Countries.

The key changes in the new treaty include reductions in the royalty, interest and dividend withholding rates; improved integrity measures; and the allocation of capital gains taxing rights over property. In relation to royalties, the bill reduces the maximum royalty withholding tax rates from 10 per cent to five per cent and updates the definition of royalties. In relation to interest income, the bill reduces the interest withholding tax from 10 per cent to zero where

interest is paid to a financial institution or body performing governmental functions. Tax can be paid on interest in the country of residence and the country of source of the interest. In relation to the dividends themselves, the bill reduces dividends withholding tax from 15 per cent to zero for intercorporate dividends on non-portfolio holdings of more than 80 per cent, subject to certain conditions, and five per cent dividend withholding tax for other intercorporate non-portfolio holdings. A maximum 15 per cent withholding tax applies to all other dividends.

The bill allocates taxing rights between Australia and Finland to prevent tax discrimination against Australian nationals and businesses operating in Finland and vice versa. Business profits are generally to be taxed only in the country of residence of the recipient unless they are derived by a resident of one country through a branch or other prescribed permanent establishment in the other country, in which case that other country may tax the profits. These rules also apply to business trusts.

Profits derived from the operation of ships and aircraft in international traffic are generally to be taxed only in the country of residence of the operator. Profits of associated enterprises may be taxed on the basis of dealings at arm's length. Income, profits or gains from the alienation of real property may be taxed in full by the country in which the property is situated. Subject to that rule and other specific rules in relation to business assets and shares or other interests in land rich entities, all other capital gains will be taxable only in the country of residence.

Income from employment will generally be taxable in the country where the services are performed. However, where the services are performed during certain short visits to one country by a resident of the other country, the income will be exempt in the country visited. Directors' remuneration may be taxed in the country in which the company of which the person is a director is resident for tax purposes. Income derived by entertainers and sportspersons may generally be taxed by the country in which the activities are performed.

Pensions and annuities are taxed only in the country of residence of the recipient, other than government service or social security pensions paid to an individual who is a citizen or national of the paying country. In these latter cases, the paying country may also tax the payment, with the country of residence of the recipient providing double tax relief. Income from government service will generally be taxed only in the country that pays the remuneration. Payments made from abroad to visiting students and business apprentices for the purposes of their maintenance, training or education will be exempt from tax in the country visited.

Other income not dealt with by other articles derived by a resident of one country from sources in the other country may generally be taxed in both countries, with the country of residence of the recipient providing double tax relief. Source rules in this agreement prescribe for domestic law and treaty purposes that the source of income, profits or gains derived by a resident of one country may be taxed in the other country.

Double taxation relief for income which, under this agreement, may be taxed by both countries is required to be provided by the country of which the taxpayer is a resident under the terms of this agreement as follows: in Australia, by allowing a credit for the Finnish tax against Australian tax payable on income derived by a resident of Australia from sources in Finland; and in Finland, by allowing a deduction against Finnish tax for the Australian tax paid on income derived by a resident of Finland from sources in Australia. However, divi-

dends paid by a company that is an Australian resident to a company that is a Finnish resident and which controls at least 10 per cent of the voting power in the paying company will be exempt from Finnish tax.

In the case of Australia, effect will be given to the double tax relief obligations arising under this agreement by application of the general foreign tax credit provisions of Australia's domestic law and of the relevant exemption provisions of that law, where applicable. The bill also introduces improved integrity measures. The new rules allow for the cross-border collection of tax debts and updated rules for the exchange of information on tax matters.

To conclude on this most interesting and vital of bills—to ensure that between our two nations the proper tax arrangements, liabilities and due responsibilities of residents of both countries are met—the bill will align tax agreements with modern business practices, the respective tax systems and modern tax treaty practice; all of which are good things. Modernising the tax treaty with Finland should help increase trade and investment between Australia and Finland and provide for greater cooperation between tax authorities to prevent fiscal evasion and tax avoidance. As such, Labor lends its support to this bill and will allow its passage.

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (10.24 am)—I start by thanking those members who have taken part in the debate. The people from the electorate of Oxley will look back on the speech by their representative in this place and have a quiet chuckle to themselves, as, no doubt, will I. The first five minutes of filibustering always demonstrate to this place the people who do not have the capacity to speak for the time allotted to them.

The DEPUTY SPEAKER (Hon. IR Causley)—Minister, I would like you to come to the bill as well.

Mr DUTTON—That being said, in its review of international tax arrangements this government undertook to implement a package of reforms that will improve the competitiveness of Australian companies with offshore operations and maintain Australia's status as an attractive place for business and investment. This bill will give the force of law to the renegotiated tax treaty with Finland. Once again this demonstrates the government's commitment to these outcomes by progressively modernising Australia's tax treaties. This bill will insert the text of the agreement between Australia and Finland into the International Tax Agreements Act 1953. The agreement between Australia and Finland was signed on 20 November 2006 and will replace the existing tax treaty with Finland. Details of the new treaty were announced and copies were made publicly available following signature. The agreement will assist trade and investment flows between Australia and Finland, strengthening our economic relations with Finland. It will provide a positive economic environment for Australia and contribute to a larger and faster-growing Australian economy.

The agreement will broadly update the taxation arrangements between Australia and Finland. It will substantially reduce withholding taxes on certain dividend, interest and royalty payments in line with those provided in our tax treaty arrangements with the United Kingdom and the United States, and more recently with France and Norway. This will provide long-term benefits for business, reducing the cost for Australian based business to obtain intellectual property, equity and finance for expansion. The new agreement achieves a balance of outcomes that will provide Australia with a competitive tax framework for international trade and investment, while ensuring the Australian revenue base is sustainable and suitably protected.

The agreement includes rules to prevent tax discrimination against nationals and Australian businesses operating in Finland and vice versa.

The agreement serves as another step in facilitating a competitive and modern tax treaty network for companies located in Australia. The agreement will also satisfy Australia's most favoured nation obligations under the existing treaty with Finland. The agreement will also facilitate improved integrity aspects of administering and collecting tax from those with tax obligations in either/or both countries. The agreement reflects the government's decision to incorporate enhanced information exchange provisions which meet modern OECD standards and to provide for reciprocal assistance in collection in future tax treaties where appropriate. The government believes that the conclusion of the agreement will strengthen the integrity of Australia's tax treaty network through bilateral cooperation between countries to help ensure taxpayers pay their fair share of tax. The agreement will enter into force after the completion of the necessary processes in both countries and will have effect in accordance with its terms. I note that the agreement has been considered by the Joint Standing Committee on Treaties, which has recommended that binding treaty action be taken. The enactment of this bill, and the satisfaction of the other procedures relating to proposed treaty actions, will complete the processes followed in Australia to bring the treaty into force. On that basis, I commend this bill to the House.

Question agreed to.

Bill read a second time.

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

BUILDING AND CONSTRUCTION INDUSTRY IMPROVEMENT AMENDMENT (OHS) BILL 2007

Second Reading

Debate resumed from 15 August, on motion by **Dr Stone**:

That this bill be now read a second time.

Mr McARTHUR (Corangamite) (10.29 am)—I am pleased to rise to speak in favour of the Building and Construction Industry Improvement Amendment (OHS) Bill 2007. This bill represents the Howard government's commitment to take positive action to return the rule of law to construction sites and bring about improved safety in the workplace for the protection of all employees working in the building and construction industry. Occupational health and safety on our building sites is a major issue and the Commonwealth has a responsibility to play its part in driving change to make the industry safer.

The minister's second reading speech refers to the findings of the Cole royal commission into the building and construction industry with regard to accidents and injuries. Commissioner Cole found this industry to be one of the most dangerous, with more than 12,500 compensated injuries in the year 2002-03, or 34 injuries per day. Almost one in five compensated workplace fatalities that year were in the construction and building industry, representing a total of 37 workplace deaths. Victorian WorkCover statistics show that during last year, 2006, there were 29 workplace deaths in Victoria of which five were in the construction industry. This was the equal highest number of industry fatalities.

I come from the farming industry. We have a bad history as well. I think we have about 12 deaths per year caused by tractors and other things—so the very sad fatality statistics of other industries do compare with that of the building industry. There is also a long way to go to make Australia's workplaces safer. That is why the government has introduced a bill to make amendments to the Building and Construction Industry Improvement Act 2005.

I note the opposition will be supporting the bill despite having opposed the initial introduction of the original act. With one breath the Labor Party say they support these amendments but with the next they complain about the original act—and they have a policy to abolish the Australian Building and Construction Commission, the ABCC, which has been a major force for improving conditions on Australian building sites, improving construction industry productivity, raising national living standards and keeping interest rates low.

A report has been produced by independent economic analysts Econtech on the ABCC. Econtech is a firm which is respected by the Labor Party and has been employed to do work for state Labor governments. The Econtech report has found that, as a result of the ABCC's activities since 2005, housing costs are three per cent less expensive than would have been the case without the ABCC. National growth is 1.5 per cent higher as a result of the ABCC performing its function than would otherwise have been the case. This is because the ABCC has implemented the law with the result that productivity in the construction industry has increased. With higher growth, living standards have also increased. The other important finding is that inflation is 1.2 per cent lower than it would otherwise have been due to the existence of the ABCC—and that means that interest rates are also lower.

The Labor Party want to abolish the ABCC and introduce other backwards-looking industrial relations reforms that would put Australia's current low inflation and low interest rate economic environment at risk. I challenge the Labor Party as to what their long-term position is. I note the member for Batman is here. He might be able to enlighten us as to what the Labor Party's long-term position on the ABCC is. Leighton Group chief executive Wal King, representing the Australian Constructors Association, said that we are experiencing a 'golden period' of record low disputation under the ABCC. He said:

> You can't dispute the fact that the construction industry today is more stable, more peaceful, more productive and more effective than five years ago.

He said that in the *Australian Financial Review* of 2 August 2007. Upon the release of the Econtech report, Wilhelm Harnisch, the CEO of Master Builders Australia, had this to say:

> ... the ABCC has had a positive impact in boosting Australia's economic growth, has reduced the cost of living and has led to a significant fall in construction costs both for commercial and residential building.

That is in a media release of 25 July 2007. The ABCC has been overwhelmingly positive for the whole of Australia. The Labor Party pays lip-service to economic management and to health and safety in the workplace but will do the bidding of its union masters by promising to abolish the commission that is helping to restore law and order to our construction sites. Again I ask the member for Batman what he is going to do. Is his party going to leave the ABCC for another five or 10 years? Is it going to abolish it? It will be interesting when the member for Batman makes his contribution.

This bill improves the safety of construction and building worksites across Australia by making all sites involved in Commonwealth projects comply with Australian laws. This is a quite commendable objective. These measures will achieve this by using the considerable

financial influence of the Commonwealth government to ensure construction projects that the government is funding comply with the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme. Importantly, the scheme requirements are extended to building work 'indirectly funded' by the Commonwealth. The bill requires head contractors who are contracted to undertake building work for the Commonwealth, or for Commonwealth funded projects, to be accredited persons who maintain effective occupational health and safety management policies and systems. The bill is quite specific. Clause 35(4) of the bill prohibits the Commonwealth, including Commonwealth authorities, from funding construction work unless contracts are with builders who are accredited. I think the member for Batman and I well recall the argument over the construction of the Melbourne Cricket Ground.

The bill also makes sure that the intention of the government's reforms is observed over the life of the construction project by requiring accredited builders to remain accredited for the duration of the Commonwealth funded project. Therefore, builders cannot become accredited to obtain a government contract or accreditation will lapse.

These reforms are important because they are about ensuring the Commonwealth drives a cultural change in the building and construction industry to embrace safe work practices. I emphasise that it is a cultural change. The government wants builders to understand that if they want to work with the Commonwealth, they will need to adopt safer occupational health and safety practices.

Australia's builders, head contactors and their employees should not view these reforms as an imposition. It should be automatically accepted as part of the work environment that building workers, employees, contractors, apprentices, engineers, architects, plumbers, electricians and everyone else with a role on the building site expect a safe working environment within the practicalities of the industry and also expect safe working practices. There is no room for bullying or unsafe practices on a construction site and the high-fatality statistics in the industry are chilling proof of this.

The Labor Party should be enthusiastically supportive not only of this amendment but also of the original act. The unions should also be supportive, but instead we have seen nothing but constant attacks on these measures and threats to do away with the Australian Building and Construction Commission. I look forward to the member for Batman advising us exactly what the Labor Party's attitude is because, at the moment, their attitude is unclear. The hypocrisy of the Labor Party on this issue is astounding. I note with interest the member for Gorton's second reading contribution when he said:

> Labor has opposed the Howard government's approach to the regulation of industrial relations and health and safety in the building and construction sector because it provides a separate set of laws for the industry and has created in excess of 200 pages of new legislation.

The Labor Party oppose additional regulation of the building and construction industry which is designed to help save lives and protect workers from injury, but, in contrast, they support a more heavily regulated system for determining wages and conditions. So Labor's policy, as expounded by the member for Gorton, is more regulation of wages and conditions and less effort on OH&S.

The Australian people will remember that the Howard government established the Cole commission of inquiry to investigate the building and construction industry and, as I noted

earlier, found the sector to be one of the most dangerous with a high rate of fatalities and injuries. For these reasons, it might be argued that a separate set of rules might need to apply to ensure a more safety conscious culture is allowed to develop. The Cole commission report identified some specific incidences where senior building industry officials failed to consider appropriate OH&S conditions on building sites in Victoria and in other states. If I can take just a few moments to mention a few cases from my home state of Victoria. On 18 April 2002, a CFMEU shop steward breached Victorian OH&S legislation by:

> ... placing himself between the concrete truck and the pump, thereby creating a dangerous situation in which he might have been injured and preventing work continuing normally whilst negotiations were undertaken to resolve the dispute ...

The dispute was between the union and Grocon. That is from the Cole commission report—volume 12, page 153. There we have an interesting use of the OH&S conditions to negotiate industrial mayhem. Further, a CMFEU organiser engaged in unlawful conduct on 15 August 2002, coordinating CFMEU members from another site to trespass on Grocon's Queen Victoria Hospital worksite, putting safety at risk during a concrete pour. Victoria Police, who attended the incident, were not asked to remove the men out of fear of provoking a violent incident. Again, that is from the Cole commission report. Also, the commission found that Mr Chris Kessaris threatened to assault and later threatened to kill Mr Derek Fries in September and October of 1998. Again, that is from the Cole commission report.

Another case will illustrate the disregard displayed at times by the unions for the health and safety of others. On 16 February 2000, the CFMEU construction branch secretary, Martin Kingham, and assistant secretary, William Oliver, were involved in a raid on the offices of the Master Builders Association of Victoria. The Cole commission reported that Kingham, Oliver and others 'forcibly attempted to break through locked, one-inch-thick security glass doors at the MBAV offices. The unionists violently pushed against the doors, forcing them to bow inwards'. That quote is, again, from the Cole commission. MBAV staff negotiated to allow five union representatives to enter out of fear that the doors would be broken down, but when the door was unlocked an estimated 200 workers stormed into the premises. MBAV staff members were 'pushed aside' and were 'verbally abused and threatened'. Some of the intruders were heard to say to these MBAV staff, 'We'll fix you up one day.' That is a clear indication of the difficulties on building sites that have been endemic in Victoria over the last 30 to 40 years. Commissioner Cole concluded that this case study demonstrated:

> (a) the willingness of union officials and members in Victoria to engage in violent demonstrations in order to pursue industrial objectives;
>
> (b) the tendency of union officials in Victoria to encourage unlawful industrial action by misleading the members ... and
>
> (c) the willingness of union officials and members to disregard the rights of others.

So in this case the union leadership were responsible for violent activity, damage to private property, physical violence against MBAV staff who were completely unrelated to worksite activities, threats and a complete disregard for the personal safety of employees working for another organisation. This clearly demonstrates the need to change the culture within the building industry to better respect OH&S, and that is why the government have introduced the ABCC and why we have brought forward this measure to extend the Commonwealth's influence to all building projects in which we are involved. In this regard the Howard government

are recommitting to the safety of workers in the construction industry and we are committing to implementing the recommendations of the Cole commission. Commissioner Cole said that all participants in the sector must contribute to furthering an attitudinal change in the industry to safety and to create an attitude where:

... projects are completed safely, on time and within budget rather than just on time and within budget.

So the key element emphasised is the safety component of these projects, particularly in Victoria. The Howard government accept responsibility in this regard. Government have a responsibility, contractors have a responsibility and employees have a responsibility when it comes to safety, and so too do the unions. It is disappointing that the opposition opposed the original act and that Labor are threatening to abolish the Australian Building and Construction Commission, the industry policeman, if they are elected to office. Again I raise that with the member for Batman: what is the true position of the opposition? Are they going to abolish the ABCC, or give it an extended life?

Safety and law and order on our construction sites are big issues within my electorate of Corangamite, and in Geelong and the surf coast. There are a number of construction projects planned for the region, reflecting the economic growth and prosperity which have been fostered due to the strong economic management of the government. Unfortunately, Geelong is a widely renowned black spot when it comes to union activity, particularly in the construction industry. Unions are very active in the Geelong region and are very active in opposing the member for Corangamite.

Last year the ABCC hosted a series of free information seminars across Australia in order to educate contractors and workers about the national code of practice for the construction industry. These meetings were held at 11 locations across Australia, including in industrial towns like Geelong and Newcastle. The Geelong forum had to be abandoned because approximately 100 CFMEU protesters barged into the forum and disrupted it, yelled abuse and intimidated those in attendance. They destroyed information kits and plastered union stickers on the wall of the hotel venue. Out of all the places the ABCC visited, Geelong was the only site where the unions refused to allow contractors and workers to learn about the new code of practice and where they forced the forum to be abandoned—and those who wanted to attend had to travel to a session in Melbourne.

The CFMEU and ACTU through their actions and deeds are opposed to cultural change in the construction industry. The union leaders want to go back to the days of lawlessness and risk that existed prior to the Cole commission, the Building and Construction Industry Improvement Act and the establishment of the ABCC. The Labor Party have capitulated to their union masters by promising to abolish the ABCC. Never has there been an opposition party or an opposition leader as indebted to the sectoral interests of the union movement as the current Labor Party and Kevin Rudd. The unions have been promised everything they wanted from the ALP. AWAs will be abolished lock, stock and barrel. The building industry policeman, the ABCC, will be abolished. Total control will be handed back to the unions to interfere in workplaces in a way we have not seen since before Keating.

The unions are looking forward to Labor's election, and they are doing all in their power to ensure that Labor gets elected. The ACTU has placed field officers in marginal seats to door-knock residents, mislead people about workplace laws and infiltrate the churches, Meals on

Wheels and other community groups in order to get Labor candidates elected. The ACTU has spent tens of millions of dollars on misleading TV ads on industrial relations laws.

Mr Barresi—Remember South Australia?

Mr McARTHUR—My colleague is very aware of that too. He has been subjected to this. To ensure an elected Kevin Rudd government does what the union tells it, they have replaced current ALP MPs with union bosses, without a preselection, such as Greg Combet in the electorate of Charlton and ACTU Assistant Secretary Richard Marles, who has moved from Melbourne to Geelong to overthrow Gavan O'Connor in Corio, because Gavan O'Connor is an independent, and the hard right wing have stacked the branches in Corio. So now we have Richard Marles in Geelong. We will just see how he gets on, whether he gets up in Corio. I am not sure whether the member for Batman will be down there giving him a hand—he might; we don't know.

AWU boss, Bill Shorten, has been imposed on Maribyrnong. There was no preselection there; he just moved in and took it over. Dougie Cameron is going into the Senate. He is certainly a free trader if ever I met one. Even in my electorate of Corangamite, the faceless union bosses on the ALP selection panel ratted on Councillor Peter McMullan, my opponent, and preselected an out-of-towner, a Ballarat based union organiser who is not even committed to the region. He is coming down to have a go at Corangamite. He does not live in the area. He has his union mates tracking around Corangamite trying to win the vote, and we will see how he gets on.

If he is elected to office, Kevin Rudd will be forced to keep his promise to hand over power to the union movement because the unions will hold most of the seats in the Labor caucus. The unions are desperate to get their patsy, Kevin Rudd, elected, and they are happy to tell the people.

We know Dean Mighell, the Electrical Trades Union guy—he is a good sort of fellow. He said it was 'going to be fun' coercing employers under Labor's industrial relations policies. Finally, of course, the Western Australian CFMEU boss, Kevin Reynolds, told the *Australian* in May 2007:

> We're going to put our shoulder to the wheel to assist the campaign to unseat the Howard Government and then we're going to have the biggest celebration that we can have on the night he was defeated ...

He is very keen to get into the Labor Party. We know what his position is. Kevin Reynolds's mate and deputy Western Australian CFMEU leader, Joe McDonald, has explained why the militant unions will be happy to see Labor elected, because Labor will abolish the ABCC for them. He said:

> I live for the day when [the ABCC staff] are all working at Hungry Jack's, Fast Eddy's or Kentucky Fried Chicken. That is what's waiting for them. They're all ex-policemen and they can go and do whatever ex-coppers do. I'd suggest that John Lloyd and his mates will be unemployed before I will be.

That was sourced from the *Australian* on 26 May 2007. That is what the real attitude of the Labor Party is to the ABCC.

Strikes in Australia are at their lowest level since 1913 as a result of the Howard government's industrial relations reforms and the introduction of the ABCC. Illegal and unsafe practices on our building sites have been challenged, and the unions do not like it, as we see in Victoria. The CFMEU are so committed to the election that they have handed over $6.3 mil-

lion of their members' subscriptions to the ALP over the life of the Howard government, including $1 million paid by the Victorian CFMEU. The opposition leader pulled a media stunt to expel Dean Mighell from the ALP but has been weak in not forcing Joe McDonald out for his outrageous behaviour in Western Australia.

I support the thrust of the bill. I support the thrust of my comments. I look forward to the member for Batman's response. I put on the record what the ALP, if they were ever elected to government, would do with the building commission. It is their intent to restore union power on building sites. We know that the building sites are now safer and more productive. We know that in Victoria they are now working well. *(Time expired)*

The DEPUTY SPEAKER (Hon. BK Bishop)—The question is that this bill be now read a second time. I remind members in the chamber that, in accordance with standing orders, rather than interjecting they are entitled to properly ask questions of members while they are speaking.

Mr MARTIN FERGUSON (Batman) (10.49 am)—I welcome the opportunity to address the Committee today on the Building and Construction Industry Improvement Amendment (OHS) Bill 2007. In doing so, I also propose to make a few historical comments about the nature of the building and construction industry, about where we might have been 40 or 50 years ago, as referred to by the member for Corangamite, and about where we are today.

Can I say at the outset that the opposition will support this bill because it seeks to address deficiencies in the drafting of the original bill debated in 2005 and in doing so will make some improvement to occupational health and safety arrangements in the building and construction industry. I totally support that particular objective. But, having said that, I am also going to use this debate to raise some other matters that are not included in the bill and the motivation of the government when it comes to industrial relations, including occupational health and safety provisions.

Firstly, I am totally opposed to any suggestion that occupational health and safety provisions should be linked to broader industrial relations objectives by any party to the industrial relations process. The motivation of the labour movement has historically been and should continue to be genuine improvements in the prevention of workplace injury and illness before all other objectives. People should understand that, when surveys have historically been conducted of workers and their families about the key issues with respect to going to and from work, the No. 1 priority has not been the rate of pay and the conditions of employment. The No. 1 priority amongst ordinary working people has been health and safety at work. All workers want to do is go to work in the morning in the knowledge that they will work in a safe environment and will be able to return home that evening, without fear of being maimed and critically injured at work or—as in many instances, unfortunately, historically in the building and construction industry—killed on the job. So let us be clear at the outset: no-one is suggesting that health and safety be used as a bargaining tool in industrial relations, which is what the Howard government would like the Australian community to think.

We should also have a sharper focus to achieve stronger responsibilities and arrangements for rehabilitation and compensation for work related injury and disease. People should not forget that historically it was building workers who were exposed firsthand, more often than any other workers in the Australian community, to the problems of asbestosis. Only after decades of neglect did we finally start to front up to our responsibilities for what ordinary build-

ing workers and their families confronted on a day-to-day basis. For the Howard government to come here and suggest that any section of the Australian community would seek to use health and safety for industrial processes is just simply ignorance and a misunderstanding of the best intentions of all Australian workers and their families.

Having said that, it is about time people also understood that the process of industrial relations in the building and construction industry has been an evolutionary process. I agree with one thing the member for Corangamite said: yes, the building and construction industry has been a battleground for decades—for 50, 60 or 70 years—and why shouldn't it have been? Let us deal with a few of the issues that building and construction industry workers and their families have had to confront over the history of building and construction in Australia. I might also say that on all international indicators the building and construction industry in Australia has one of the most productive workforces in the world. That is only because over the last 50 to 60 years we resolved some of the fundamental problems that confronted building and construction workers and their families historically. I know that firsthand because of my father. He might have ended up a politician but he actually started out as a bricklayer, having left school at 13.

I will go through some of the things that building and construction workers did not have when I was a child. These led to a campaign over decades to decasualise the building and construction industry, to give building workers and their families the entitlements of every other worker in Australia. Why wouldn't building and construction workers have, for example, struggled to achieve 'wet money' when it rained rather than being stood down without any compensation? It was pretty tough when it rained over extended periods and building workers, without any social security backup, went home, having had to attend at work each day to be told, 'There's no work today because it's raining.' That made it pretty tough for building workers and their families.

Then there is the question of sick pay. They are regarded as casual workers. Injured workers get very little compensation for sick pay, let alone make-up pay in the case of a very serious long-term injury caused by an accident. Then there is the question of job and finish. Historically, yes, in some instances they did extend the lives of jobs because when a job was coming to completion they had to try and look at where the next start was. They wanted some continuity of income so as to maintain their capacity to put food on the tables for their families and to educate them.

Members on the other side want to belittle the historical achievements of the Australian trade union movement and the building and construction industry. All I can say is that I am exceptionally proud of the fact that historically they have decasualised the building and construction industry and given building and construction industry workers the same rights that every other worker in Australia had.

Then we go to the issue of holiday pay. There was no holiday pay. If you were not at work, there was no pay. There was no long service leave because you went from one employer to another chasing jobs from month to month and from week to week. We had to achieve a portable long service leave scheme by which, throughout their working lives, they were able to accumulate an entitlement to annual leave and long service leave. We also had to achieve 26 weeks make-up pay in the case of a serious accident on the job.

The crowning achievement over the last 15 to 20 years has been superannuation. Superannuation was the privileged right of only a minority of the Australian community. On 1 July this year we achieved the 15th anniversary of the superannuation guarantee legislation, and the building industry was at the forefront of the campaign to make superannuation a universal right in Australia.

More importantly, not only is superannuation today a universal right of all Australian workers; it has also proven to be the most important savings vehicle ever put in place by any government of any political persuasion. The savings in those industry superannuation funds now represent $1 trillion over a period of 15 years. They are going to grow exponentially because of the capacity of well-managed industry funds to make wise investment decisions, not just to the benefit of their own members but to the benefit of the Australian community. Who do you think owns the privatised airports in Australia at the moment? Who do you think is investing in the BOOT schemes and the public-private partnerships with the New South Wales government to create new school infrastructure? Who do you think is investing in the toll roads that are resolving the problems of urban congestion in Australia? It is the industry superannuation schemes put in place as a result of the leadership of the building industry unions and the ACTU.

I simply want to say on the industrial relations front that it has been a long process of change, but the starting point for changing the culture in the building and construction industry would be giving building workers the entitlements of all other workers in the Australian community. The process of cultural change did not start under the Howard government. It actually started in 1993 under the Hawke and Keating Labor governments. They are the ones who actually put in place a process of workplace reform. Here is one of the booklets issued by the Australian government—a very young Minister for Industrial Relations, Laurie Brereton, appears in that booklet.

It was a program supported by employers. I refer, for example, to an employer of not insignificant standing in the Australian community, currently the Chairman of Queensland Rail. I quote what he said in that book—and I can understand why the member for Corangamite wants to pack up his books and run away now: because he does not like a few facts and a bit of an historical perspective. If he would just listen to what John Prescott said, because all the Howard government has done is build on the reforms that were started under Labor in government—reforms that meant, for example, that the Holmes a Court empire of John Holland was saved when Mr Holmes a Court unfortunately died all of a sudden.

Who put in place the program that built Toyota's new project at Altona on time and on budget? Who built the second runway at Sydney airport ahead of time? Who built the new ABC headquarters in Melbourne ahead of time and ahead of budget? It was a program of industrial reform, put in place under the umbrella of the Hawke and Keating Labor governments, and improvements in productivity that have continued to go from strength to strength over the last 15 to 20 years, because that is what everyone in the building and construction industry wanted.

That is why John Prescott said in this 1993 booklet *Creating Productive Partnerships* that the key to workplace reform in Australia was not legislation but a cultural change in the workplace. This is what John Prescott said:

I am convinced that effective enterprise agreements will arise from a process of evolution rather than one step of dramatic change.

How right he was. He then went on to state:

We need to be realistic and recognise that achieving fundamental change in people's attitudes to work, productivity, workplace relationships and so on is a painstaking process.

It is about taking the building industry workforce with you; it is about taking the whole Australian community with you. Belting people up and sending them to jail does not change the culture. That is why the focus of this strategy was about enterprise agreements. It was about a step-by-step approach to actually reduce accidents on the job. Change was vital to the future, as was increasing the size of the skilled workforce—I wish this government had actually focused on that challenge and the unnecessary decline in traditional apprenticeship training in Australia. It was about best practice. It was about flexibility with respect to shiftwork. It was about how much overtime is appropriate. They were all issues that had to be confronted workplace by workplace. The building and construction industry is no longer about industry agreements; it is about project based enterprise agreements producing the results and the productivity.

I raise these issues today because what I believed then is what I believe today. If Labor wins the election, there is no return to centralised wage fixing in Australia. The only central component that would exist is what any decent employer in Australia currently accepts and accepts publicly. We require an industrial relations system which guarantees the weakest in the Australian community a fair set of wages and conditions—a core set of minimum conditions—side by side with a capacity to regularly review the minimum wages paid to those workers, predominantly women employed in industries such as child care, hospitality, cleaning and security. That is the nature of the system. That is because companies have to understand that they will not survive unless they are efficient, flexible and have a high-quality approach to guarantee their capacity to compete in the future.

As I have said, the days of the Australian Industrial Relations Commission setting wages and conditions centrally for all Australian workers are long gone. Labor put that in place. Enterprise bargaining has and will continue to deliver significant productivity gains in the construction industry. There should, appropriately, be minimum wages and conditions for the less well-off in the Australian community, who are predominantly women, and there is a role, as is currently the case, for a central agency to review and set those wages and conditions. Unions should continue to be involved where appropriate in enterprise bargaining—not just about wages and conditions but also about their enterprise being competitive and productive so as to guarantee the future of their employer in what is a very tough domestic and global market.

The issue of health and safety is only one of the issues. There is a multitude of issues that have to be confronted on an enterprise-bargaining front in the building and construction industry. Dare I suggest: the biggest barrier to an efficient building and construction industry in Australia at the moment is not industrial relations; it is actually a shortage of skilled workers. You can go to every city and regional community in Australia at the moment and you can find billions of dollars ready to be invested, but we cannot get the construction crews in place to actually undertake that investment. That is what is holding back Australia at the moment: lack of a skilled workforce because we failed to invest in our future with respect to the traditional trades. For example, in Western Australia at the moment construction costs are going up by

about 1.7 per cent to two per cent per month—not because of industrial relations but because of a shortage of skilled labour in Australia.

So, yes, the industrial relations debate is important, but productivity in Australia is far bigger than industrial relations. It is about a range of issues, including how you deliver projects, the nature of the tendering process—whether, for example, you bundle on the Pacific Highway in three or four projects over a distance of 100 kilometres so that you have continuity of delivery and you maintain the same construction crews. It is all there to be done, but it requires a bit of government leadership in Australia.

Where are the Howard government on those practical fundamental issues? Missing in action. All we get is rhetoric about their hatred of the union movement, which has a proper place in the Australian community—the same place everyone else is entitled to in the Australian community, provided you know how to conduct yourself in a fit and proper way. That is what a mature Australian community expects. That is why, in the context of this bill, we say up front that we support improvements in the health and safety regime but also that health and safety should never be used for industrial purposes.

Productivity in the construction industry has come a long way over the last 20 to 30 years, but we can also make further progress if we confront some of the fundamental problems that are a real barrier to investment in building and construction in Australia at the moment—the types of issues that were actually delivered on by Labor in government in its process of construction industry reform *Creating productive partnerships*. It was that report that set the foundation for the productivity growth of the last 15 to 20 years in the building and construction and civil-engineering industries in Australia. To my way of thinking, this government has squandered the opportunities created by that foundation, and productivity has stalled. The building and construction industry knows it and so does the civil-engineering sector in Australia. Productivity in Australia has stalled since 2005. That is the truth of the matter.

I want to raise these issues because I know my responsibilities as a former President of the ACTU and because I am sick of the tired old rhetoric from the Howard government that every problem in Australia is down to union militancy. The building and construction industry shows that you can make progress if you are prepared to invest in doing the right thing. The projects speak for themselves. All the big projects underway in Australia at the moment have union input into them. They have adopted the culture of enterprise bargaining we put in place. Enterprise bargaining is about safety at work. It is about flexibility at work. It is about improving apprenticeship training at work. It is about how you go out of your way to guarantee a competitive place for the employer that you have the right to go to work for and produce a fair day's pay for a fair day's work.

In conclusion, the federal Labor Party has in the past been, and continues to be, absolutely committed to a workplace culture that promotes productivity and competitiveness. In recent times Wal King, as the Chief Executive of Leighton Holdings, has had something to say about industrial relations. All I can say is that he wants to have a look in the mirror with respect to the performance of some of his managers over the years and how they have conducted themselves. Promoting a culture that is focused on long-term improvement in the quality of performance is far more important and enduring than simply appointing a policeman in the form of the Australian building and construction industry commission. I only wish it was so easy. You do not change the culture by having a policeperson standing at the gate each morning.

You change the culture by a proper engagement at a workplace level, with people wanting to work together for the right reasons—to guarantee their future and their continuity of employment and a capacity of their employer to get further contracts in the future.

The opposition, I simply say, will support this bill. But I also state very clearly that it falls a long way short of addressing the reform that is necessary in the building and construction industry to put in place the next round of productivity growth that is needed to maintain a vibrant building and construction sector in Australia in order to guarantee the position of the Australian economy for the future. That is the challenge. The next wave of productivity growth in Australia is the only thing that will be the key to Australia's future—not an industrial police officer but continuing to change the process of workplace reform in Australia by practical engagement, putting in the hard yards to take the community with you. I commend the bill to the House, but I say to the Australian community: confront the real issues, not the side issues based on ideology and hatred. *(Time expired)*

Ms GRIERSON (Newcastle) (11.09 am)—I rise also to speak on the Building and Construction Industry Improvement Amendment (OHS) Bill 2007 and to give it my qualified support. I say 'qualified' because, while any measures to improve occupational health and safety law are welcome, it has to be noted that the improvements in this bill are improvements to what is already a very unsatisfactory set of regulations. I will come back to those regulations later.

Firstly, though, why is it so important to improve occupational health and safety in this important industry? In my city, Newcastle, and my region, the Hunter, we do some of the heaviest lifting in the Australian economy. We are a centre for mining and energy production, manufacturing and engineering, and transport and shipping. That is the hard, often dirty, and dangerous work that the people of our region have been doing for generations. It has been a testament to the role that the advocates of working people, in particular the union movement, have played that conditions of work and safety standards have been steadily built and improved over time. In the newer and growing areas of our economy, in our services industries, tourism, viticulture and health and education sectors, to name just a few, occupational health and safety standards are just as important. These working environments pose their own safety hazards, and we do need to be aware of those in a changing workforce. However, this bill relates to the occupational health and safety in the building and construction industry.

It is my sad duty to bring to the attention of the House a work site fatality in my region this year. Mr Robert Watson, a Central Coast man well known and liked around the industry in the region, was killed at a Wyong work site in March. It was a tragic accident, and I would like to take this opportunity to put on the public record once more my sympathies, and I am sure the sympathies of the whole region, to the family of Mr Watson. It was a tragic event to have a husband and father taken away from a family like this. Mr Watson leaves behind a grieving widow, Kathy, eight children and 10 grandchildren. He was working on the Kooindah Waters Residential Golf Estate construction site at Wyong on 29 March when a wall collapsed on him. Tragically, his co-workers—including, I understand, his son-in-law—were unable to save him. At the time, questions were raised about safety standards at the site, including that the newly constructed wall had not been adequately braced. That occurred before the accident. Those questions were raised. They are being investigated, of course, by WorkCover.

There are about 50 deaths at work on building sites each year in this country—almost one a week. That is 50 too many. I would like to read to the House the statement made by Mrs Kathy Watson following the death of her husband. She said:

I would like to express my concern and grief at the unnecessary loss of my husband Robert. I am now a widow and my eight children no longer have a father.

I want to speak out to express my concern at the deterioration in safety standards on building sites.

Too many workers are being killed or seriously injured and the new Federal Workplace laws undermine workers rights to work in a safe environment, and workers are too scared to speak up about safety matters because they fear losing their jobs if they do.

The tragic death of my husband should have been avoidable, and if we just sit back and accept this deterioration of safety standards and workers rights and we allow this unrelenting push for profit at all costs - even over the safety of workers - I fear that the number of widows of building workers and fatherless children will increase.

I would like to appeal to all workers on building sites to refuse to be pushed into unsafe situations like my husband, think about their families and don't be quiet, stand up against the system that is letting them down and demand better safety and fight for workers rights.

I think most of us, particularly the opposition, would fully endorse those words. The whole community—employers, workers, unions and government regulators—all have a role to play in ensuring workplace safety. Unfortunately, I do not think the government has got it right with many aspects of this regulation, including the Australian Building and Construction Commission, but I will come back to that.

I would first like to put some further information before the House about the circumstances of Mr Watson's death, which sadly highlights the real pressures being placed on workers and their families at the moment. Less than a week after Mr Watson's death, it emerged that his family's life insurance payment was in jeopardy because his employer had not been up to date with its superannuation contributions. I know you will be interested in this, Madam Deputy Chair. We raised this with the Commissioner of Taxation. The anguish that this must have caused an already grief-stricken family is almost too much to imagine. It meant that Mr Watson's widow and his eight children were left in severe financial distress—indeed, it was left to the Construction, Forestry, Mining and Energy Union, the CFMEU, to their credit, to assist in organising money for the funeral and other expenses. The union also offered and is still providing ongoing support and counselling services to the family.

I understand that the union also helped to negotiate ex gratia payments from the contractor and the subcontractor, and that was the right thing to do. However, it should never have come to this. No worker should have to worry whether his superannuation guarantee is being paid. No grieving family should find out under these circumstances that the employer had not been meeting its obligations to its workers. It shows that while the government's approach is to come down hard on union activity and workers' rights in the construction industry, it does not necessarily come down hard on employers that do not meet their obligations to their workers.

The ACTU briefed some of us last night and gave us some very interesting figures on Comcare and the number of actual visits, the number of actual prosecutions and the number of actual outcomes being pursued, and they fell far below any state's statistics. I raised the issue of superannuation with the Commissioner of Taxation in a hearing of the Joint Committee of Public Accounts and Audit in April. The commissioner reported that each year 11,000 com-

plaints are being made about the superannuation guarantee not being paid. That is a significant drain on families. As the commissioner pointed out, these are only the complaints received from employees. Many employees, such as in the tragic case of the Watson family, would not know that their superannuation guarantee is not even being met by their employer. This is a significant issue when it comes to the obligations that employers have to their workers.

We also know that, under the non-union agreement in place at that site, workers got no holiday pay, no rostered days off, no public holidays and no overtime. They were being paid an all-in rate that cashed out all award entitlements, including ordinary time and penalty rates, special rates, allowances and entitlements to paid leave. Good working conditions and workplace safety are clearly linked. Workers need a day off from time to time. They need reasonable hours and they need rest breaks. We cannot expect safety on building and construction sites if we have in place a culture where people are being worked to the bone. We cannot expect to take the Howard government seriously when it imposes crackdowns on unions and workers but does not ensure employers are meeting their obligations—not only in the area of safety but also in other areas.

For example, in March this year a 15-metre section of wall from an apartment building construction site in Newcastle collapsed onto a church building next door. Thankfully, in this case no-one was injured. I raise this incident in particular because, as I mentioned, it is not just in the area of safety that some employers are not meeting their obligations. The development in question in this incident is being carried out by a company called the Hightrade Construction group, the parent company behind several companies which collapsed last year with collective debts of more than $80 million. My colleague the member for Hunter has raised concerns about this industry collapse in this place previously—as we both have about the collapse of another building group in our region, Bay Building. This is not the time to go into the details about those financial collapses, apart from making the important point that it is often the workers and contractors who lose out because the company has gone into liquidation and there has been nothing put aside to cover the outstanding entitlements of these workers.

All of the points I have made lead us to the nub of the issue when it comes to workplace laws under the Howard government. The workers' needs obviously come last. Whether it be in terms of pay and conditions, bargaining power, unfair dismissal protection or, as in the case we are discussing, occupational health and safety, the workers' needs always come last.

Let us look more closely at this bill and at this government's approach to safety in the building and construction industry. The Building and Construction Industry Improvement Act establishes the powers and functions of the Federal Safety Commissioner and establishes the occupational health and safety accreditation scheme covering this particular industry. The bill before us amends the legislation to cover situations where building work is indirectly funded by the Commonwealth or its authorities. It seeks to ensure that people who accredited under the scheme at the time of entering into a contract are also accredited while the building work is being carried out. It makes other amendments, including extending the accreditation to other funding arrangements, streamlining the appointment process for federal safety officers and allowing people working in the Office of the Federal Safety Commissioner to disclose information on the scheme to the minister.

These seem fairly innocuous amendments—and they are, as far as the current scheme goes. But we have learnt to be suspicious of any bill proposed by this government to regulate the building and construction industry. One immediately casts one's mind back to where the scheme began, the 2003 report of the commission of inquiry into the building and construction industry—a commission of inquiry that cost the taxpayer $60 million with very little to show for it.

One of things, though, that we do have to show for it is the original legislation that the bill before us is amending. That was the legislation that established the Australian Building and Construction Commission. Labor opposed that legislation, and it continues to oppose the Howard government's overall approach to the regulation of industrial relations and health and safety in the building and construction sector. Labor does not believe that there should be an industry-specific approach to industrial relations, with different sets of laws for each industry. There is a vast amount of regulation in the building and construction industry, with the Howard government having created more than 200 pages of new legislation for this sector alone.

Labor have announced that we will replace the Australian Building and Construction Commission in 2010. Instead, we will have an industry-specific division in our proposed Fair Work Australia which will address health and safety issues across the board. What the Howard government is doing is coming back to the parliament to correct elements of its industrial relations platform—making bad alterations to bad policy. Why do we see the Howard government coming back on this legislation? Why do we see it seeking to change its extreme Work Choices laws, and not just by changing the name? Because on industrial relations the Howard government gets it wrong time after time. I was interested to hear the Prime Minister say in question time on 8 May, and I quote:

> I can inform the House that between now and the caretaker period, whenever that may begin ... there will be no bad policies from this government ...

Well, thank goodness; the days of bad policy from this government are apparently behind us. Unfortunately, for working Australians all the Howard government's bad policy in the industrial relations portfolio is already bad law. That is why it comes back and changes its building and construction bill; that is why it tweaks at the edges of Work Choices with a fake safety net and attempts to introduce fairness—because they are bad laws. And the community outrage about Work Choices has demonstrated that. Working Australians continue to shy away from these changes. No matter what tinkering around the edges is done, come election day they will not forget. They do care about job security, dignity in the workplace and safety in the workplace for all Australians.

The problem with this government is that its response to the fundamental unfairness of its workplace laws is not to fundamentally change those laws. Its response has been twofold, and it is very revealing of the psychology of this tired and arrogant government. The first response is secrecy. We have had an unprecedented attempt by the Howard government to cover up the details of the true impact of its Work Choices laws. When the statistics coming out of the Office of the Employment Advocate showed just how many rights and conditions were being stripped away by Australian workplace agreements, the government ordered it to stop issuing those figures and statistics. It shut down the flow of information to the public. Since then we have had to rely on leaks to get updates on AWAs. Unsurprisingly, those leaks show that the rights of workers continue to be stripped away every day.

How else do we get information from this government? We do try in estimates. For instance, we found out that since November last year the Office of Workplace Services and the Office of the Employment Advocate have refused to provide a single answer to questions on notice put to them in Senate estimates. Almost 300 questions have gone unanswered—an amazing level of secrecy when it comes to detailed questions about this government's policy in an area that is vital to all Australians: workplace relations. Perhaps those two agencies have been too busy implementing a government-ordered name change—part of the process of trying to make the words 'Work Choices' disappear—to get around to answering any questions. This leads me to the government's second response to community outrage about Work Choices. After covering up the substance, it is spending up big on the spin. When it comes to publicising the glossy, ad agency generated key lines, the government is certainly no shrinking violet. Its fake fairness test, you will remember, was being advertised in full-page ads in the daily newspapers and through $4.1 million a week in TV advertising space before the legislation was even passed. But no amount of advertising is going to address the basic unfairness of being forced to sign an AWA to get a job, or of not being able to reach a collective agreement when a majority of the workplace wants one. Because the Howard government does not believe in equality, with its individual contracts it is picking off workers one by one—each time diminishing the voice of the whole until it can no longer be heard.

If the government were really serious about restoring fairness in the workplace, it would take up the proposals Labor has adopted in the Forward with Fairness policy. I do not believe the government's approach to occupational health and safety in the building and construction industry is the right approach. I do not think it is going to avoid tragedies like the one that occurred for a Central Coast and Newcastle family. It is a political approach that, in combination with the National Code of Practice for the Construction Industry and the Work Choices legislation, is more focused on heavy-handed regulation than on actual safety outcomes. It also does nothing to address some of the wider issues in the construction industry which I have outlined, including the protection of workers' entitlements and the avoidance of employers' obligations. I commend to the House the approach that Labor is proposing in this area, which is to replace the Australian Building and Construction Commission in 2010 with a specialist division within the proposed Fair Work Australia.

I earlier mentioned the company Hightrade, a Chinese company that is operating in our city redeveloping a site called Latec House. It is particularly concerning to know that many of the workers on that site are Chinese workers brought in on 457 visas. The City itself has been quietly worried about their safety conditions. The union is not allowed on that site for inspection, and that company has unfortunately not established a good record in standards or in safety.

We will pass this legislation because we will not stand in the way if the government is trying to repair some of the damage its bad policies have already done, but it is disappointing that the legislation will not go far enough to address the real needs of occupational health and safety of people in a very high-risk industry. We will continue to advocate for Labor's alternative approach, an approach which places occupational health and safety in the building and construction industry within the context of a comprehensive plan to restore fairness and safety in all Australian workplaces.

Mr GAVAN O'CONNOR (Corio) (11.27 am)—The Building and Construction Industry Improvement Amendment (OHS) Bill 2007 contains important provisions relating to occupational health and safety issues in the building industry. It is on this basis that the bill will be supported by the opposition. The historical reasons for the formation of the Australian Labor Party relate simply to the quest by working people for better wages and conditions, and the issue of improving the occupational health and safety of workers is always foremost in the minds of Labor members when considering any legislation that comes before the parliament. We on this side of the House may have real issues with the operation of the government's Australian Building and Construction Commission; however, we will on this occasion support the attempts by the federal government to use its influence as a client and capital provider to improve the construction industry's occupational health and safety performance.

As all members of this House know, the building and construction industry is a dangerous one to work in. Introducing the bill, the Minister for Workforce Participation quoted statistics from the Royal Commission into the Building and Construction Industry which indicated that, in the year 2002-03, 37 compensated fatalities occurred in the building industry. That equated to some one-fifth of all compensated fatalities. There were 12,500 compensated injuries. That is at a rate of 34 per day, which is the third highest incidence overall. The latest statistics I have been able to access indicate that in 2003-04 there were 41 deaths and in 2004-05 there were 25 fatalities. This corresponds to a fatality incidence rate of 4.7 fatalities per 100,000 employees in 2004-05, which is almost twice the rate for Australia of 2.5 fatalities per 100,000 employees. There are various reasons given for that level of fatalities: long-term contact with chemicals or substances, which accounts for 28 per cent of fatalities; vehicle accidents, which account for 11 per cent of fatalities; and falls from a height, which account for 10 per cent of fatalities.

These statistics do not reveal the pain and trauma to building workers and their families as a result of accident and death in their industry. One death or one accident is one too many. The collective effort of all in this House, all employers and all workers ought to be directed at all times to reducing death and accidents in this industry to the lowest level that is humanly possible. Every building worker—indeed, every worker—who leaves home of a morning has the expectation of coming home at the end of the day to be with their family and friends. This expectation is shared by employers and workers in all industries, but all of us know that because of the nature of some work there are real dangers present in workplaces and accidents do occur. These accidents have to be minimised at all cost. Unfortunately, some employers do not reasonably apply the expectation they hold for themselves—that is, that they will come home safely to their family and friends of an evening—to the workers employed in their enterprises. For reasons of profit, they cut corners and compromise on safety, and the inevitable result is accidents and death.

The Howard government cannot have it both ways in this debate. It cannot on the one hand under its Work Choices legislation make a worker feel insecure in their employment if they report unsafe work practices and unsafe work sites and, in some cases, penalise them for doing so while on the other hand coming into this chamber mouthing a lot of platitudes about using the Commonwealth's influence to improve occupational health and safety performance. I would have thought the best place to tackle occupational health and safety issues would be in legislation that applies across the board and is not sector specific. The best way to ensure

vigilance on safety at the workplace level is not to penalise workers for raising occupational health and safety issues or when they take industrial action on those matters.

In the case of the building and construction industry, the government has created some 200 pages of new legislation and, through various legislative initiatives, has created an astonishing level of regulation and bureaucracy in this industry. Regulation to protect the safety of workers in their workplaces we on this side of the chamber will accept. Regulation to give effect to conservative, ideological and political prejudice we cannot and will not accept. While the government tinkers with these issues, it is failing to take substantive action on a number of significant other issues that relate to illicit practice and malpractice in this industry—phoenix companies, tax avoidance and the need to protect building workers' entitlements.

The purpose of the bill is to amend the Building and Construction Industry Improvement Act to change the process of appointing federal safety officers and to extend the application of the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme administered by the Office of the Federal Safety Commissioner to cover situations where building work is indirectly funded by the Commonwealth or a Commonwealth authority. The scheme was designed to allow the government to use its influence as a client and as the provider of capital to improve the construction industry's occupational health and safety performance. The bill also ensures that persons are accredited under the scheme at the time of entering into a contract for building work funded by the Commonwealth or a Commonwealth authority and that the Commonwealth or a Commonwealth authority takes appropriate steps to see that such a person is also accredited while the building work is being carried out. It extends the accreditation requirements to direct and indirect funding arrangements and preconstruction agreements as defined, widens the definition of 'builder', clarifies that section 35(4) of the act only overrides Commonwealth provisions to the extent of any inconsistency, and allows the Federal Safety Commissioner and persons working in the Office of the Federal Safety Commissioner to disclose protected information gathered on the scheme to the minister. As I stated previously, we on this side of the chamber will be supporting these measures in the bill.

On a more general note, let me restate that Labor will abolish all agencies used by the Howard government for its Work Choices laws. These agencies will be replaced by a single agency, Fair Work Australia. The Australian Building and Construction Commission will be abolished by 2010 and its functions and operations will be reoriented and relocated in a specific division within the Fair Work Australia inspectorate. We on this side of the House believe that this nation can enjoy economic prosperity and, at the same time, achieve the fundamental fairness that we all tout as being an important Australian value.

Put quite simply, our IR system will be fairer, simpler and more productive. These measures will apply to building workers as they apply to workers throughout industry. We will provide a decent safety net for all working Australians that includes regular hours of work, flexible work for parents, public holidays, overtime and penalty rates. We will balance the unfair dismissal laws to protect hardworking Australians from unfair dismissal and businesses from paying go-away money to unsuitable employees. We will institute a flexible system based on collective enterprise bargaining, modern simple awards and common law arrangements. We will not allow unfair take-it-or-leave-it AWAs which have been used to cut the take-home pay of working Australians on building sites and elsewhere in the economy.

We will establish a new independent umpire which is accessible to all Australians and has appropriate powers to resolve disputes. Of course, we know that the building and construction industry has in the past not had the best of records in this regard. However, it would be erroneous to lay all of this blame at the feet of building and construction unionists and workers because we know for a fact that in this industry there have been unscrupulous employers that have not met their responsibilities to their employees. We will establish a national industrial relations system for the private sector, which will be developed in cooperation with state governments, and we will get a simpler system to make it easier for Australian employers and employees, including the building industry, to understand their rights and entitlements. That is the nub of the industrial relations policy which will be instituted by a future Labor government and which will apply to the building and construction industry as well as others.

Let me conclude by touching on a matter I have raised before on the floor of this House, and that is the persistent denigration of construction workers and their union representatives in this place by government members. I make these remarks on behalf of all those workers in Geelong's construction industry who not only have supported families affected by death and injury in their own ranks but have extended that hand of support to others in the general community. In a speech in 2005 on the Building and Construction Industry Improvement Bill 2005 in the House I outlined the very real community involvement of Geelong building workers in supporting the disadvantaged in Geelong. I mentioned the breakfast program at the Whittington Primary School, rebuilding a school canteen when the school could not afford it, a house renovation for an injured building worker's family, a memorial pergola at a school for two children who were killed in an accident, ongoing support for the family of a building worker killed in an accident, support for unionists from other industries who have fallen on hard times—and the list goes on.

I draw the House's attention to an article that appeared in the *Geelong Advertiser* of 11 August concerning a Geelong family that was suffering because of another accident. This related to Charlene Cavanagh, who was allegedly hit by a drunk driver. According to the report, she may well have thrown herself in front of her very young child, Jadan Cavanagh, to protect the child in the accident. This particular story warmed the hearts of members of the Geelong community as well as those of people in the construction industry. According to the report, construction workers working on the Westfield development went into gear and in two days raised $3,000 to support the family through this traumatic time. The report said:

> The occupational health and safety representative for the site, Darren Brockway, plumbing union representative Russell Menzies and electrical union representative John Long unloaded $700 worth of toys and clothes for Jadan and also presented Ms Fraser—

that is, Jadan's grandmother—

> with $1780 cash and a $1000 Champions IGA voucher.

That is a not unsubstantial amount raised in two days by building and construction workers in Geelong for another Geelong family facing difficulty. I cannot count the number of times that government members have got up in this place to drive the boot into construction industry workers, and I want to put on the public record here today my opposition to their comments and my commendation of the actions taken by construction workers in Geelong on behalf of the disadvantaged on many occasions, including this most recent one. We will be supporting this bill.

Ms HALL (Shortland) (11.42 am)—I commence my contribution to this debate on the Building and Construction Industry Improvement Amendment (OHS) Bill 2007 where the previous speaker, the member for Corio, ended. I record my support for the construction workers in the Shortland electorate and acknowledge the fine contributions that they have made in my community and surrounding communities. In doing so, I acknowledge the work that they put in for disadvantaged people and the projects and the campaigns that they get behind in supporting people that have particular problems within the community.

I will quickly go through the bill. The bill before us extends the application of the Australian Government Building and Construction Occupational Health and Safety Accreditation Scheme, which is administered by the Office of the Federal Safety Commissioner, to cover situations where building work is indirectly funded by the Commonwealth or Commonwealth authorities. It ensures that persons are accredited under the scheme at the time of entering into a contract for building work funded by the Commonwealth or Commonwealth authorities and that the Commonwealth or Commonwealth authorities take appropriate steps to see that such persons are also accredited while the building work is being carried out. It also extends the accreditation requirement to funding arrangements beyond those currently contemplated by the legislation. It clarifies that section 35(4) of the Building and Construction Industry Improvement Act 2005 only overrides Commonwealth provisions to the extent of any inconsistency. It streamlines the process of appointing federal safety officers and allows the Federal Safety Commissioner and persons working in the Office of the Federal Safety Commissioner to disclose information on the scheme to the minister.

I support the legislation that we have before us today, but in doing so I have some comments that I would like to make. Not all of those comments are supportive of the government and the government's approach to this piece of legislation. Earlier I listened to the member for Corangamite reel out an 'expose' of every union official that has ever worked or been elected within Australia. He spent a lot of time denigrating those people. Those union officials, some of whom will be in this parliament after the next election, have made an enormous contribution to their industries and to our Australian community. I do not step away from the fact that in the Labor Party we have members who have ensured that workers have good conditions and safety within the workplace and who were there to look after them. In this current environment, where we have this harsh Work Choices legislation that this government foisted upon the Australian people, there really is a very strong need for workers to be protected. This legislation that has been forced on the Australian community is putting workers at risk and has the potential to put workers further at risk. I will talk a little bit more about that later.

The building industry, as we all know, is a very dangerous industry and a lot of evidence has been submitted to show that there have been very unsafe practices used within the building and construction industry over a number of years. A number of injuries have happened that should not have happened. Workers have been injured because they were pushed to a level beyond that to which they should have been pushed and because workers had not been trained properly in safety. I think there are a number of issues within that industry that will not be resolved by going out and attacking the union. Many of those problems have been brought about by employers, and the majority that I hear about are the result of employer driven activities.

Within the last couple of years a young man lost his life close to where I live. It happened purely and simply because he was forced to do things that a person should not be forced to do. When the government talks about the building and construction industry we hear a tirade of attacks on union officials, but we do not hear anything about the good things that they have done or the changes that they made to make those workplaces safer. I think any legislation, or any argument on a piece of legislation, should have some balance in it. Whilst the government commissioned the Cole inquiry and it brought down its findings, I think the terms of reference it was given were very limited and the report reflected those limited terms of reference.

Occupational health and safety is something that I am passionate about, having worked for many years with people who have been injured purely and simply because of unsafe work practices. Whilst supporting this legislation that we have before us now, I do not think that it is going to be the ultimate answer to improving safety within the building and construction industry. I believe that the government can either address occupational health and safety issues purely and simply by bashing unions or really look at the underlying issues, which go across many areas within this industry and other industries. The building and construction industry is an unsafe industry and has been for many years. I do not think that the legislation that we are debating today will solve that problem.

I see that the Minister for Employment and Workplace Relations has entered the chamber and I say to him: I listened to a lot of what you had to say. There was a lot of bluster and attack. But, Minister, I implore you, when you are looking at some of these issues, to look at them from the person's perspective, from a whole-of-community perspective. When you are looking at the building industry, don't just approach it from the perspective of attacking the union. When you look at safety, look at safety for the whole of the industry. Look at putting in place actual changes that are going to deliver a safe industry, a safe working environment. Good employers do the right thing; bad employers do the wrong thing. Good employees do the right thing; bad employees do the wrong thing.

Over the years, unions have made enormous contributions to safety in the workplace. Over the years the unions have done things that have improved our working environment. Minister, instead of always attacking, sometimes if you can sit down and talk and try to work together to resolve issues and don't just make it a slagging match I think you get the best outcomes. Workplace safety is obtained by people working together and trying to bring all parties in and lead them forward so that you create a safe workplace and a safe environment. With those few comments, I will state once again for the record that I, along with other members on this side of the House, am supporting this legislation.

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (11.52 am)—I thank members who have contributed to the debate on the Building and Construction Industry Improvement Amendment (OHS) Bill 2007 and I note members' support for the bill. First and foremost, I would like to make it clear to members what this bill is and what it is not. For all the predictable ranting from the members opposite, this bill is not related to workplace relations issues in the building and construction industry and it is not about the Australian Building and Construction Commissioner. This bill is very simply about saving lives. It is about ensuring that workers in the building and construction industry make it home safely to their families and friends at the end of each day.

The government is committed to improving the occupational health and safety performance of the construction industry and to developing a culture where workers perform safely as well as being on budget and on time. Cultural change takes time, effort and, most importantly, leadership. The government is providing leadership to the building and construction industry through the Federal Safety Commissioner, through the Australian Government Building and Construction Industry Occupational Health and Safety Accreditation Scheme and by acting as a model client. This government will not do business with builders who do not hold safety in the highest regard.

Through this bill, accreditation under the scheme will become a requirement not only for builders on directly funded Australian government construction projects but also for builders on construction projects to which the government has contributed significant funding, such as AusLink road projects. These amendments are not made to address deficiencies in the BCII Act, as the Labor Party would have us believe. It was always the intention of the government that the scheme would be implemented in a staged approach to allow a suitable adjustment period for affected companies—and that is exactly what the main amendments of this bill deliver.

The government has driven stunning improvement in the building and construction industry with the establishment of the ABCC and the Federal Safety Commissioner. What the Labor Party proposes now is to wind back the clock by abolishing the ABCC and to enable the union bosses—people like Kevin Reynolds, Kevin Harkins, Joe McDonald and all the friends of the honourable member opposite—to use occupational health and safety as part of their industrial relations strategies.

A study into the impact of the ABCC, which was released in July 2007 by Econtech, found—and the honourable member should pay attention to this—that labour productivity in the construction industry is 9.4 per cent higher as a result of the creation of the ABCC. That is a good thing. You would agree, wouldn't you? As a result of the creation of the ABCC, GDP in Australia is 1.5 per cent higher than it otherwise would have been. Inflation in Australia, the CPI, is 1.2 per cent lower than it otherwise would have been if we had never created the Australian Building and Construction Commission. Compared with the 1994 to 2003 period, when costs in the commercial building sector were 10.7 per cent higher than in domestic residential building, the cost gap between these two sectors of construction has fallen to just 1.7 per cent. Further, working days lost per 1,000 employees due to industrial action have plummeted from 37.4 in the September 2005 quarter, immediately before the creation of the ABCC, to just 1.5 in the March 2007 quarter. So that is 37.4 working days down to 1.5 working days lost to strikes.

Why would anyone abolish the initiatives and the body that have delivered these improvements? It is pretty simple: the Labor Party wants to abolish them because that is what the union bosses want. That is what the CFMEU and the BLF in Queensland want: they want to abolish the watchdog that has brought about sanity in the construction industry. These amendments strengthen the already strong base for improving occupational health and safety in the construction industry. I encourage my colleagues to continue to support this bill, commend the bill to the House and recognise that the ABCC, together with all of the surrounding infrastructure, is helping to deliver a more stable, a more successful and, even more importantly, a safer building and construction industry in Australia.

Question agreed to.

Bill read a second time.

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

ADJOURNMENT

Dr SOUTHCOTT (Boothby) (11.58 am)—I move:

That the Main Committee do now adjourn.

Economy

Ms HALL (Shortland) (11.58 am)—I would like to take this opportunity to examine the Prime Minister's assertion that Australians have never been better off. I am constantly contacted by constituents within the Shortland electorate who advise me that they have never found it harder to make ends meet. They talk to me about the price of their groceries, their meat, their fruit and their vegetables. In recent times we have had another interest rate rise, which is the ninth interest rate rise in a row and the fifth since the last election, when John Howard promised to keep them at a record low. This was done in commercials that the government ran at the time. I have never heard anyone try to move further away from it quicker than John Howard has in recent times.

To demonstrate the fact that Australians are not better off than they have been in the past, I would like to refer to a letter that I received from one of my constituents. This gentleman has now retired. When he first started working, he was earning the equivalent of $9 a week. He purchased his first house for £1,200 at the time. He has equated that using a formula of multiplying his house price by 58, which brings the figure to $139,200. He has recently had his house evaluated, and it is now valued at $800,000. His council fees have gone up at a much steeper curve and are much higher than he was paying initially.

What this demonstrates very clearly is that the income that he was getting at the time made it much easier for him to purchase a house—it cost a lot less than it does now. You now need a much higher income to purchase the house that he purchased—a house that cost the equivalent of $139,000 but that you would have to pay $800,000 for now. You would have to be on quite a sizeable income these days. This person was on a pretty much average income.

What these changes have meant to people like my constituent is that they have a lot of difficulty making ends meet. Another example he gives me is the cost of having a tooth extracted. Believe it or not, it was 25c in 1938. If you multiply that by 58, that is $14.50 now. If anyone has been to a dentist recently, they will find that to have a tooth extracted costs a lot more than $14.50. In fact, I had a constituent come into my office the other day. She had just had her tooth removed and it cost her $250.

I would argue very strongly that what these figures demonstrate is that Australians are not better off than they have ever been in the past. What they show to me is that the Prime Minister is really out of touch. He does not know the issues that are affecting the Australians that I represent in this parliament—pensioners, people who have jobs where they just earn the average income. People living in the Shortland electorate have a very low median income. The government and particularly the Prime Minister seem to have lost touch with people. He seems to have lost the ability to connect with them and the issues that are affecting them. My constituent also highlights the fact that the government is very quiet on the high wage rises for

CEOs but very active in arguing against workers getting increases in their wages from the Fair Pay Commission.

Adelaide: Roads

Dr SOUTHCOTT (Boothby) (12.03 pm)—Adelaide used to pride itself on being the 20-minute city—it was possible to travel anywhere within Adelaide in 20 minutes. One of the issues that constituents in the electorate of Boothby now contact me about is the fact that infrastructure has not kept pace with the growth in population with newer housing subdivisions. We still have very much the same infrastructure that was laid out in the 1960s. There was a plan, a MATS scheme, which was developed by the Hall government in the 1960s. It proposed a number of arterial roads, including a north-south arterial road. One of the missed opportunities is that much of the land that was set aside for this scheme was sold off by the Bannon government in the 1980s. But the RAA have come up with a proposal for a north-south expressway, 22 kilometres of non-stop traffic from Wingfield to Darlington along South Road.

The state government are already doing some grade separations. They have announced a grade separation—an underpass at Anzac Highway. They have also announced a number of other projects at Port Road, Grange Road and Sturt Road. For such a project to occur in my electorate would require grade separations at Daws Road and at Ayliffes Road. One of the things I am very keen to see is an additional part of Cross Road and South Road put on the AusLink network.

This project is vital for the future economic prosperity of South Australia. It has the support of a number of key groups, including the RAA, the South Australian Freight Council, Business SA and the South Australian Road Transport Association. The benefits of such a project are that it will help the economy of the region and it will help to reduce traffic flows. One of the problems is congestion, so to have a smooth, flowing expressway going along South Road will be of great benefit to people who are creating jobs and opportunity in southern Adelaide. Cross Road was upgraded for freight traffic about 10 years ago by the state government. My understanding is that it does not require additional work for that purpose. It does make a lot of sense to add Cross Road and South Road to the AusLink network.

One of the frustrations I have as I travel around Australia is seeing the quality of the infrastructure in other states, and it is very clear as you go to Victoria, New South Wales and Queensland that the infrastructure is far better than the infrastructure we have in South Australia. This is a very important priority for me. It is an important project and it is one that I will be continuing to push for to see that Cross Road and South Road are put on the AusLink network. It will enable federal funding for what is estimated to be a $1.5 billion to $2 billion project. It does involve tunnels, underpasses and overpasses. It is an important project and one that there is enormous support for in southern Adelaide. It has been identified as a key priority for the southern economic development council, and it is something that I am very keen to see happen.

Box Hill North Primary School
Kerrimuir Primary School

Ms BURKE (Chisholm) (12.08 pm)—The other day I had the absolute delight and pleasure to visit the students in grades 5 and 6 at Box Hill North Primary School to talk about my

role as a member of parliament. The students in grade 6 have all written back to me, and I would like to share with you some of the views of our next crop of leaders in this world:

Dear Anna Burke,

Thank you for being able to come to our school on Monday. We learnt a lot about government, politics, your job and your leadership skills.

I was surprised that you were so relaxed in every day life most of the time. A job as a politician seems tiring and difficult with all the travelling you have to do and the hours you work every day. We learnt that with politics, you don't have to have any special qualifications, you just need to be elected into parliament. We also learnt that if you lost your seat in parliament, you could be out of a job as Federal Member for Chisholm.

We can relate your leadership skills to being a leader at our school. With my leadership role, I help check the weekly school newsletter for mistakes and deliver notices around the school. Thanks for teaching us more about politics and giving up your time to be able to speak to us. Yours sincerely, Benjamin

I can attest to Benjamin's fantastic spelling and incredibly neat handwriting. He must do a great job as the checker of his school newsletter. Then there is this:

Dear Anna,

Thank-you so much for coming to our school. It was interesting to hear about your experiences as a politician and what you do every day.

It was good to talk to a real politician since our inquiry topic is government and was good to learn about a politicians life, and duties.

You are a great leader and I learnt a lot about being confident and being yourself. I will try and use some of these skills with my leadership role, being school captain.

You are so lucky to be able to have a say in what happens in Australia. I would love that. Thanks again. You were great, hope to see you soon.

Ruby.

There is also this:

To Anna,

Thank-you very much for coming to our school and sharing about what you do as a politician. We really appreciate that you gave up your time to come and visit us.

I learnt lots of things such as you represent Chisholm. You are much different than I thought because you are a happy and cheerful person to have around. I expected you to be a lot more serious. I also learnt that you represent the Labor Party.

Listening to you was very interesting because you used lots of expression and you spoke very clearly. I think you are a great speaker. Being House Captain it was a good experience to listen to a great leader.

Once again thank-you very much for coming.

From Eliza.

This is another letter:

Dear Anna,

Thanks a lot for coming. It might have caused some trouble in your daily schedule, seeing that you have got a lot to get through in one day.

I have two questions to ask. How many schools do you usually visit in a week. How many people have a federal seat of Chisholm or is it the 150?

I am not sure I got myself clear on that one, but anyway we will go back and answer his question. He writes:

At our school we (the grade 6's) all have a role. Mine's Technology captain with my friend Ken. I have learned to confident and try every option, instead of trying the most likely. We all learnt something. I didn't think politics had to get through so much in a day. I also didn't know they had to get someone to organise their diary.

Life as a politician must be almost as hard as running an auction. (My mum runs one and she is mad now) Thanks again for coming. We appreciated it and we were intrigued by your experiences.

Ben

I hope Ben hasn't shown this to his mum. This is another:

Dear Anna ...,

It was an honour to have you visit our school to educate us about the life of a politician during your busy timetable. It is such a rare occasion to have a federal member of parliament visit our school and talk about what they do for a living.

At B.H.N.P.S.—

Box Hill North Primary School—

since year 6s are almost EXTINCT, every single year 6 gets a 'leadership role', and I'm the ART CAPTAIN! You inspired me, along with everybody else (especially year 6s) on what a good leader is all about. I'm sure that all those leadership qualities you passed on will come in handy a lot as art captain and in the future ...

Once again, we thank you so much for coming and sharing, and we wish that you shall never quit (until you decide to retire a long way down the track) or lose an election! (10 years sleep surely can't be too good for you!)

Kindest Regards,

Jasmine

I have another one here. It is from Pat, who also drew me a fantastic picture of myself, which you can't really appreciate.

Dr Southcott interjecting—

Ms BURKE—It is a very good likeness. She took a lot of effort to do that. She says:

Dear Anna ...

How are you? We are fine. Thank you very much for coming to our school, sharing about you, making time with us, giving lots of information about you. And book marks, books for us. Also be nice to us too. I hope you have a good time every days. Bye Bye

From Pat.

On and on the letters go. The grade sixers put a lot of time and effort into doing this and into writing back to me. I also want to commend the teachers in our state system for doing such a fantastic job and for educating the next generation about government and politics. We witness so many people going into polling booths who actually do not understand the system of government. So to actually educate people at a young age about how the system works and what the levels of government are and to demonstrate that politicians are human beings—that they are accessible and that it is our job to be there—is a delightful experience. I really enjoyed my day at the school and want to thank the students so much for their fantastic letters.

I also want to thank the very cheeky Prep C children at Kerrimuir Primary School. Kerrimuir Primary School is having a competition to create the best garden area. Each grade is in the competition and Prep C has had the brains and the wit to send me a fantastic poster asking if I will help in their endeavours to create the best garden plot at Kerrimuir. I think this is a terrific idea, and I really want to commend this school. *(Time expired)*

Dobell Electorate: Services

Crime and Vandalism

Mr TICEHURST (Dobell) (12.13 pm)—I rise today to speak about a couple of important issues in my electorate of Dobell. Local residents have already won a concession from Energy Australia for powerlines to be placed underground from Willoughby Road to Wamberal Cemetery in Wamberal. However, I have recently been inundated with letters from local residents concerned that Energy Australia has not included the northern section of Wamberal from the cemetery, past the Jehovah's Witnesses church and around the new preschool site, to Wamberal Public School and Wamberal Fire Station. While it is a great concession that Energy Australia has listened to the Wamberal community by conceding to put four kilometres of powerlines underground, parents are anxious about having high-voltage powerlines passing directly in front of Wamberal Public School. Concerned local residents and parents of students have signed a petition calling for this important extension to be made, ensuring that these high-voltage powerlines are all underground. Energy Australia really needs to go that extra step and include the northern part of Wamberal in the underground route. It is the right thing to do.

The installation of these high-voltage powerlines is part of a project that will deliver a bulk electricity supply upgrade to Wamberal, Terrigal, Erina, Erina Heights, Holgate, Matcham, North Avoca and Picketts Valley. The powerlines will link Energy Australia's bulk supply point in Yates Road, Ourimbah, with a new substation proposed for Willoughby Road, Wamberal. Energy Australia expects construction of these powerlines to begin in September. Placing these high-voltage powerlines underground would remove the fear of them passing in front of more than 300 houses.

As the federal member for our local area, I am committed to protecting our way of life on the Central Coast, and I want to ensure that Energy Australia listens and responds fully to the concerns of the Wamberal community. The health and safety of our children is very important. I intend to meet with Energy Australia management to discuss local residents' concerns. I congratulate the Wamberal community, led by Mr John Holt, on their win and encourage them to continue lobbying Energy Australia to ensure the job gets done properly.

Another important issue I would like to raise here today on behalf of my constituency is crime on the Central Coast. We have had enough of hoons, vandals and graffiti. It is simply not good enough that the New South Wales government is failing in its responsibility to ensure that our community is adequately protected. People have a right to feel safe in their homes and on their local streets. That is why, as a result of community feedback, I am working to get federal funding for CCTV cameras in The Entrance town centre under the National Community Crime Prevention Program. These cameras would be installed in problem areas and would be monitored around the clock by local police. By identifying repeat offenders, we can help to stop the cycle of crime in The Entrance. This is an initiative which is also being considered by the Toukley Chamber of Commerce to reduce crime in Toukley. I have been

fighting hard to ensure funding and support for these projects to help stop crime before it happens.

We have already received $148,000 in federal government funding for Family Child Services Central Coast to support and mentor vulnerable families with the aim of decreasing family violence in our community, and $50,000 has also been secured for Uniting Care Burnside to educate young people on sexual violence. But there is more to be done, and I am committed to continuing to work with our local community because together we can help put a stop to unacceptable behaviour in our local area and make our community safer.

Telecommunications: Online Services

Ms GRIERSON (Newcastle) (12.17 pm)—I note the member for Chisholm's earlier comments about the role of members of parliament. I suppose the case that I wish to talk about today illustrates what individual members of parliament do and can achieve. Two years ago I raised in the House a constituent's case to do with online marketing and suspected predatory behaviour against that constituent's small business, Stickybeek, by *Trading Post*, the online marketing arm of Sensis and Telstra. My constituent had found that when potential customers were searching on Google for his brand, Stickybeek, to access car sales, a search page would come up with Stickybeek's car listings. But on the right hand side of the screen the word 'Stickybeek' would come up, spelt in the same corrupted way as my constituent's registered trademark—with a double 'e'. If you clicked on that word on that page, you would be taken straight to the *Trading Post* site and their list of cars for sale.

My constituent was concerned about a decline in his business from loss of sales and sought my assistance. On my advice, knowing full well that to take on Telstra through the law courts would be a horrendous task for a small business person, the complaint was taken to the ACCC for a suspected breach of the Trade Practices Act. The enforcement committee of the ACCC investigated the actions of both Google and *Trading Post* in relation to my constituent's complaint. Their judgement was that the *Trading Post* conduct may have contravened sections 52 and 53D of the Trade Practices Act and therefore may have constituted misleading or deceptive conduct and misrepresentation of an affiliation or sponsorship that *Trading Post* did not actually have in suggesting that it was indeed Stickybeek. However, the ACCC concluded that, as the offending practice had ceased and as they had received undertakings from *Trading Post* to that effect, there would be no further action. In the ACCC's investigations Google were approached. Google stated that as soon as they were told of any such problems they deleted the offending keyword or sponsored link but took no further responsibility for the actions of its customers. My constituent and I were both very disappointed with this outcome. A rap on the knuckles for big business preying on small business did not seem a satisfactory or adequate outcome.

Two months after that decision in 2005, further complaints were made by Newcastle car sales companies indicating that *Trading Post* was again using the names of competitors in the title of its sponsored links. These competitors were Newcastle companies, Kloster Ford and Charlestown Toyota. I pay tribute to the involvement of Michael Garnham of Stickybeek, my original constituent, for again bringing that repeat practice to the public attention. As a result, the ACCC undertook new investigations which ultimately led to the ACCC enforcement committee recommending the institution of legal proceedings against *Trading Post* and, inter-

estingly, against Google. The ACCC in its decision clearly noted *Trading Post*'s failure to meet the commitments it had made to the ACCC in my constituent's original case.

On 11 July 2007, the ACCC instituted proceedings against *Trading Post* and Google in the Federal Court, seeking declarations that the two companies contravened the Trade Practices Act and seeking injunctions prohibiting either party from engaging in similar conduct in future. The purpose of this action, according to the ACCC, is to clarify the application of the law in a new and expanding advertising medium and obtain a legal precedent that the use of a competitor's business name in the title of sponsored links amounts to a contravention of the Trade Practices Act.

This is an extremely important case. It is one that tests a new area of law, a new area of marketing behaviour and a global area of marketing behaviour. I applaud the ACCC for taking this brave action. It is one that has captured attention around the world. The *Wall Street Journal* condemns the ACCC for this action, claiming that everyone knows that, if you use Google, you will find an advertisement on every page and, therefore, you just have to accept that. But you do not expect to see a registered trademark being used, just as you would not expect in the traditional markets to set up a business and call it David Jones or a supermarket and call it Coles. The *Wall Street Journal* fears that this will be disruptive to the market, that it will create a monster, but I think it is a brave action, and it is not the first action taken against Google. As policymakers, we have concerns about the responsibility of search engines to control predators on children, paedophiles and pornography. Where does the responsibility lie? I applaud the ACCC for this test case and look forward with interest to its outcomes. *(Time expired)*

Greenway Electorate: Roads

Mrs MARKUS (Greenway) (12.22 pm)—I rise to speak about a matter of great importance in my electorate: Richmond Road. Richmond Road has been the scene of many accidents, including fatalities, and it has been a source of contention for many years. Just recently we heard of another unnecessary death when an elderly lady trying to make a right-hand turn was hit from behind and pushed head-on into a truck.

Having lived and worked in the Hawkesbury and Western Sydney, I frequently use this road and have also had experiences and near misses. How can a road which is such a major thoroughfare between Blacktown and Richmond have been neglected for so long? We hear the state members for Riverstone and Londonderry saying that they are spending money on Richmond Road. The money they are spending is on one intersection, so what can we do with the other 27 kilometres? Richmond Road-Blacktown Road is approximately 34 kilometres in length. Seven kilometres of this is from Blacktown and is at least dual carriageway. The remaining 27 kilometres from the M7 overpass to Richmond is a single lane, a goat track. It is unacceptable.

The New South Wales Labor government treats the people of Western Sydney and the Hawkesbury like second-class citizens and expects them to drive along a road you would never see in other parts of Sydney. Unfortunately, Western Sydney is neglected by the New South Wales Labor government. You just have to look at Richmond Road, Camden Valley Way and Northern Road. All of them are like goat tracks, single lane for most of the way. All of these roads are close to, if not part of, the state Labor government's plan for south-west and north-west sector developments, which will see hundreds of thousands of people move into

these areas. Maybe they are hoping the developers, or indeed the landholders, will pay for the upgrades. If Richmond Road were located in the middle of Sydney, or maybe in a marginal state Labor seat, I am quite sure that the New South Wales Labor government would have committed to upgrading it fully by now.

Eric Roozendaal in February said that there is no timetable to convert the road at present. Tell that to the people who have lost a mother, a father, a brother, an uncle, a sister or a friend. I want to congratulate the Hawkesbury City Council on tackling the issue head-on and erecting signs along Richmond Road demanding that it be upgraded now. I would like to ask the New South Wales Labor government why the RTA then came along and pulled them down. Was it because the truth hurts? Was it because the state Labor government does not like being reminded that, yet again, they have let the people of Western Sydney and the Hawkesbury down?

Richmond Road cannot remain in its current state. You will hear the local state Labor members saying that the upgrading of one intersection is a start. A start is not good enough. There are several other intersections where there have been facilities: where St Marys Road meets Richmond Road and at the Garfield Road intersection. The intersection at Grange Road, which I come out of quite frequently, has also seen a number of near misses and fatalities. How many more people have to die or be seriously injured before Richmond Road is upgraded?

Over the years, the New South Wales government has moved the cost burden of infrastructure for new estates off itself and onto new home buyers through taxes. Surely a portion of the hundreds of millions of dollars the state government has saved by slugging new home buyers could be set aside and invested in the upgrade of Richmond Road. It needs to be an upgraded dual carriageway. I have spoken to councillors, local residents and businesspeople who support a petition I have been asking people to sign demanding that the New South Wales Labor government upgrade this road. I have asked how state Labor members and the state Labor government—who claim to represent us, the people of Western Sydney and the people of the Hawkesbury—can sit on their hands day after day and allow this road to remain in its present state.

I call on the New South Wales Labor government to stop treating the people of Western Sydney and the Hawkesbury like second-class citizens and commit to upgrading the remaining 27 kilometres of the road before another life is lost. People in the area and the region are tired of travelling along Richmond Road in its current state. I am demanding that the New South Wales Labor government commit to a date when they will undertake a review of the road and then commit to fully upgrading this road to a dual carriageway.

Climate Change

Mr MURPHY (Lowe) (12.27 pm)—The journal *New Scientist* published on 28 July this year has an article by Professor Lawrence Krauss of Case Western Reserve University that warns voters to swiftly reject any candidates that flaunt their scientific illiteracy. The article questions whether a scientifically illiterate individual can be expected to properly assess the complex scientific and technological issues that now form the basis of significant policy issues, such as global warming or weapons of mass destruction.

Acknowledging that this advice is directed towards electors in the United States, I believe that the same warning should be heeded by voters in our country, particularly when it comes to deciding which major party has a realistic policy regarding climate change. As Professor Krauss stated:

Science is not mere storytelling. It makes predictions that help us control our destiny.

It now appears that the destiny of the Howard government is to be decided in part by its members' abject failure to acquaint themselves with a basic understanding of the science behind climate change. Science is not ideology—a point that the Minister for the Environment and Water Resources has yet to comprehend. Recently, we have seen members of the Howard government repeatedly reject the mass of overwhelming scientific evidence that demonstrates a direct connection between carbon dioxide emissions and climate change. Now it seems that, driven by the evidence of the polls, not the science, the government has begun to accept the possibility that greenhouse gas emissions could just see them expelled from their comfortable ministerial offices.

Major countries and states, with the exception of the United States and Australia, have already set carbon dioxide emission reduction targets for the short and longer terms. The United Kingdom government has called for emissions to be reduced by 32 per cent by 2020 and by 60 per cent by 2005 based on 1990 levels. Sweden will reduce carbon dioxide emissions by 25 to 30 per cent by 2020 and aims to reduce emissions by between 50 and 75 per cent by 2050. It will also stop importing oil by 2020. California, which by itself would be ranked as the seventh largest economy in the world, has passed a bill that requires reductions in carbon dioxide emissions by 25 per cent by 2020 and 80 per cent by 2050. While the rest of the world is following the California lead, the Howard government continues to ignore this most pressing issue.

The Labor Party has set a target to cut carbon dioxide emissions by 60 per cent by 2050, which is the same as the United Kingdom, similar to the Swedish target and less than the Californian target. These targets are based on science, not prejudice or opinion. The continuing growth in Australian emissions from fossil fuels has to be arrested and reversed quickly if Australia is to have any chance of avoiding the consequences of increased droughts, extreme weather events and rising sea levels.

Coal-fired power stations are the largest single source of Australian emissions, responsible for 290 million tons of carbon dioxide, or 48 per cent of the total, in 2007 and increasing by approximately two per cent per annum. While the government flounders with geosequestration, effective, cost-competitive and proven technologies for reducing emissions from coal-fired power stations already exist. Modern combined-cycle power plants that join coal gasification with gas turbines and steam plants have the potential to halve emissions per unit of electricity generated, yet the government has no plans to encourage the uptake of this working technology. There is also the realistic possibility of using solar energy to replace a very substantial part of Australia's coal-fired electricity generation, yet disinterest—if not outright hostility—from the government has driven one of Australia's leading solar scientists, Dr David Mills, to relocate his company to California.

Carbon dioxide emissions from transport have grown almost 10 per cent under the Howard government and now total over 80 million tons per annum. They are growing at the rate of 1½ per cent per annum, significantly because of increased subsidies to road transport combined

with cuts to support for publicly owned railways. If we are to reduce carbon dioxide emissions, it is clear that energy efficiency has to become a guiding principle of public policy, and this is nowhere more obvious than in the transport sector. As NASA physicist Dr James Hansen of the Goddard Institute for Space Studies has warned, we have no more than 10 years to act before serious climate change becomes irreversible. I can see no evidence that the Prime Minister even vaguely comprehends the magnitude of this threat to our nation and the planet. The citizens of Australia must do their bit by voting the government out at the coming federal election. *(Time expired)*

Hospitals

Tasmanian Government

Mr MICHAEL FERGUSON (Bass) (12.32 pm)—I rise, having risen on Monday of this week in the House, to raise the dastardly situation where the Tasmanian government have prevented the Launceston General Hospital from purchasing a flow cytometer. I raised this matter publicly on the weekend. I am today pleased to advise that that decision has now been overturned. I learned on Tuesday morning that staff at the Launceston General Hospital were advised that approval was now given, only to find that later that day the state government, through its health minister, Lara Giddings, implied that that was not the case. So we now have this challenge going on between some eminent oncologists and haematologists in Launceston and the state Labor health minister. I know for sure whom our community believes in this matter.

We look forward nonetheless to the purchase of this flow cytometer because it will be very valuable for our community in the early diagnosis, treatment and follow-up of blood cancers. It is needed and it is warranted because the community raised the funds that were needed to purchase it—some $100,000. It is mean-spirited, to say the least, to have seen the community's own initiative thwarted because of political reasons. I say 'political reasons' because I want to highlight right now to all members that there is a Tasmanian government agenda to centralise as much as possible health services in the south. If the equipment that I have been speaking about is approved, it changes little in the sense that the overall challenge continues. This issue is symbolic of the wider concerns of gradually downgrading and defunding the Launceston General Hospital in order to boost the Royal Hobart Hospital.

There is a need for more continued improvement in northern health services. That requires political will, dollars and the Tasmanian government to prioritise northern health services. We still need to see, having made the purchase, the approval for the LGH to administer bone marrow transplants using the new machine. We still need to see the employment of more medical oncologists at Launceston's Holman Clinic. We still need to have overall proper resourcing of our wards. We still need to see the freeing up of surgical theatres and the reinstatement of LGH as a tertiary level hospital rather than just a regional hospital.

The fight continues unabated. The good thing about the Howard government's intervention at the Mersey hospital is that it will relieve the Tasmanian government of its funding for that hospital, which will free up resources in a way which could mean as much as $40 million to $45 million every year being made available to other hospitals. I am certainly looking for improvements for Burnie and Launceston.

I also wish to raise an issue which again puts into question the honesty and the integrity of the Tasmanian government. I am very concerned that political games are being played out by the Tasmanian government in my home community. They want to put at risk very, very valuable education opportunities. We have two issues running here. We have the Australian government supporting an Australian technical college at the Inveresk site, which is in the flood zone. The Launceston City Council have been rallying to raise the necessary $39 million in funds to repair the levy system. Repairing the levies will mean that the whole suburb of Invermay and the precinct of Inveresk will be protected from a one-in-100- or 200-years flood. It is quite necessary to achieve this, and we have achieved in the sense that three levels of government have each committed $13 million to the overall cost.

So, Mr Deputy Speaker, you may ask me: what is the problem? The problem is that the Tasmanian government have now placed conditions on the acquittal of those funds. They are saying to the Launceston City Council: 'We no longer wish to participate in helping you to restore flood protection for the city of Launceston until you take the Australian technical college off the books, move it away and refuse to allow it to be built.' These bullying tactics are disgusting, ought not to be tolerated and have to be exposed. Members opposite who will stay silent and Labor candidates who will stay silent ought to hang their heads in shame for deliberately provoking a city council to hold back educational opportunities for young people. I have not had time to speak about the University of Tasmania, which has been placed in the same situation, but I say the Tasmanian government ought to back off. Support Launceston's flood protection but support worthwhile education opportunities for our young people.

Queensland Roads

Ms LIVERMORE (Capricornia) (12.37 pm)—I want to speak today about my concerns over the false claims made by the Deputy Prime Minister yesterday when he insinuated that enough is being done to fix Queensland's road network. The amount of funding into Queensland from the federal government for improving my state's road network is, in fact, completely inadequate. We in Central Queensland know that our highways are a vital link to services and job opportunities and particularly important given the region's huge coal production and export facilities. But federal government road funding has not kept pace with our growth and, as any regional driver will attest, our road networks in Queensland are feeling the strain.

I am particularly concerned following yet another tragic death on the Eton Range in my electorate and yet another report showing that not a single section of the Bruce Highway in Capricornia is up to scratch. The poor state of our roads is reinforced further by an AusRAP report showing that not a single section of the highway is of suitable standard. In fact, the report points out that half of the network in Capricornia is at medium-high risk of traffic fatality and most of the other half is at medium risk. This is an appalling legacy of neglect that this government is now finally waking up to.

It is high time the Prime Minister took my state seriously. We are the fastest growing state in Australia, with 1,500 new arrivals coming across our border each week. Combined with the massive wealth my state brings to the national economy, the facts are clear: Queensland deserves a better go than it is getting—and you would be hard-pressed to find any Queenslander who disagrees. It is high time the Australian government stopped the blame game with the state and fixed these important roads. These roads bring billions of dollars to the national

economy and are hugely important to the budget surplus that the Treasurer insists on claiming is all his own work.

I would also like to point out the vast differences between the federal coalition government and the state Labor government on this issue. This year Queensland Labor will embark on the biggest capital works program of any state or territory. On a per capita basis, the Labor state government will be investing more than any other state or territory. Queensland will spend six per cent of gross state product on capital works, compared with only one per cent of gross domestic product spent by the Commonwealth.

The coalition government has ignored the needs of Queensland for years. But now, after 11 years in government and 11 years of neglect, Queensland is finally being wooed in earnest by the Howard government, as it is desperate to cling to power. It has announced $83 million in regional roads funding on top of the roughly $7 billion in AusLink II funding that Queensland will receive from the federal budget. And of course, while most people would accuse the government of pork-barrelling for this year's federal election, I welcome any money we Queenslanders can pry from the hands of Canberra. But, as always, the devil is in the detail. While the government has still only released some of that money, the RACQ, the peak motoring body in my state, says that Queensland's national highway has been so fundamentally neglected over the last decade—the decade in which this government has been in power—that the network needs at least $12 billion just to get it up to scratch, let alone to a standard that the people of Queensland can be proud of and can rely on.

I am of course aware of a number of projects locally—such as the Peak Downs Highway, which connects Mackay to the mining towns of Nebo, Moranbah and Claremont—that will make a real difference to locals and commuting mining traffic. But $6 million, when the RACQ says billions more is needed from the federal government, is simply a drop in the bucket. I am also greatly concerned, as are many in Queensland, with changes to AusLink funding that mean state governments and councils will need to find billions of dollars for roads traditionally funded by the federal government. It is plain that the Howard government is shirking its responsibility to fund their roads, including the Bruce Highway, a national highway whose current state, at least in my electorate, is inadequate and downright dangerous.

Moreton Electorate

Member for Fadden

Mr HARDGRAVE (Moreton) (12.42 pm)—I have lived in the electorate that I represent since late 1970, moving in as a young lad back in the days when there was not even a stop sign at the corner of Mains Road and McCullough Street at Sunnybank. In fact, the biggest improvement to take place in that intersection was the Market Square Shopping Centre, which opened in 1971 or early 1972. In those days Mains Road came to a dead-end at the Mount Gravatt cemetery. The creation of the South East Freeway saw Mains Road connect and become a very busy thoroughfare for traffic from the south of my electorate and for the growing Beaudesert Shire region and Logan City. There was nothing more than a rickety old timber bridge over the railway line, which now extends to the Gold Coast. Now we have a bridge with something like 10 lanes being built over the railway line near Our Lady of Lourdes Catholic school. I used to go over that bridge riding my bike up to Runcorn Primary School each day.

Pardon the reminiscences. I simply want to establish a couple of clear facts about the motivation I have as the member for Moreton with respect to an area that I have lived in and been concerned about since I was a young bloke—an area which has created all that you see today. My greatest credential that I bring to this place is my love and affection for the area. The connection that I have with the people in the area means that, as they bump into me in local shopping centres, they kick me in the shins if I am doing the right thing and pat me on the back if I am doing the wrong thing—or vice versa—and that sense of ownership and partnership is very important to me.

The style of representation that I have tried to bring to the parliament as the member for Moreton has very much been honed by the influences of the member for Fadden. I have known Mr Jull since 1974, when I was a young lad. He was a TV personality and he was a radio personality before that. The member for Fadden was very committed to the radio and television industry, and he put his hand up to run as the member for Bowman in the 1974 election, which took in parts of what is now the electorate of Moreton. He ran again on 13 December 1975 and was elected.

I want to say that we greatly appreciate the member for Fadden's service and commitment to the area that I now represent. He is a true man of the people in every possible way. He taught me very early on that politics is a very humbling experience. I must say I had not realised how humbling it was until all that has occurred during the course of this year. David Jull, as a member in this place for some 30 years, has gone on to be the longest serving member of the Queensland Liberal Party in history. Yes, a predecessor of mine, Josh Francis, was here for 33 years, but for really only the last few as a Liberal. He was a member of parties that led to the creation of the Liberal Party. And, yes, the late Sir James Killen was here for 28 years, and all of them as a Liberal. But David Jull has more than passed their record of service, and there is something special about this man.

He has always said to make yourself available, to be seen to be available, to be out in the shopping centres talking with people, and I think that has been a practice that has stood me in good stead in the community service that I have tried to bring about.

Back at Macgregor High School, when I first met him, we started a school radio station, 4MG, which ran for about 25 years. When it opened, on 24 November 1974, David Jull, the member for Fadden, was there as a Channel 0 personality. In fact, he was the first face on Channel 0 in Brisbane. He brought an enormous amount of radio and television experience and influenced me enormously to seek that same career.

It is a bit of personal indulgence, but I am sure my electorate would accept that it is right to praise the member for Fadden in the final weeks of his time as a member in this place. It is important that he knows that people like me appreciate greatly the great sense of service he has brought and the decency that underpins it. His parents were strong Anglicans. His father was a canon in the church and his mother ran the Anglican women's committee for many years. David Jull has made a difference. I think all in this place should hail David Francis Jull, the member for Fadden, the former member for Bowman, a very good friend, an enormous mentor. I wish him very good health in the years ahead.

Member for Fadden

Local Government

Mr NEVILLE (Hinkler) (12.47 pm)—I endorse the comments of the member for Moreton. David Jull has been a friend of mine for many years, and he has certainly given distinguished service, first to the electronic media, at Channel 0 and at numerous stations in Brisbane, and more recently as a member of parliament and a minister. I, for one, will lament his leaving this place, but I realise he has had a pretty rugged time with his health and I hope that leaving the stress of this place will give him the opportunity to have a happy and relaxed retirement.

I want to call today for a constitutional convention on local government. I do not do this lightly. Although the constitutional recognition of local government was the subject of a referendum some years ago, I think it probably did not get the attention it deserved because it was lumped in with three other issues. I think if it had been the sole issue it might have resonated better with the community.

The sort of constitutional convention I envisage is the convening, in the first instance, of a national conference of local government which would discuss these issues. From that conference we would have an elected body of people to come to the convention—perhaps six people from each state government, representatives from the federal government and distinguished Australians who have been associated with local government in the past. It would be something akin to what we had with our constitutional convention before the referendum on the republic.

At this constitutional convention, we should be looking at things like the parameters of local government, the authority of local government and, more importantly in the light of what has happened in Queensland in recent times, the genuine autonomy of local government. I do not know how you can have autonomous local government when councils are prevented from conducting a simple poll to get the ideas of their constituents. To me, that is an anathema to the whole idea of government and good governance.

We need to look, too, at the sorts of things that are best handled by local government and the extent to which cost shifting has been moved to local government. We complain at the Commonwealth level sometimes that the states cost-shift to us. But there is a good case to say that both tiers of executive government do pass on to local government an added burden, if not in the form of capital cost then certainly in extra work. Then we need to look at a commission to look at boundaries—not to radically change boundaries but to look at anomalous boundaries so that the more modern community of interest of each particular area is reflected.

If the constitutional convention were to say that there should be constitutional recognition of the financing of local government then I think those things should be the subject of a referendum, and once and for all we would take this uncertainty of the role of local government right out of the agenda. We would all know then what the relationship of the Commonwealth would be with local government; what responsibilities the states would have; which tier of government would supervise local government—be it federal or state—how it would be financed; what authorities, as I said, it would have to raise taxes and levies and rates; and, certainly and most importantly, what level of autonomy it should have and what authority it should have to prosecute the things that it needs to do. I put that in a bipartisan way to both

sides of this Committee. We really need, in the light of what has happened first in Victoria and New South Wales, and now in Queensland, to do something about it. *(Time expired)*

Herbert Electorate

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (12.52 pm)—I thought it might be instructive to let the parliament know today of my fortnight on foot. During the July break of the parliament I walked around the electorate for a fortnight. I walked right around—150 kilometres around—the electorate. The member for Hinkler should note that I am fitter for it and tougher and slimmer and whatever. It was an extraordinarily good experience and something that was very worthwhile doing. Not many members are able to walk around their electorate—they do not find the time or the electorate is too large or they stay in their office. I can say to the parliament that it was a wonderful experience for me, because you see a lot more and you meet a lot more people than you would otherwise meet by driving around the electorate. I think that stands to reason.

I started up in the Upper Ross in Thuringowa, the city that is soon to disappear forever—

Mr Neville—An absolute shame!

Mr LINDSAY—Yes, amalgamated with Townsville City. So we will have the supercity of Townsville. I started off in the Upper Ross up at the Rassmussen school. I might pay a tribute to the Rassmussen school and its teachers and students. I was with the year 6-7 class and the students were invited to ask me questions. They were not primed by their teachers as to what they should ask. Members of parliament know that you normally get asked what your salary is, what sort of car you have, or what the Prime Minister is like. This group at Rassmussen school, which is in a low-socioeconomic area, asked the most intelligent questions that I think I have ever been asked. It was most impressive and a tribute to the teachers that the students were able to ask them.

I saw the local childcare centre; I visited the local shopping centre; I went to the Upper Ross Community Centre and presented some volunteer certificates there, and then I walked on to Carlyle Gardens—a retirement village which is turning itself into a green village. It is quite extraordinary. They are going to run their own sewerage system and recycle their own water. I helped at the council with some problems they were having there, and then I went on to the Salvation Army in Beck Drive and then through to the Willows Shopping Centre.

The next day I was walking along Thuringowa Drive and went to some of the mortgage brokers. I said, 'What is this thing called "mortgage stress"? Does it exist?' They said, 'Too right it does.' I said, 'Why does it exist?' This was their explanation: in years gone by, when young people were buying a home, they would buy within their means. If that meant that they had to sit on milk crates in their lounge room until they could afford some lounge chairs, that is what they would do. These days people go to the biggest and best house and say, 'I think we'll have that one,' and it might be $400,000. And, of course, they say, 'We'll have a new car, a new plasma television and a big sound system.' They just borrow beyond their means and then find themselves in mortgage stress. This was the advice the mortgage brokers were giving me. That was a very sobering thing to hear as I went along.

I visited the Bohlevale School, which is part of the Investing in Our Schools Program, and Bushland Beach—where the community needs a new primary school. I went down to Rose Bay for the opening of a hospice down there. I went across to Magnetic Island and walked

from Horseshoe Bay through to Picnic Bay; it is a big walk across the hills. I noted the need for new pedestrian walkways between Nelly Bay and Arcadia. I walked through Currajong, Pimlico, Annandale, Gulliver, Cranbrook, Heatley and so on.

It was a wonderful experience. I met a lot of great people—really nice people. I was able to do a lot for the community and I was able to understand, even better, a lot of the local issues. Out of it came some great future plans. We have done a lot already, and there is a lot more to be done. I will be able to go confidently to the next election and say to the people of Townsville, 'These are the things that I want to do for you in the coming three years.'

Main Committee adjourned at 12.58 pm.

QUESTIONS IN WRITING

Human Services: Electricity and Water
(Question No. 5225)

Mr Kelvin Thomson asked the Minister representing the Minister for Human Services, in writing, on 7 December 2006:

(1) For each financial year since 1 July 2004, what sum has the Minister's department spent on (a) electricity and (b) water.

(2) Since 1 July 2000, what measures has the department instigated to reduce electricity and water usage.

Mr Brough—The Minister for the Human Services has provided the following answer to the honourable member's question:

The Department (excluding the Child Support Agency and CRS Australia)

(1) (a) **Electricity:** 2004-2005[1,] $ 2,937.72, 2005-2006[2] $21,387.80, 2006-2007[3] $15,129.90.

[1] Department created in October 2004 with a total of 54 staff at 30 June 2005.

[2] Total staff at 30 June 2006 was 94. Electricity costs were direct and not covered under a gross lease arrangement.

[3] Costs for approximately 140 staff located in Computer Associates House to end March 2007. Other electricity costs are covered in a gross lease arrangement with Medicare Australia for the Canberra Avenue building.

(b) **Water:** The Department does not meet water costs directly as the building owner meets these costs.

(2) In the course of lease negotiations, the Department has always sought environmentally supportable solutions in relation to water and electricity usage. These include:

- dual flush toilets;
- the reporting of all leaking taps;
- regular staff notices about reducing light and water usage;
- energy efficient lighting;
- after hours air conditioning requirements; and
- current whole-of-government contract for electricity is for 8% GreenPower (renewable energy).

Child Support Agency

(1) (a) **Electricity:** 2004-05 $391,086.84, 2005-06 $437,669.93, 2006-07[1] $230,186.95.

(b) **Water:** CSA is unable to monitor the cost of water as these costs are included in total leasing costs for tenancies.

(2) Since 1 July 2000, CSA has undertaken the following initiatives to reduce electricity consumption:

- recognised electricity consumption as a major environmental aspect in CSA' s Environmental Management System;
- undertaken energy audits in CSA's sites to identify where efficiencies can be made;
- monitored energy usage in sites to provide benchmarking information;
- incorporated EEGO policy initiatives into leasing and fitout construction activities;

- incorporated Green Lease Schedules into new leases as appropriate; and

- included energy efficiency features as part of revised guidelines for new fitouts.

CRS Australia

(1) For each financial year since 1 July 2004, CRS Australia has spent the following:

(a) **Electricity:** 2004-05 $704,238.46, 2005-06 $726,803.43, 2006-07 $821,258.77.

(b) **Water:** It is not possible to accurately quantify expenditure on water usage, due to the broad variation in charging methodologies in shared tenancies and differing commercial leasing arrangements, that may or may not be inclusive of outgoings.

(2) Since 1 July 2000, CRS Australia has instigated the following measures to reduce electricity and water usage as new offices are fitted out or existing offices refurbished:

- installation of energy efficient T5 fluorescent globes in new office fitouts;

- replacement of the small number of incandescent globes with fluorescent globes;

- window blinds and solar film on western windows to reduce radiant heat transfer; and

- automatic timers on lights and hot water units.

The following initiatives have also been implemented:

- identification of highest use offices for detailed energy audits; and

- staff awareness campaign through management communication, intranet resources and environmental champions.

No specific water consumption reduction measures have been taken. Water usage is limited to personal hygiene and limited dishwashing. Managers are responsible for compliance with local water restrictions.

All figures are GST exclusive.

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[1] The figures for the 2006-07 year are not complete as the CSA has not received the invoices for the full year. Figures for 2006-07 were as at 12 March 2007.