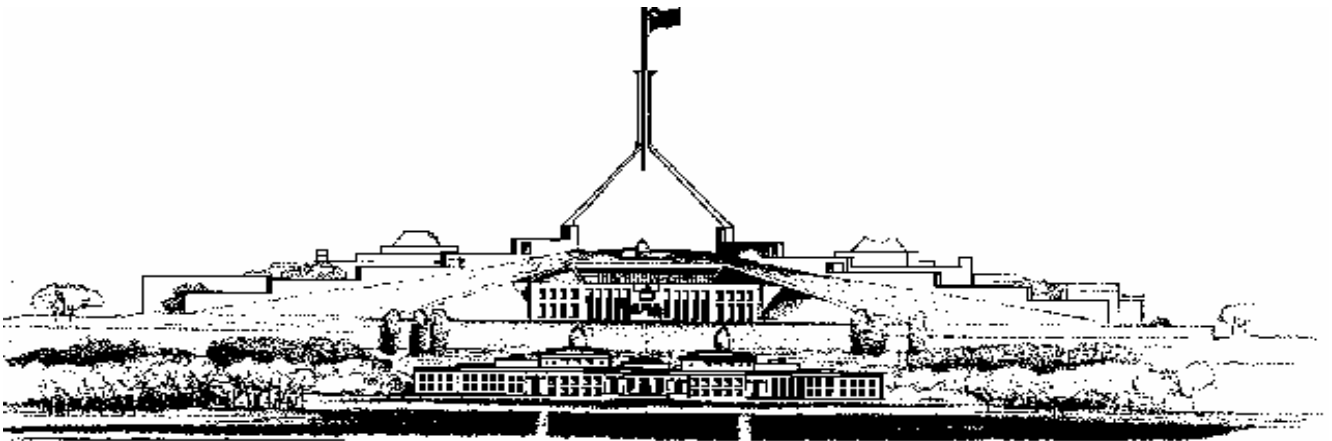




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 6, 2006

Thursday, 25 May 2006

FORTY-FIRST PARLIAMENT
FIRST SESSION—SIXTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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SITTING DAYS—2006

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

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

Governor-General

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

House of Representatives Officeholders

Speaker—The Hon. David Peter Maxwell Hawker MP

Deputy Speaker—The Hon. Ian Raymond Causley MP

Second Deputy Speaker—Mr Henry Alfred Jenkins MP

Members of the Speaker's Panel—The Hon. Dick Godfrey Harry Adams, Mr Phillip Anthony
Barresi, the Hon. Bronwyn Kathleen Bishop, Mr Michael John Hatton, Mr Peter John Lind-
say, Mr Robert Francis McMullan, Mr Harry Vernon Quick, the Hon. Bruce Craig Scott, the
Hon. Alexander Michael Somlyay, Mr Kim William Wilkie

Leader of the House—The Hon. Anthony John Abbott MP

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

Manager of Opposition Business—Ms Julia Eileen Gillard MP

Deputy Manager of Opposition Business—Mr Anthony Norman Albanese MP

Party Leaders and Whips

Liberal Party of Australia

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—Mr John Alexander Forrest MP

Whip—Mr Paul Christopher Neville MP

Australian Labor Party

Leader—The Hon. Kim Christian Beazley MP

Deputy Leader—Ms Jennifer Louise Macklin MP

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

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

Printed by authority of the House of Representatives

Members of the House of Representatives

Member	Division	Party
Abbott, Hon. Anthony John	Warringah, NSW	LP
Adams, Hon. Dick Godfrey Harry	Lyons, Tas	ALP
Albanese, Anthony Norman	Grayndler, NSW	ALP
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
Cadman, Hon. Alan Glyndwr	Mitchell, NSW	LP
Causley, Hon. Ian Raymond	Page, NSW	Nats
Ciobo, Steven Michele	Moncrieff, Qld	LP
Cobb, Hon. John Kenneth	Parkes, NSW	Nats
Corcoran, Ann Kathleen	Isaacs, Vic	ALP
Costello, Hon. Peter Howard	Higgins, Vic	LP
Crean, Hon. Simon Findlay	Hotham, Vic	ALP
Danby, Michael	Melbourne Ports, Vic	ALP
Downer, Hon. Alexander John Gosse	Mayo, SA	LP
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
Elson, Kay Selma	Forde, Qld	LP
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

Members of the House of Representatives

Member	Division	Party
Fitzgibbon, Joel Andrew	Hunter, NSW	ALP
Forrest, John Alexander	Mallee, Vic	Nats
Gambaro, Hon. Teresa	Petrie, Qld	LP
Garrett, Peter Robert, AM	Kingsford Smith, NSW	ALP
Gash, Joanna	Gilmore, NSW	LP
Georganas, Steven	Hindmarsh, SA	ALP
George, Jennie	Throsby, NSW	ALP
Georgiou, Petro	Kooyong, Vic	LP
Gibbons, Stephen William	Bendigo, Vic	ALP
Gillard, Julia Eileen	Lalor, Vic	ALP
Grierson, Sharon Joy	Newcastle, NSW	ALP
Griffin, Alan Peter	Bruce, Vic	ALP
Haase, Barry Wayne	Kalgoorlie, WA	LP
Hall, Jill Griffiths	Shortland, NSW	ALP
Hardgrave, Hon. Gary Douglas	Moreton, Qld	LP
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
Irwin, Julia Claire	Fowler, NSW	ALP
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
Laming, Andrew Charles	Bowman, Qld	LP
Lawrence, Hon. Carmen Mary	Fremantle, WA	ALP
Ley, Hon. Sussan Penelope	Farrer, NSW	LP
Lindsay, Peter John	Herbert, Qld	LP
Livermore, Kirsten Fiona	Capricornia, Qld	ALP
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

Members of the House of Representatives

Member	Division	Party
McGauran, Hon. Peter John	Gippsland, Vic	Nats
McMullan, Robert Francis	Fraser, ACT	ALP
Melham, Daryl	Banks, NSW	ALP
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
Panopoulos, Sophie	Indi, Vic	LP
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, 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

Members of the House of Representatives

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

PARTY ABBREVIATIONS

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

Heads of Parliamentary Departments

Clerk of the Senate—H Evans

Clerk of the House of Representatives—I C Harris

Secretary, Department of Parliamentary Services—H R Penfold QC

HOWARD MINISTRY

Prime Minister	The Hon. John Winston Howard MP
Minister for Trade and Deputy Prime Minister	The Hon. Mark Anthony James Vaile MP
Treasurer	The Hon. Peter Howard Costello MP
Minister for Transport and Regional Services	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
Minister for Health and Ageing and Leader of the House	The Hon. Anthony John Abbott MP
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 Multicultural Affairs	Senator the Hon. Amanda Eloise Vanstone
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. Kevin James Andrews MP
Minister for Communications, Information Technology and the Arts and Deputy Leader of the Government in the Senate	Senator the Hon. Helen Lloyd Coonan
Minister for the Environment and Heritage	Senator the Hon. Ian Gordon Campbell

(The above ministers constitute the cabinet)

HOWARD MINISTRY—*continued*

Minister for Justice and Customs and Manager of Government Business in the Senate	Senator the Hon. Christopher Martin Ellison
Minister for Fisheries, Forestry and Conservation	Senator the Hon. Eric Abetz
Minister for the Arts and Sport	Senator the Hon. Charles Roderick Kemp
Minister for Human Services	The Hon. Joseph Benedict Hockey MP
Minister for Community Affairs	The Hon. John Kenneth Cobb MP
Minister for Revenue and Assistant Treasurer	The Hon. Peter Craig Dutton MP
Special Minister of State	The Hon. Gary Roy Nairn MP
Minister for Vocational and Technical Education and Minister Assisting the Prime Minister	The Hon. Gary Douglas Hardgrave MP
Minister for Ageing	Senator the Hon. Santo Santoro
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 Veterans' Affairs and Minister Assisting the Minister for Defence	The Hon. Bruce Frederick Billson MP
Minister for Workforce Participation	The Hon. Dr Sharman Nancy Stone 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 Health and Ageing	The Hon. Christopher Maurice Pyne MP
Parliamentary Secretary to the Minister for Defence	Senator the Hon. John Alexander Lindsay (Sandy) Macdonald
Parliamentary Secretary (Trade)	The Hon. De-Anne Margaret Kelly MP
Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs	The Hon. Andrew John Robb MP
Parliamentary Secretary to the Prime Minister	The Hon. Malcolm Bligh Turnbull MP
Parliamentary Secretary to the Treasurer	The Hon. Christopher John Pearce MP
Parliamentary Secretary to the Minister for the Environment and Heritage	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 (Foreign Affairs)	The Hon. Teresa Gambaro MP

SHADOW MINISTRY

Leader of the Opposition	The Hon. Kim Christian Beazley MP
Deputy Leader of the Opposition and Shadow Minister for Education, Training, Science and Research	Jennifer Louise Macklin MP
Leader of the Opposition in the Senate, Shadow Minister for Indigenous Affairs and Shadow Minister for Family and Community Services	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 Health and Manager of Opposition Business in the House	Julia Eileen Gillard MP
Shadow Treasurer	Wayne Maxwell Swan MP
Shadow Attorney-General	Nicola Louise Roxon MP
Shadow Minister for Industry, Infrastructure and Industrial Relations	Stephen Francis Smith MP
Shadow Minister for Foreign Affairs and Trade and Shadow Minister for International Security	Kevin Michael Rudd MP
Shadow Minister for Defence	Robert Bruce McClelland MP
Shadow Minister for Regional Development	The Hon. Simon Findlay Crean MP
Shadow Minister for Primary Industries, Resources, Forestry and Tourism	Martin John Ferguson MP
Shadow Minister for Environment and Heritage, Shadow Minister for Water and Deputy Manager of Opposition Business in the House	Anthony Norman Albanese MP
Shadow Minister for Housing, Shadow Minister for Urban Development and Shadow Minister for Local Government and Territories	Senator Kim John Carr
Shadow Minister for Public Accountability and Shadow Minister for Human Services	Kelvin John Thomson MP
Shadow Minister for Finance	Lindsay James Tanner MP
Shadow Minister for Superannuation and Intergenerational Finance and Shadow Minister for Banking and Financial Services	Senator the Hon. Nicholas John Sherry
Shadow Minister for Child Care, Shadow Minister for Youth and Shadow Minister for Women	Tanya Joan Plibersek MP
Shadow Minister for Employment and Workforce Participation and Shadow Minister for Corporate Governance and Responsibility	Senator Penelope Ying Yen Wong

(The above are shadow cabinet ministers)

SHADOW MINISTRY—*continued*

Shadow Minister for Consumer Affairs and Shadow Minister for Population Health and Health Regulation	Laurie Donald Thomas Ferguson MP
Shadow Minister for Agriculture and Fisheries	Gavan Michael O'Connor MP
Shadow Assistant Treasurer, Shadow Minister for Revenue and Shadow Minister for Small Business and Competition	Joel Andrew Fitzgibbon MP
Shadow Minister for Transport	Senator Kerry Williams Kelso O'Brien
Shadow Minister for Sport and Recreation	Senator Kate Alexandra Lundy
Shadow Minister for Homeland Security and Shadow Minister for Aviation and Transport Security	The Hon. Archibald Ronald Bevis MP
Shadow Minister for Veterans' Affairs and Shadow Special Minister of State	Alan Peter Griffin MP
Shadow Minister for Defence Industry, Procurement and Personnel	Senator Thomas Mark Bishop
Shadow Minister for Immigration	Anthony Stephen Burke MP
Shadow Minister for Ageing, Disabilities and Carers	Senator Jan Elizabeth McLucas
Shadow Minister for Justice and Customs and Manager of Opposition Business in the Senate	Senator Joseph William Ludwig
Shadow Minister for Overseas Aid and Pacific Island Affairs	Robert Charles Grant Sercombe MP
Shadow Minister for Citizenship and Multicultural Affairs	Senator Annette Hurley
Shadow Parliamentary Secretary for Reconciliation and the Arts	Peter Robert Garrett MP
Shadow Parliamentary Secretary to the Leader of the Opposition	John Paul Murphy MP
Shadow Parliamentary Secretary for Defence and Veterans' Affairs	The Hon. Graham John Edwards MP
Shadow Parliamentary Secretary for Education	Kirsten Fiona Livermore MP
Shadow Parliamentary Secretary for Environment and Heritage	Jennie George MP
Shadow Parliamentary Secretary for Industry, Infrastructure and Industrial Relations	Bernard Fernando Ripoll MP
Shadow Parliamentary Secretary for Immigration	Ann Kathleen Corcoran MP
Shadow Parliamentary Secretary for Treasury	Catherine Fiona King MP
Shadow Parliamentary Secretary for Science and Water	Senator Ursula Mary Stephens
Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs	The Hon. Warren Edward Snowdon MP

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Thursday, 25 May 2006

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

**WORKPLACE RELATIONS
AMENDMENT (WORK CHOICES)
(CONSEQUENTIAL AMENDMENTS)
AMENDMENT REGULATIONS 2006
(No. 1)**

Mr STEPHEN SMITH (Perth) (9.01 am)—I move:

That so much of the standing and sessional orders be suspended as would prevent General Business notice No. 5 standing in the name of the Member for Perth, namely, that the Workplace Relations Amendment (Work Choices) (Consequential Amendments) Amendment Regulations 2006 (No 1), as contained in Select Legislative Instrument 2006 No. 50 and made under the Workplace Relations Amendment (Work Choices) Act 2005, and other Acts, be disallowed, being called on and debated forthwith so that Members of the House can:

- (a) record the House's contempt for the Government's extreme industrial relations changes, including the removal of unfair dismissal rights which sees Australian employees at risk of being sacked, sacked unfairly for no reason or any reason;
- (b) record the House's contempt for the Government's attack on the wages, conditions and entitlements of Australian employees;
- (c) show by tearing up the regulations the House's intention to tear up the Government's unfair, unAustralian legislation; and
- (d) record the House's contempt for the actual consequences of the Government's changes, as highlighted by the Triangle Cables' dismissal of nine employees who lost their unfair dismissal remedy because Triangle Cables employed only 97 employees, and Spotlight's AWA stripping away conditions and entitlements like overtime, penalty rates and loadings for the princely sum of 2 cents an hour.

John Howard's race to the bottom—2c an hour.

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.02 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.07 am]

(The Speaker—Hon. David Hawker)

Ayes.....	77
Noes.....	54
Majority.....	23

AYES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Baird, B.G.
Baker, M.	Baldwin, R.C.
Barresi, P.A.	Bartlett, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Broadbent, R.
Brough, M.T.	Cadman, A.G.
Causley, I.R.	Ciobo, S.M.
Cobb, J.K.	Costello, P.H.
Downer, A.J.G.	Draper, P.
Dutton, P.C.	Elson, K.S.
Entsch, W.G.	Farmer, P.F.
Fawcett, D.	Ferguson, M.D.
Forrest, J.A. *	Gash, J.
Hardgrave, G.D.	Hartsuyker, L.
Henry, S.	Hockey, J.B.
Hull, K.E.	Hunt, G.A.
Jensen, D.	Johnson, M.A.
Jull, D.F.	Keenan, M.
Kelly, D.M.	Kelly, J.M.
Laming, A.	Ley, S.P.
Lindsay, P.J.	Lloyd, J.E.
Macfarlane, I.E.	Markus, L.
May, M.A.	McArthur, S. *
McGauran, P.J.	Moylan, J.E.
Nairn, G.R.	Nelson, B.J.
Panopoulos, S.	Pearce, C.J.
Prosser, G.D.	Pyne, C.
Richardson, K.	Robb, A.
Ruddock, P.M.	Scott, B.C.
Secker, P.D.	Slipper, P.N.
Smith, A.D.H.	Somlyay, A.M.
Southcott, A.J.	Stone, S.N.
Thompson, C.P.	Ticehurst, K.V.

Tollner, D.W.	Truss, W.E.	(The Speaker—Hon. David Hawker)	
Tuckey, C.W.	Turnbull, M.	Ayes.....	77
Vale, D.S.	Vasta, R.	Noes.....	54
Wakelin, B.H.	Washer, M.J.	Majority.....	23
Wood, J.			

NOES

Adams, D.G.H.	Albanese, A.N.
Bevis, A.R.	Bird, S. *
Bowen, C.	Burke, A.E.
Burke, A.S.	Byrne, A.M.
Corcoran, A.K.	Crean, S.F.
Danby, M. *	Edwards, G.J.
Elliot, J.	Ellis, A.L.
Ellis, K.	Emerson, C.A.
Ferguson, L.D.T.	Ferguson, M.J.
Fitzgibbon, J.A.	Garrett, P.
Georganas, S.	George, J.
Gibbons, S.W.	Gillard, J.E.
Griffin, A.P.	Hall, J.G.
Hatton, M.J.	Hayes, C.P.
Hoare, K.J.	Irwin, J.
Jenkins, H.A.	Kerr, D.J.C.
King, C.F.	Lawrence, C.M.
Macklin, J.L.	McClelland, R.B.
McMullan, R.F.	Melham, D.
Murphy, J.P.	O'Connor, B.P.
O'Connor, G.M.	Owens, J.
Plibersek, T.	Price, L.R.S.
Quick, H.V.	Roxon, N.L.
Sawford, R.W.	Sercombe, R.C.G.
Smith, S.F.	Snowden, W.E.
Thomson, K.J.	Vamvakinou, M.
Wilkie, K.	Windsor, A.H.C.

* denotes teller

Question agreed to.

The SPEAKER—Is the motion seconded?

Ms GILLARD (Lalor) (9.11 am)—I second the motion. This is an arrogant government hiding from debate, and we can understand why when—

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.11 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.12 am]

AYES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Baird, B.G.
Baker, M.	Baldwin, R.C.
Barresi, P.A.	Bartlett, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Broadbent, R.
Brough, M.T.	Cadman, A.G.
Causley, I.R.	Ciobo, S.M.
Cobb, J.K.	Costello, P.H.
Downer, A.J.G.	Draper, P.
Dutton, P.C.	Elson, K.S.
Entsch, W.G.	Farmer, P.F.
Fawcett, D.	Ferguson, M.D.
Forrest, J.A. *	Gash, J.
Hardgrave, G.D.	Hartsuyker, L.
Henry, S.	Hockey, J.B.
Hull, K.E.	Hunt, G.A.
Jensen, D.	Johnson, M.A.
Jull, D.F.	Keenan, M.
Kelly, D.M.	Kelly, J.M.
Laming, A.	Ley, S.P.
Lindsay, P.J.	Lloyd, J.E.
Macfarlane, I.E.	Markus, L.
May, M.A.	McArthur, S. *
McGauran, P.J.	Moylan, J.E.
Nairn, G.R.	Nelson, B.J.
Panopoulos, S.	Pearce, C.J.
Prosser, G.D.	Pyne, C.
Richardson, K.	Robb, A.
Ruddock, P.M.	Scott, B.C.
Secker, P.D.	Slipper, P.N.
Smith, A.D.H.	Somlyay, A.M.
Southcott, A.J.	Stone, S.N.
Thompson, C.P.	Ticehurst, K.V.
Tollner, D.W.	Truss, W.E.
Tuckey, C.W.	Turnbull, M.
Vale, D.S.	Vasta, R.
Wakelin, B.H.	Washer, M.J.
Wood, J.	

NOES

Adams, D.G.H.	Albanese, A.N.
Bevis, A.R.	Bird, S. *
Bowen, C.	Burke, A.E.
Burke, A.S.	Byrne, A.M.

Corcoran, A.K.	Crean, S.F.	Hall, J.G.	Hatton, M.J.
Danby, M. *	Edwards, G.J.	Hayes, C.P.	Hoare, K.J.
Elliot, J.	Ellis, A.L.	Irwin, J.	Jenkins, H.A.
Ellis, K.	Emerson, C.A.	Kerr, D.J.C.	King, C.F.
Ferguson, L.D.T.	Ferguson, M.J.	Lawrence, C.M.	Macklin, J.L.
Fitzgibbon, J.A.	Garrett, P.	McClelland, R.B.	McMullan, R.F.
Georganas, S.	George, J.	Melham, D.	Murphy, J.P.
Gibbons, S.W.	Gillard, J.E.	O'Connor, B.P.	O'Connor, G.M.
Griffin, A.P.	Hall, J.G.	Owens, J.	Plibersek, T.
Hatton, M.J.	Hayes, C.P.	Price, L.R.S.	Quick, H.V.
Hoare, K.J.	Irwin, J.	Roxon, N.L.	Rudd, K.M.
Jenkins, H.A.	Kerr, D.J.C.	Sawford, R.W.	Sercombe, R.C.G.
King, C.F.	Lawrence, C.M.	Smith, S.F.	Snowdon, W.E.
Macklin, J.L.	McClelland, R.B.	Swan, W.M.	Thomson, K.J.
McMullan, R.F.	Melham, D.	Vamvakinou, M.	Wilkie, K.
Murphy, J.P.	O'Connor, B.P.		
O'Connor, G.M.	Owens, J.		
Plibersek, T.	Price, L.R.S.		
Quick, H.V.	Roxon, N.L.		
Sawford, R.W.	Sercombe, R.C.G.		
Smith, S.F.	Snowden, W.E.		
Thomson, K.J.	Vamvakinou, M.		
Wilkie, K.	Windsor, A.H.C.		

NOES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Baird, B.G.
Baker, M.	Baldwin, R.C.
Barresi, P.A.	Bartlett, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Broadbent, R.
Brough, M.T.	Cadman, A.G.
Causley, I.R.	Ciobo, S.M.
Cobb, J.K.	Costello, P.H.
Downer, A.J.G.	Draper, P.
Dutton, P.C.	Elson, K.S.
Entsch, W.G.	Farmer, P.F.
Fawcett, D.	Ferguson, M.D.
Forrest, J.A. *	Gash, J.
Hardgrave, G.D.	Hartsuyker, L.
Henry, S.	Hockey, J.B.
Hull, K.E.	Hunt, G.A.
Jensen, D.	Johnson, M.A.
Jull, D.F.	Keenan, M.
Kelly, D.M.	Kelly, J.M.
Laming, A.	Ley, S.P.
Lindsay, P.J.	Lloyd, J.E.
Macfarlane, I.E.	Markus, L.
May, M.A.	McArthur, S. *
McGauran, P.J.	Moylan, J.E.
Nairn, G.R.	Nelson, B.J.
Panopoulos, S.	Pearce, C.J.
Prosser, G.D.	Pyne, C.
Richardson, K.	Robb, A.
Ruddock, P.M.	Scott, B.C.
Secker, P.D.	Slipper, P.N.
Smith, A.D.H.	Somlyay, A.M.
Southcott, A.J.	Stone, S.N.
Thompson, C.P.	Ticehurst, K.V.
Tollner, D.W.	Truss, W.E.

* denotes teller
 Question agreed to.
 Original question put:
 That the motion (Mr Stephen Smith's) be agreed to.

The House divided. [9.15 am]
 (The Speaker—Hon. David Hawker)

Ayes.....	56
Noes.....	<u>77</u>
Majority.....	21

AYES

Adams, D.G.H.	Albanese, A.N.
Beazley, K.C.	Bevis, A.R.
Bird, S. *	Bowen, C.
Burke, A.E.	Burke, A.S.
Byrne, A.M.	Corcoran, A.K.
Crean, S.F.	Danby, M. *
Edwards, G.J.	Elliot, J.
Ellis, A.L.	Ellis, K.
Emerson, C.A.	Ferguson, L.D.T.
Ferguson, M.J.	Fitzgibbon, J.A.
Garrett, P.	Georganas, S.
George, J.	Gibbons, S.W.
Gillard, J.E.	Griffin, A.P.

Tuckey, C.W.

Vale, D.S.

Wakelin, B.H.

Wood, J.

* denotes teller

Turnbull, M.

Vasta, R.

Washer, M.J.

Question negatived.

ENERGY LEGISLATION AMENDMENT BILL 2006

First Reading

Bill and explanatory memorandum presented by **Mr Ian Macfarlane**.

Bill read a first time.

Second Reading

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (9.19 am)—I move:

That this bill be now read a second time.

A secure, reliable and affordable energy supply is a fundamental input to Australia's economic wellbeing. For this reason, it is critical that the regulatory framework governing our energy sector is sound. The Ministerial Council on Energy is the peak energy policy body in Australia and has made significant progress in its extensive energy market reform program.

In improving the operation of Australia's electricity and natural gas markets, the Ministerial Council on Energy takes advice from many sources. A key input to its work in natural gas has been the Productivity Commission review of the gas access regime commissioned by this government. The regime governs the regulation of services provided by means of natural gas pipeline infrastructure, and operates through a cooperative legislative scheme involving the Commonwealth and all of the states and territories.

The primary aim of the review was to examine the extent to which the existing gas access regime:

- balances the interests of service providers and gas pipeline users;

- provides a relevant framework that enables efficient investment in new pipeline infrastructure; and
- assists in facilitating a competitive market for natural gas.

The commission found that changes to the regime could assist in the achievement of these goals.

The majority of the Ministerial Council on Energy's policy responses to the recommendations of the Productivity Commission will be implemented through further amendments to the gas access regime which are intended to come into force in 2007. However, in seeking to ensure there is ongoing efficient investment to meet Australia's growing energy demand, the ministerial council wishes to send a positive signal to market participants as soon as possible.

The ministerial council therefore agreed to adopt and build on some of the commission's key recommendations ahead of the introduction of the new legislative regime. The ministerial council decided to implement in the existing gas access regime two specific incentives aimed at encouraging investment in greenfields pipelines. Legislation implementing these incentives was introduced to the South Australian parliament on 11 May 2006.

The first incentive allows the proponent of a proposed pipeline to seek a full exemption from regulation under the gas access regime for the pipeline's first 15 years of operation. The second incentive allows proponents to seek an exemption from price regulation for a proposed international transmission pipeline which will deliver foreign gas to Australia. The key driver for this incentive is the importance of securing Australia's long-term energy security needs, while recognising the additional complexity of international infrastructure projects.

For both incentives, an independent body, the National Competition Council, will undertake an assessment of market power and public interest matters before the relevant minister makes a decision on whether to grant the incentive. This will ensure the incentives are granted in the appropriate circumstances. Most importantly, the incentives will provide the necessary regulatory certainty for investors where market circumstances indicate the demand for potential new developments.

The amendments I am introducing today will further promote the opportunities to gain that regulatory certainty and thereby enhance the benefits created by the gas access regime. They have the full support of my state and territory colleagues on the Ministerial Council on Energy.

In particular, the Energy Legislation Amendment Bill 2006 implements key changes to Commonwealth legislation to ensure that the incentives can function properly. Firstly, they remove the possible application of regulation under part IIIA of the Trade Practices Act to a pipeline granted one of the incentives. Secondly, they ensure that the gas access regime can remain a certified effective access regime, notwithstanding the availability of these incentives.

Finally, I am introducing some machinery changes to the gas access regime and the electricity regime. These include:

- amendments to the Trade Practices Act and the Gas Pipelines Access (Commonwealth) Act which update the provisions which allow the National Competition Council and Commonwealth minister to have functions, powers and duties imposed on them under the state and territory gas access regimes; and
- amendments to incorrect references in Commonwealth legislation to parts of the national electricity law.

I commend the bill to the House.

Debate (on motion by **Mr Gavan O'Connor**) adjourned.

**FAMILIES, COMMUNITY SERVICES
AND INDIGENOUS AFFAIRS AND
OTHER LEGISLATION (2006 BUDGET
AND OTHER MEASURES) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (9.25 am)—I move:

That this bill be now read a second time.

This bill gives effect to several measures from the 2006 budget, as well as to various other important government initiatives, covering a wide range of portfolio matters.

The budget measures are mainly to give further support to Australian families. Family tax benefit part A is the primary financial support given by the community to low-income families. These families will now be paid more family tax benefit part A through an increase to \$40,000, up from \$33,361 in 2005-06, in the amount of income they can earn each year before their payment is affected. This measure will raise the part A payment of about half a million Australian families by up to \$9.60 per week, delivering over \$993 million in additional payments over four years.

A further significant benefit will go to families with three children. These families will have the large family supplement, currently valued at \$248 annually and available only to families with four or more children, included in their family tax benefit part A.

The bill also delivers on a 2005 budget commitment to set up a maintenance income credit for family tax benefit part A. This recognises that child support payees receiving family tax benefit part A have little control over when they receive their child support payments and may be disadvantaged if they receive child support arrears in a lump sum in a year later than when they were due. This is because they do not get the benefit of the maintenance income free area for the year when the arrears were due. This measure will allow families to access their unused maintenance income free area from previous years to offset any late child support payments, thus increasing family tax benefit entitlements.

The government announced in the 2006 budget a one-off payment for certain older Australians, equal to the annual rate of utilities allowance, currently \$102.80. This bonus payment will generally be paid before the end of June 2006, including to recipients of mature age, widow or partner allowance who do not currently attract utilities allowance itself. To supplement this one-off payment, this bill provides for recipients of those three allowances an ongoing entitlement to utilities allowance, which is already available to other older Australians to assist them in meeting their everyday household expenses such as gas and electricity.

Of significant community interest will be the measure in this bill that introduces a streamlined, flexible and coordinated payment, the Australian government disaster recovery payment, which could provide emergency assistance for offshore disasters, similar to the 2002 and 2005 Bali bombings, the 2004 Asian tsunami and the 2005 London bombings, or onshore disasters, such as the 2005 Eyre Peninsula bushfires or tropical Cyclone Larry in 2006. The new payment will standardise the successful type of ex

gratia government assistance that was provided in response to these events.

The Australian government disaster recovery payment will give the government a flexible response option for Australians affected by onshore and offshore disaster events, complementing existing arrangements and providing choice in the way the government may wish to respond to a disaster. Adult Australian residents who are affected by an eligible natural or non-natural disaster, whether within Australia or offshore, can claim the payment. Initially, a person adversely affected by a major disaster will be able to claim up to \$1,000 for himself or herself and \$400 for each child in his or her care.

The bill also extends carer payment to parents of children with severe intellectual, psychiatric or behavioural disabilities. Some of these parents may currently receive parenting payment and, therefore, under the Welfare to Work reforms, may be expected to work part time. However, the demands of caring for these children are often very significant, especially if the children cannot attend school, or if their behaviour is a risk to the safety of themselves or others. To recognise that these demands prevent many parents from supporting themselves through workforce participation, parents of these children may now be able to access carer payment under the expanded eligibility criteria.

A further measure in the bill will help families make private financial provision, through a special disability trust, for the future care and accommodation needs of their family members with severe disabilities. It will help to provide certainty for parents who are concerned that their family members may not have the financial support to take care of their accommodation or care needs when the parents are no longer able to do so.

This measure will allow immediate family members to establish a special disability trust for the current and future care of the severely disabled person. All trust income and trust assets up to the value of \$500,000 will not affect the severely disabled person's social security payments, such as disability support pension. Also, gifts to the trust, to a total of \$500,000, from immediate family members of age pension age, will not affect the donor's social security payments. Under the social security law and the Veterans' Entitlements Act, there are limits to the assets a person can hold or give away without those assets affecting their entitlement to social security payments.

The bill amends the Family Law Act to implement changes to the governance arrangements of the Australian Institute of Family Studies. These changes form part of the government's response to the recommendations of the review of the corporate governance of statutory authorities and office holders, conducted by Mr John Uhrig.

The assessment of the institute against the recommendations of the Uhrig review found that the functions of the institute are best suited to the executive management governance arrangements. The bill will enhance the institute's governance arrangements to make them fully consistent with executive management governance arrangements. For example, the institute will become a prescribed agency under the Financial Management and Accountability Act. In keeping with the government's Knowledge and Innovation policy announcement of 2001, the institute will remain a statutory agency separate from the Department of Families, Community Services and Indigenous Affairs.

Lastly, the bill makes a small number of minor family assistance and social security refinements in line with current policy.

I commend the bill to the House.

Debate (on motion by **Mr Gavan O'Connor**) adjourned.

PLANT HEALTH AUSTRALIA (PLANT INDUSTRIES) FUNDING AMENDMENT BILL 2006

First Reading

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

Bill read a first time.

Second Reading

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (9.33 am)—I move:

That this bill be now read a second time.

The Plant Health Australia (Plant Industries) Funding Amendment Bill 2006 provides a mechanism to enable plant industries to fund their liabilities under the government and plant industry cost-sharing deed in respect of emergency plant pest responses (the deed).

The deed commenced on 26 October 2005 with the Australian government, state and territory governments and plant industries as parties. There are now 14 plant industry signatories to the deed. It provides certainty in funding for emergency plant pest threats to Australia and certainty in providing rapid and effective responses.

Under the terms of the deed, the government may be required to underwrite a plant industry's share of the costs of an emergency plant pest response. The government has agreed to do this on the proviso plant industries agree to an appropriate repayment scheme.

The amendments will give plant industries the flexibility either to accumulate funds in advance of an emergency plant pest response or to activate levy and charge arrangements following a response.

The plant industries will fund their obligations under the deed through the imposition

of new emergency plant pest response levies and charges.

Amendments to the Plant Health Australia (Plant Industries) Funding Act 2002 will provide the machinery for the appropriation and application of the new emergency plant pest response levies and charges.

Firstly, the amendment bill provides for amounts equal to new emergency plant pest response levies and charges to be paid to Plant Health Australia from the consolidated revenue fund through the normal appropriation process.

Secondly, the amendment bill authorises Plant Health Australia to hold and manage these funds on behalf of a plant industry. Plant Health Australia will utilise the funds to discharge any obligations that the industry may incur under the emergency plant pest response deed in relation to the plant product or products on which the emergency plant pest response levy or charge is raised.

If at any time a plant industry has no obligations under the deed, it may request Plant Health Australia to apply the funds for other emergency plant pest related purposes. However, it is not proposed that funds directed to an industry's research and development corporation be matchable by the government.

If there is no present occasion to apply the funds, they may be held for the industry by Plant Health Australia and supplemented by any interest or other income.

This legislation has the full support of industry groups and producers. It establishes arrangements for the long-term funding of emergency plant pest outbreaks and so assists in providing certainty in responding to such outbreaks.

The bill is further demonstration of the partnership approach to plant health matters between the government and industry. It will further help maintain the competitiveness of

Australia's agricultural industries through an outstanding animal and plant health status.

Debate (on motion by **Mr Gavan O'Connor**) adjourned.

**FISHERIES LEGISLATION
AMENDMENT (FOREIGN FISHING
OFFENCES) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (9.37 am)—I move:

That this bill be now read a second time.

The purpose of this bill is to amend relevant fisheries legislation to provide for custodial penalties for foreign fishing offences in Australia's territorial sea.

This measure should be welcomed by all who are affected adversely by illegal foreign fishing—governments, industry, non-government groups and individual people and, not least of all, fishermen themselves—all of whom wish to preserve and protect Australia's ecologically unique and economically important fish stocks and other living marine resources.

At present Australia's main fisheries legislation, the Fisheries Management Act 1991 and the Torres Strait Fisheries Act 1984, do provide for custodial sentences only for some specific 'secondary' offences, whether committed on board an Australian or foreign boat, such as for failure to comply with certain court orders, falsification of information, or obstructing a fisheries officer.

However, the legislation does not currently provide for custodial penalties for the 'primary' foreign fishing offences of fishing illegally from a foreign fishing boat, or being

in control of a foreign fishing boat without legal excuse, in our waters.

The bill addresses this issue to the extent possible consistent with international law and the current jurisdictional arrangements for fisheries management as between the Commonwealth and the states and the Northern Territory.

Illegal foreign vessel incursions threaten Australia's sovereign interests. They pose a range of threats, such as serious quarantine risks, illegal immigration, importation of prohibited goods and drugs, depletion of fish stocks, degradation of marine protected areas and the targeting of endangered species.

The government has committed very substantial resources to address and reduce these risks, including the additional \$388.9 million package to combat illegal foreign fishing announced on budget night.

The custodial penalties proposed in the current bill would be a significant additional deterrent to illegal foreign fishing vessel incursions.

The key feature of the bill is that it would provide for custodial penalties of from two years to three years, depending on the specific offence, together with substantial fines. The terms of imprisonment proposed would be broadly consistent with the terms for the existing 'secondary' offences in Commonwealth fisheries law and with the terms of imprisonment in some states for similar 'primary' foreign fishing offences in their coastal waters.

In deciding the lengths of the new Commonwealth custodial penalties regard has, however, also been had to the inherent sovereignty violation in foreign fishing boat incursions, giving rise to more substantial penalties than would otherwise have been considered appropriate.

Illegal foreign fishing harms the interests of the states and the Northern Territory as well as the Commonwealth and the need for an effective response by all governments is clear. Commonwealth-state consultations on a more coordinated strategy are continuing. Among other things, these discussions may in time result in a more seamless approach across all jurisdictions.

In order to put in place a system of custodial penalties as a matter of urgency, the bill provides for the penalties, at this stage, to operate in those parts of Australia's territorial sea that are subject to Commonwealth fisheries jurisdiction and not in the coastal or internal waters of the states or the Northern Territory.

Accordingly, the custodial penalties proposed in the bill would operate generally in the band of water that begins three nautical miles seaward of the coastline and extends to 12 nautical miles from the coast. The United Nations Convention on the Law of the Sea prohibits the imposition of custodial penalties for foreign fishing offences beyond the 12 nautical mile territorial sea limit.

Importantly, also, consistent with the Commonwealth's well established principles of criminal justice, the bill would ensure that the custodial penalties are associated only with new fault based indictable offences and would not be applied to any of the strict liability offences in the existing fisheries laws of the Commonwealth.

The custodial penalties in the bill, if enacted, will strengthen the government's overall policy responses to illegal foreign fishing. Taken alone, they will not provide a total 'answer' to this complex matter, but they will represent an important new element in the government's ongoing action to protect Australia's sovereignty and its fish stocks and other living marine resources.

The penalties for foreign fishing offences in this bill are amongst the most stringent in the world. They further demonstrate Australia's commitment to combating illegal, unreported and unregulated fishing. I commend the bill to the House.

Debate (on motion by **Mr Gavan O'Connor**) adjourned.

DO NOT CALL REGISTER BILL 2006

First Reading

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

Bill read a first time.

Second Reading

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (9.43 am)—I move:

That this bill be now read a second time.

This is the legislation families tired and angry at the flood of telemarketing calls during evening dinner times have long awaited. Six pm to 8 pm are the bewitching hours for telemarketers, with five or more calls regularly disrupting dinner preparation and precious family time. Say goodbye to constant rings with interruption and intrusion.

The Do Not Call Register Bill 2006 provides a direct response to growing community concerns about unsolicited and unwanted telemarketing calls. The number of unsolicited calls in Australia has grown significantly in recent years, to the point of intolerability, and has led to rising community concerns about the inconvenience and intrusiveness of telemarketing. Telemarketing can intrude on everyday activities, from getting the kids ready for school to making the evening meal. For many, these calls are disruptive and cause frustration and anger.

The government is addressing these concerns by giving Australian phone users the right to opt out of receiving unsolicited and

unwelcome telemarketing calls and by creating a more consistent and efficient operating environment for the telemarketing industry. Similar arrangements have been adopted in the United States and United Kingdom in response to the same kinds of difficulties experienced in those countries. Canada is also currently considering the introduction of a do not call register.

The telemarketing industry itself has also called for action. The current rules governing telemarketing practices are contained in various instruments, including voluntary codes, state and territory legislation and Commonwealth law.

This fragmented and sometimes inconsistent approach has led to calls from industry organisations such as the Australian Direct Marketing Association for the government to address the issue of inconsistency. This is needed to provide telemarketers with more operational certainty and consumers with more effective complaint-handling mechanisms. Currently, there is no single body to which consumers can register a complaint.

Outline of the Do Not Call scheme

Under the arrangements set out in the bill, a national Do Not Call Register would be established.

People who do not wish to receive telemarketing calls would have the option of applying for their fixed and mobile numbers to be recorded on the register. Once a number is registered, it will be prohibited for telemarketers to contact that number, except in limited specified circumstances. In recognition of the potential for registrations to become out of date, registrations will be valid for a period of three years, unless withdrawn earlier.

The scheme will apply to telemarketing calls made to an Australian number, whether the call is made from Australia or overseas. The bill allows for penalties to apply to Aus-

tralian companies making use of overseas telemarketers. While enforcement of telemarketing which does not have a direct Australian link will be more difficult, the bill also makes provision for development of bilateral agreements between countries wishing to stamp out international telemarketing.

Some exemptions are provided for organisations that act in the public interest, such as charities and government, and where businesses have an existing business relationship with customers. This recognises that there are occasions where unsolicited telephone calls fulfil an important social and community role.

The operation of the register will involve cost recovery from the telemarketing industry. While the government will contribute a significant proportion to the initial funding, it is entirely appropriate that the telemarketing industry contribute an increasing proportion of the costs over time.

The bill allows for the making of regulations in a number of areas to provide flexibility in responding to changes in technical delivery of telemarketing and to potential abuse of the intent of provisions. The bill also makes provision for the review of the entire Do Not Call Register scheme after three years of operation.

Operation

Under the legislation the Australian Communications and Media Authority, ACMA, will have a number of key roles in the operation and administration of the Do Not Call Register.

ACMA will operate, or outsource to a third party the operation of, the register. The register can list all forms of telephone numbers used primarily for private use. Telemarketers who wish to make telemarketing calls will be required to check their calling lists against the numbers registered on the Do Not Call Register to ensure that they do not con-

tact numbers where the account holder has opted out of receiving telemarketing calls. The details relating to the operation and administration of the register will be provided for by a determination made by ACMA.

ACMA will also respond to complaints relating to the register.

Enforcement

Enforcement of the legislation will also be undertaken by ACMA through a tiered enforcement regime which provides for a scale of penalties ranging from \$1,100 up to \$1.1 million depending upon the provision breached and the seriousness of the breach.

The enforcement measures available to ACMA include a formal warning, acceptance of an enforceable undertaking, or the issuing of an infringement notice. ACMA may also apply to the Federal Court for an injunction.

Expected benefits

This is a comprehensive scheme to address a problem that affects a large number of Australians. A Do Not Call Register means exactly that: do not call without prior consent.

The telemarketing industry has attempted to address this problem but there are simply too many operators unwilling to raise their standards and too many offshore call centres offering reduced prices and low standards.

The Do Not Call Register arrangements benefit telemarketers—those that are reputable—and consumers.

Consumers will be able to complain to a recognised body and have their complaint dealt with. In this way consumers will be able to reduce the number of unwanted calls they receive in Australia and potentially those from overseas.

Telemarketers will make efficiency gains by not making calls to those who do not wish to receive them; will experience reduced compliance costs from having national stan-

dards legislation; and will have a level playing field with all telemarketers bound to high professional standards, rather than have the industry brought into disrepute by rogue operators.

This implementation of a Do Not Call Register is generally supported by the telemarketing industry and undoubtedly by most, if not all, consumers.

Conclusion

This bill will put in place a range of measures that will have the effect of reducing the level of unwanted commercial telemarketing calls. It will provide the public with the ability to take effective action through their registration on the Do Not Call Register. The outcome will be that telephone users will have the ability to control the amount of unwanted calls they receive.

I congratulate the Minister for Communications, Information Technology and the Arts, Senator Helen Coonan, for bringing this matter to the parliament. Consumers have long demanded protection from unsolicited and unwanted telemarketing calls that seem designed to catch them at the most inconvenient and inappropriate time, especially when families are coming together to enjoy evening meals. There can be several intrusions by these telemarketers; they can be persistent and unpleasant experiences. The Do Not Call Register means exactly that: do not call.

Mr GRIFFIN (Bruce) (9.51 am)—Since the government has picked up on the member for Chisholm's work in this area, I move:

That the debate be adjourned.

Question agreed to.

DO NOT CALL REGISTER (CONSEQUENTIAL AMENDMENTS) BILL 2006

First Reading

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

Bill read a first time.

Second Reading

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (9.52 am)—I move:

That this bill be now read a second time.

The Do Not Call Register (Consequential Amendments) Bill 2006 deals with consequential matters relating to the enactment of the Do Not Call Register Bill 2006.

It makes amendments to the Telecommunications Act 1997 to enable ACMA to develop appropriate standards and industry codes for the operation of the telemarketing industry and facilitate effective investigation and enforcement of breaches of the Do Not Call Register Bill.

Industry standards will include minimum contact standards relating to issues such as the time telemarketers are permitted to call and what information they must provide about their organisation. These standards will apply to all telemarketers, including those exempt from the general prohibition on making certain telemarketing calls. The bill also allows the telemarketing industry to self-regulate through the development of codes of operation based on part 6 of the Telecommunications Act to deal with the making of calls.

Expected benefits

This is part of a comprehensive scheme to address a problem that affects a large number of Australians.

The telemarketing industry has attempted to address this problem but there are simply

too many operators unwilling to raise their standards and too many offshore call centres offering reduced prices and low standards.

These arrangements benefit telemarketers and consumers.

Consumers will be able to complain to one body in relation to a number of aspects of telemarketing calls and will benefit by receiving fewer silent calls or randomly dialled calls. Consumers will be able to reduce the number of unwanted calls they receive from overseas and in Australia.

Telemarketers will make efficiency gains by not making calls to those who do not wish to receive them; will experience reduced compliance costs from having national standards legislation; and will have a level playing field with all telemarketers bound to high professional standards, rather than the industry being brought into disrepute by rogue operators. This implementation of a Do Not Call Register is generally supported by the telemarketing industry and consumers.

Conclusion

This bill will put in place a range of measures that will have the effect of reducing the level of unwanted commercial telemarketing calls. It will provide the public with the ability and the power to take effective action through their registration on the Do Not Call Register. The outcome will be that telephone users will have the ability to control the amount of unwanted calls they receive.

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

PETROLEUM RESOURCE RENT TAX ASSESSMENT AMENDMENT BILL 2006

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) (9.55 am)—I move:

That this bill be now read a second time.

This bill principally amends the Petroleum Resource Rent Tax Assessment Act 1987 to implement a range of changes and improvements to Australia's primary offshore petroleum taxation system. The changes will take effect from 1 July 2006.

The petroleum resource rent tax, or PRRT, is a tax on net income derived from all petroleum projects in Commonwealth offshore areas excluding the North West Shelf project area. It is assessed on a project basis and the liability to pay PRRT is imposed on a taxpayer in relation to its interest in the project. This liability is based on the project receipts less project expenditures.

Undeducted exploration expenditure is allowed to be transferred from a non-paying PRRT project to a PRRT paying project, provided that continuity of ownership of both projects is maintained.

The amendments reduce compliance costs, improve administration and remove inconsistencies in the Petroleum Resource Rent Tax Assessment Act 1987.

Furthermore, the changes are consistent with the government's overall approach to taxation reform directed at simplifying Australia's taxation system and making the Australian taxation system internationally competitive.

Schedule 1 of the bill requires taxpayers to transfer and deduct transferable exploration expenditure when calculating their PRRT quarterly tax instalment.

Currently, PRRT taxpayers can only transfer and deduct exploration expenditure at the end of the year of tax. Consequently, companies often 'overpay' PRRT in the first three

instalment quarters, only to receive an adjustment for this overpayment in the fourth quarter.

An interest charge will be applied at the end of the year of tax if any unusable amounts of transferable exploration expenditure are claimed in the quarterly instalments. The interest charge is designed to recoup the time value of money associated with the delay in the payment of tax.

Schedule 2 of the bill allows internal corporate restructuring within company groups to occur without losing the ability to transfer exploration expenditure between the petroleum projects of group members.

This measure removes a taxation distortion in the PRRT which prevents a company group from adopting the most efficient corporate structure. This taxation distortion results in company groups maintaining inactive companies, merely to protect their future ability to transfer unused exploration expenditure. The amendments will only apply to internal corporate restructures that occur on or after 1 July 2006.

Allowing internal corporate restructuring to occur under the PRRT without incurring a tax penalty is consistent with the approach adopted for income tax purposes.

Schedule 3 of the bill allows the present value of expected future expenditures to close down an infrastructure facility associated with a particular petroleum project to be deductible against the PRRT receipts of this project. This change is made to the extent that these costs are currently not recognised for PRRT purposes.

This change removes a taxation impediment preventing existing project infrastructure to be used efficiently. The efficient use of existing infrastructure will enable the optimal development of Australia's limited petroleum resources.

Schedule 4 of the bill introduces the self-assessment regime for PRRT taxpayers as it generally applies under income tax. This change will result in PRRT taxpayers being able to fully self-assess their PRRT liability.

Further, it enables PRRT taxpayers to obtain legally binding rulings from the Australian Taxation Office in relation to PRRT matters. At present they can only obtain administratively binding advice. This change provides greater certainty for PRRT taxpayers.

The government has recently implemented a number of reforms to the income tax self-assessment regime. These reforms arose from the government's Review of Aspects of Income Tax Self Assessment. Schedule 4 of the bill introduces these changes, where applicable, into the PRRT regime.

Schedule 5 of the bill introduces several unrelated amendments to the PRRT. There are three primary amendments.

First, payments of fringe benefits tax will be a deductible expense for PRRT purposes, provided such payments are not indirect costs which are excluded expenditures for PRRT purposes. Deductibility of payments of fringe benefits tax for PRRT purposes is consistent with the income tax treatment of these payments. Second, vendors disposing of an interest in a petroleum project will be required to provide a transfer notice to the purchaser of this project, setting out relevant information such as the amount of undeducted expenditure available.

This measure is designed to overcome the information asymmetry that exists between parties to a PRRT transaction, and is expected to ease compliance costs for the purchaser. Finally, the lodgment period for PRRT annual returns will be extended from 42 days to 60 days. This measure will ease compliance costs for PRRT taxpayers.

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

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

**TAX LAWS AMENDMENT (2006
MEASURES No. 3) BILL 2006**

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) (10.01 am)—I move:

That this bill be now read a second time.

This bill amends various taxation laws to implement a range of improvements to Australia's taxation system, including changes announced in the recent 2006-07 budget.

Schedule 1 to this bill extends eligibility for the beneficiary tax offset to farmers and small business owners in receipt of Cyclone Larry income support payments. This ensures consistency with the taxation treatment of the Newstart allowance.

The government is providing the Cyclone Larry income support payments to farmers and small business owners whose income has been adversely affected by that cyclone.

Schedule 2 to this bill also gives effect to the Prime Minister's announcement that certain payments to assist recovery by businesses adversely affected by Cyclone Larry are to be tax free. This decision recognises the extraordinary hardship inflicted by Cyclone Larry and the threat to the community's recovery prospects.

Schedule 3 extends eligibility for the beneficiary tax offset to drought-affected taxpayers in receipt of interim income support payments.

Interim income support payments are made to farmers in areas where an exceptional circumstances application lodged by a

state demonstrates a prima facie case for full exceptional circumstances assistance. Interim income support is available for up to six months while the case for full exceptional circumstances assistance is being considered. Applying the beneficiary tax offset to interim income support payments ensures consistency with the taxation treatment of exceptional circumstances relief payments.

Schedule 4 to this bill amends the Income Tax Assessment Act 1997 to ensure that a company's share capital account will become tainted if it transfers certain amounts to that account. If a company taints its share capital account, a franking debit arises in the company's franking account. If the company chooses to untaint its share capital account, an additional franking debit may arise and untainting tax may be payable. The new share capital tainting rules will apply to transfers made to a company's share capital account after today.

The new share capital tainting rules are a further component of the simplified imputation system and replace the old share capital tainting rules that were in the Income Tax Assessment Act 1936.

Schedule 5 to this bill will provide an exemption from capital gains tax (CGT) for recipients of the Work Choices grants. This ensures that recipients of the government's unlawful termination assistance scheme do not incur a capital gain or loss. The unlawful termination assistance scheme provides eligible applicants with government assistance for independent legal advice to assess the merits of their unlawful termination claim.

Similarly, the CGT exemption will apply to the alternative dispute resolution assistance scheme. This scheme provides eligible parties with the opportunity to receive alternative dispute resolution services.

The government is also expanding the CGT exempt status to include government

grants that reimburse expenses. This allows recipients of expense-reimbursing government grants to better utilise the grant.

Each of these CGT changes will take effect from the 2005-06 income year.

Schedule 6 to this bill introduces an offset for certain taxpayers whose Medicare levy surcharge liability arose, or was significantly increased, as a result of a significant, eligible lump sum payment in arrears. Prior to this bill taxpayers have been able to receive concessional income tax treatment to help offset the effects of receiving a lump sum payment in arrears but an equivalent concession has not been available for the Medicare levy surcharge.

This amendment will benefit those who are generally not liable for the Medicare levy surcharge but become liable in a particular year due to receipt of a large lump sum payment in arrears and those who would otherwise have had to pay a larger Medicare levy surcharge.

Schedule 7 to this bill amends the Superannuation Guarantee (Administration) Act 1992 to require a superannuation fund or retirement savings account provider to report to the Commissioner of Taxation. The required reports will contain details of employer and total contributions made to a superannuation fund account or retirement savings account provider.

Schedule 8 to this bill will exclude, from reporting, fringe benefits provided to address certain security concerns relating to the personal safety of an employee, or an associate of the employee, arising from the employee's employment. This measure applies retrospectively from 1 April 2004. As a result of this reporting exclusion, the payment summaries of employees who receive such fringe benefits will not include these amounts.

Schedule 9 amends the Income Tax Assessment Act 1936 to protect revenue and the

integrity of the taxation system by preventing the inappropriate use of pre-1 July 1988 funding credits. This will ensure they can only be used in accordance with the original policy intent. In particular, pre-1 July 1988 funding credits will only be able to be used by superannuation schemes to reduce their taxation liability on contributions made after 1 July 1988 if those contributions were made for the purpose of funding benefits that accrued before 1 July 1988.

Schedule 10 to this bill will allow two types of deductible gift recipients—prescribed private funds and public ancillary funds—to obtain an Australian business number where the funds distribute to deductible gift recipients that are not charities (such as public ambulance services and research authorities) provided that these funds are income tax exempt. This ensures that the funds can access the same tax concessions as other funds that distribute solely to deductible gift recipients that are charities.

Schedule 11 gives effect to the government's announcement in the 2005-06 budget that it will increase philanthropy by establishing five new categories of organisations that can receive tax deductible gifts. The categories cover war memorials, disaster relief, animal welfare, charitable services and educational scholarships.

Schedule 12 amends the A New Tax System (Goods and Services Tax) Act 1999 to confirm that the GST charity concessions apply in accordance with the original policy intent. It also clarifies that charities operating retirement villages are required to be endorsed by the Commissioner of Taxation in order to access the relevant GST charity concessions, as other charities must.

Schedule 13 makes a technical clarification to the Tax Laws Amendment (Improvements to Self Assessment) Act (No. 2) 2005 to ensure that the reduced four-year amend-

ment period for income tax assessments involving tax avoidance applies from the 2004-05 income year as announced by the government.

Schedule 14 to this bill contains a measure amending the Wine Equalisation Tax (WET) Producer Rebate Scheme in the A New Tax System (Wine Equalisation Tax) Act 1999. The government announced in the 2006-07 budget that it would provide enhanced assistance to the wine industry, by increasing the maximum amount of wine producer rebate claimable by a wine producer (or group of producers) to \$500,000 in each financial year from 1 July 2006.

Finally, schedule 15 amends the A New Tax System (Goods and Services Tax) Act 1999. It will ensure that supplies of certain types of real property remain input taxed. This measure confirms the longstanding GST treatment of these transactions and applies from 1 July 2000. The need for the amendment arises from the reasoning of the full Federal Court of Australia in the Marana Holdings case. If the measure were not adopted, property investors would face significant changes to the GST treatment of affected premises—advantaging some whilst disadvantaging others. It would add to uncertainty, complexity and the compliance burden on taxpayers.

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

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

**PETROLEUM RESOURCE RENT TAX
(INSTALMENT TRANSFER INTEREST
CHARGE IMPOSITION) BILL 2006**

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) (10.09 am)—I move:

That this bill be now read a second time.

This bill is a companion bill to the Petroleum Resource Rent Tax Assessment Amendment Bill 2006.

The purpose of this bill is to ensure constitutional validity of the ‘instalment transfer interest charge’. This charge is designed to recoup the time value of money associated with transfer of exploration expenditure in working out a quarterly instalment of tax that is subsequently reversed. It relates to the measure contained in schedule 1 to the Petroleum Resource Rent Tax Assessment Amendment Bill 2006.

Full details of the measure in this bill are contained in the explanatory memorandum already presented.

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

**NEW BUSINESS TAX SYSTEM
(UNTAINTING TAX) BILL 2006**

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) (10.11 am)—I move:

That this bill be now read a second time.

This bill is a companion bill to the Tax Laws Amendment (2006 Measures No. 3) Bill 2006.

The purpose of this bill is to impose untainting tax. A liability to untainting tax arises when a company chooses to untaint a tainted share capital account.

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

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

**TAX LAWS AMENDMENT
(MEDICARE LEVY AND MEDICARE
LEVY SURCHARGE) BILL 2006**

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) (10.12 am)—I move:

That this bill be now read a second time.

This bill will increase the Medicare levy low-income thresholds for individuals and families in line with increases in the consumer price index. The low-income threshold in the Medicare levy surcharge provisions will similarly be increased. These changes will ensure that low-income individuals and families will continue not to have to pay the Medicare levy or surcharge.

The bill will also increase the Medicare levy low-income threshold for pensioners below age pension age to ensure that, where these pensioners do not have a tax liability, they will also not have a Medicare levy liability.

The amendments will apply to the 2005-06 year of income and later years of income.

Full details of the measures in this bill are contained in the explanatory memorandum. I commend the bill to the House.

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

**ROYAL COMMISSIONS AMENDMENT
BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr TURNBULL (Wentworth—Parliamentary Secretary to the Prime Minister) (10.13 am)—I move:

That this bill be now read a second time.

This is a bill to amend the Royal Commissions Act 1902 for the purpose of clarifying the operation of the act in respect of claims of legal professional privilege. This is a technical matter but also one of some importance. The amendments have been requested by the Hon. Terence Cole AO, RFD, QC, the commissioner of the current Inquiry into Certain Australian Companies in relation to the UN oil for food program, in light of the recent Federal Court decision in AWB Ltd v Cole.

Before dealing with the impact of that decision on the Cole inquiry and the amendments to be made by the bill to overcome that impact, I wish to first highlight the Australian government's commitment to properly investigate the findings of the final report of the Independent Inquiry Committee into the United Nations Oil-for-Food Programme, more commonly known as the Volcker inquiry final report.

The Australian government established the Cole inquiry to investigate whether companies named in the Volcker inquiry final report into the UN oil for food program may have breached Australian law and, if so, whether the question of criminal or other proceedings should be referred to the relevant agencies. The government moved quickly to establish a publicly transparent and extensive inquiry in response to the find-

ings of the Volcker inquiry final report and has provided the inquiry with the full powers of a royal commission, including the authority to compel witnesses and the production of documents.

As the Prime Minister has noted, the Cole inquiry is arguably the most thorough and comprehensive investigation initiated in any of the 66 countries named in the Volcker inquiry final report into the UN oil for food program. The Australian government is committed to providing full cooperation with the Cole inquiry, including providing access to all relevant documents and officers. This policy extends to all levels of government, and I note that the Prime Minister, the Deputy Prime Minister and Minister for Trade, and the Minister for Foreign Affairs as well as current and former ministerial staff and public servants have appeared before the inquiry. To date, at least 14 Commonwealth departments and agencies have provided documents and more than 70 current and former Commonwealth officials have submitted statutory declarations to the inquiry.

Senior counsel assisting the inquiry, Mr John Agius SC, noted on 14 March 2006 that the inquiry had the power to investigate and make findings in relation to the knowledge of the Commonwealth of alleged misconduct by Australian companies participating in the oil for food program. The commissioner has himself issued a statement about the scope of his inquiry, making clear that, if during his inquiry it appears to him that there might have been a breach of any Commonwealth, state or territory law by the Commonwealth or any officer of the Commonwealth related to the terms of reference, he would approach the Attorney-General to seek a widening of the terms of reference to enable him to make such a finding. The commissioner also said that this point had not been reached.

Since the inquiry commenced its public hearings, the Australian government has acted on a number of occasions to expand and clarify the inquiry's terms of reference and to give the inquiry an extra three months to deliver its report. In each case the Australian government has acted quickly to respond to requests made by Mr Cole. The government's actions have at all times been consistent with its ongoing commitment to ensure that Mr Cole has all the powers, resources and time he needs to conduct a thorough inquiry.

During the inquiry's hearings, the question of the treatment of claims for legal professional privilege under the Royal Commissions Act has arisen. Public attention has focused to an extent on a draft statement of contrition by Mr Andrew Lindberg, the former Chief Executive of AWB, which was inadvertently produced to the inquiry. As a result of Mr Cole's decision to reject AWB's claim for legal professional privilege over the draft statement of contrition, AWB applied to the Federal Court for review of Mr Cole's decision, challenging not just Mr Cole's decision on the claim of privilege made for the document but also the commissioner's capacity to determine claims of legal professional privilege.

While the Federal Court decision in *AWB Ltd v Cole* dismissed the application by AWB on the facts of the case and concluded that the statement of contrition was not protected by legal professional privilege, it also cast significant doubt on whether Mr Cole (or any other person appointed under the Royal Commissions Act) has the power to require the production of a document for inspection where a claim to legal professional privilege has been made.

The scheme of the Royal Commissions Act 1902 as it stands is that a member of a commission has the power to summon a per-

son to appear before the commission to do either or both of giving evidence or producing documents or other things specified in the summons. It is an offence to fail to comply with such a direction but a defence is provided if a person has a reasonable excuse. A reasonable excuse is defined in the act as it stands as being:

... an excuse which would excuse an act or omission of a similar nature by a witness or person summoned as a witness before a court of law.

The practice has been in the past for persons directed to produce documents to make a claim for legal professional privilege and for the commissioner, in the same procedure a judge would apply in a court, to inspect the document and make a ruling. Then—just as the AWB has done in the case I mentioned earlier—the person who has produced the document may challenge that ruling under the Administrative Decisions (Judicial Review) Act. In the decision by Mr Justice Young, the learned judge has essentially concluded that a royal commissioner has no power to inspect a document in respect of which legal professional privilege has been claimed. He has relied upon a series of cases in the High Court which emphasise—and there is no criticism of this case law—that the importance of legal professional privilege as a common-law right, vital to the administration of justice, cannot be abrogated or qualified in a statute other than by express language. Following that reasoning, Mr Justice Young at paragraph 51 of his judgment said:

The principle enshrined in *Baker and Daniels*—referring to two of those previous authorities—

is that, in the absence of clear and unmistakable language, a compulsive notice such as that which can be issued under s 2(3A)—

of the Royal Commissions Act—

will not be construed as requiring the production of legally privileged documents.

And then further at paragraph 59, His Honour goes on to say:

... it offends the general principles enunciated in *Baker and Daniels* to argue that a notice under s 2(3A) imposes an unqualified obligation to produce documents that are the subject of legal professional privilege, unless and until a reasonable excuse is established within the meaning of s 3(5).

His Honour goes on to say:

In my opinion, there is nothing in the RCA to support the contention that the Commissioner has implied authority to inspect documents produced under a s 2(3A) notice for the purpose of determining whether they attract legal professional privilege.

Where does this leave the conduct of royal commissions? It puts royal commissions in a very difficult practical situation, because it means that, if an order or direction is made that a document or class of documents be produced and a claim of legal professional privilege is made, the commissioner then must either abandon its efforts to obtain access to the document or go to a court itself to seek a declaration that legal professional privilege does not apply or indeed to seek a mandatory injunction that the document be produced. This is, in practical terms, an impossible obligation, because the commissioner has not seen the document and does not know how strong the claim of privilege is. It would make the conduct of inquiries of this kind open to considerable delay and, indeed, possibly tactical claims for legal professional privilege.

As a consequence of all of this, Mr Cole has expressed his concerns with the decision to the government and has sought urgent amendments to the Royal Commissions Act, noting these claims have been made in respect of a great many documents that have not been produced to his inquiry.

The government has accepted that it is desirable to amend the Royal Commissions Act to enable Mr Cole to complete his inquiry expeditiously, and that this should be done as soon as possible. We are therefore seeking passage of this bill in the current winter sittings. Once passed, the amendments will have immediate effect in assisting Mr Cole with completing his inquiry.

The amendments to be made by the bill will restore what most lawyers regarded as the status quo ante and put beyond doubt that a commissioner may require the production of a document in respect of which legal professional privilege is claimed for the limited purpose of forming an opinion about the claim. The amendments will not preclude privilege claims or prevent an application for review under the Administrative Decisions (Judicial Review) Act to the Federal Court of a commissioner's decision on a privilege claim.

As I said, the bill therefore is intended to reflect the position that the government understood was the case prior to the decision in *AWB Ltd v Cole*. While passage of the bill will, of course, be of immediate benefit to the Cole inquiry, it will also clarify the law with respect to the way in which legal professional privilege claims are dealt with under the Royal Commissions Act more generally. So the bill is commendable for purposes well beyond Mr Cole's inquiry.

The Australian government has repeatedly shown its willingness to address any concern raised by Mr Cole and will continue to do so. The amendments to be made by this bill provide another example of this willingness. I commend the bill to the House.

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

COMMITTEES

Public Works Committee

Approval of Work

Mr NAIRN (Eden-Monaro—Special Minister of State) (10.26 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 Centrelink at Greenway, ACT.

Centrelink proposes to undertake a fit-out of new leased premises for its National Support Office at Greenway in the Australian Capital Territory.

The proposed fit-out will provide a work environment which integrates flexible workspace design with easily reconfigured ceiling and subfloor services, thereby reducing the cost of organisational and technological change.

Construction of the office complex began in September 2005, and the building is scheduled for delivery in August 2007.

In its report, the Public Works Committee recommended that this work proceed at an estimated cost of \$42.79 million.

Subject to parliamentary approval, the fit-out procurement process could begin in June 2006, with the fit-out elements being manufactured between November 2006 and August 2007 for installation in the new building between August and November 2007.

Centrelink plans to occupy the building progressively in November and December 2007.

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.

**EXCISE LAWS AMENDMENT (FUEL
TAX REFORM AND OTHER
MEASURES) BILL 2006**

Cognate bills:

**EXCISE TARIFF AMENDMENT (FUEL
TAX REFORM AND OTHER
MEASURES) BILL 2006**

**CUSTOMS AMENDMENT (FUEL TAX
REFORM AND OTHER MEASURES)
BILL 2006**

**CUSTOMS TARIFF AMENDMENT
(FUEL TAX REFORM AND OTHER
MEASURES) BILL 2006**

Second Reading

Debate resumed from 11 May, on motion by **Mr Dutton**:

That this bill be now read a second time.

Mr FITZGIBBON (Hunter) (10.28 am)—The House has agreed to deal with the Excise Laws Amendment (Fuel Tax Reform and Other Measures) Bill 2006, the Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006, the Customs Amendment (Fuel Tax Reform and Other Measures) Bill 2006 and the Customs Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006 cognately. They are not unimportant bills, not in any sense of the word, but they are not the bills we should be debating today. The bills we should be debating today are the Fuel Tax Bill 2006 and the Fuel Tax (Consequential and Transitional Provisions) Bill 2006. We are not debating them today, apparently because the government has a backbench revolt.

It would have made a lot more sense for us to be debating the fuel tax bills prior to dealing with these four bills in cognate debate. That would have been the course of action if the government's original proposal had been followed. Indeed, we would have been debating the fuel tax bills yesterday. But we were surprised late last night, or this

morning, to learn that we would not be debating those bills this week at all and, indeed, would be having this cognate debate today instead. That is disappointing from the opposition's perspective. It gives us little notice, but it also causes additional confusion in the parliamentary processes and, of course, new and uncertain times for the industries which are affected.

These bills that we are debating today are effectively machinery bills. Although they do many things that are not related to the fuel tax bills, overwhelmingly they are about putting the technical machinery in place to allow the fuel tax bills to have effect. It is unusual that we are doing them in reverse order. Why is there government backbench revolt? It is for the same reason that Labor has been expressing concern over the last few weeks—that is, the proposed fuel tax changes will have enormous cash flow implications for many businesses in this country.

My office has had representations from many sectors that are very concerned about this aspect. On 22 May Minister Dutton reaffirmed the government's commitment to putting these changes into effect without any further change. He claimed that he had consulted widely in the industry and that, if he did not go forward with the proposals, we would end up 'in the same old mess we currently find ourselves in'. Surprise, again: we are not debating the relevant bill today. That is a source of both disappointment and curiosity for those of us on this side of the House.

Labor's course of action—and it has already been put into motion—was to send the bill to a Senate committee to tease out these cash flow issues and to allow representatives from each of those sectors to put their submission to the Senate committee to determine whether this bill can be redeveloped in

a better way, with changes either to come back here or to the Senate by way of amendment. That would have been the sensible course of action. But the government did not want to do it that way because it was concerned about the embarrassment it might face as that Senate committee process unfolded.

I am now joined by my colleague the member for Bruce, and I formally move the amendment that has been circulated in my name:

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 inappropriately bringing forward debate on these excise and customs bills in advance of consideration of the primary legislation contained in the Fuel Tax and Consequential Bills;
- (2) calls on the Government to bring forward debate on these bills forthwith; and
- (3) criticises the Government over its insensitivity to the impact of record high petrol prices on Australian families”.

I will return to those points later. I will now turn to the technical aspects of the bills being considered by the House this morning. The customs amendment bill and the customs tariff amendment bill change the Customs Act 1901 and the Customs Tariff Act 1995. These bills are designed to extend changes to imported equivalents that the accompanying excise laws amendment bill and excise tariff amendment bill make to excisable goods. While these bills give effect to the fuel tax bills, which constitute what the government claims is major reform of fuel tax—which is something I question but will return to later—the bills also involve some streamlining of excise customs classifications for alcohol and tobacco and changes to the rate of duty for aviation gasoline, which is in effect a cost recovery measure.

I turn now to the Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Bill. This bill changes the list of products subject to excise so that only two rates of duty apply: for aviation fuel and other fuels. Excise duty of 38.143c per litre and customs duty at the excise equivalent rate of 38.143c per litre will be applicable to all fuels other than aviation fuels. Relief from the incidence of fuel tax is delivered in the fuel tax bills through a provision for fuel tax credits. The bill proposes a nine per cent reduction in the duty rates for aviation gasoline and kerosene. New arrangements for cost recovery of aviation fuel have been introduced. The reduction in the duty for aviation gasoline was announced in November 2005 as part of these changes; however, it is not clear why such a reduction is needed. I pose this question to the Assistant Treasurer and I invite him to answer it in his summation of debate on the bill.

Labor had been offered a briefing from the minister’s office on these bills. I thank the minister, because this is somewhat of a departure from the practice of the former minister, Minister Brough, who constantly and regularly denied the opposition briefings on some of these very complex issues. So I again thank the minister for that offer. Unfortunately on this occasion we were not able to take up the offer because of other demands, but I trust that the minister will continue to make his people available to us when we have detailed questions to ask in advance of the debate on these complex issues.

I want to ask a series of questions on this bill. In the absence of an opportunity to submit answers earlier, I hope the minister will answer them in his summation on the bill and, if he is not able to, he will take the opportunity to provide answers through the usual channels as soon as he can. It is very important to the opposition to have these answers before the bill is considered by a

Senate committee and, of course, before it is debated in the Senate.

The fuel tax bills combine into one piece of legislation the means of providing fuel tax relief to businesses and households. It is intended that from 1 July 2011 these bills will also provide the legislative basis for taxing certain liquefied and compressed gaseous fuels, when fuel tax is levied on LPG, LNG and CNG for the first time. This takes me back partly to some of the concerns I addressed earlier about a backbench revolt.

It also takes us back to a very important debate we had a few years ago about whether the time had come to start applying taxation to some of these alternative fuels. It was an important debate. My view is that we got a pretty appropriate outcome from that debate. It is very important that these alternative fuels have government assistance in their infancy while they develop the technology and their markets and then build the sort of market share they need to remain competitive, but the time does come when these alternative fuels do need to show that they are capable of standing on their own two feet. The regime that the fuel tax bills will put into place is a balanced one whereby tax-free status is kept in place for some time yet but with a slow phasing in of fuel tax based on the energy content of the fuel—which I think is the appropriate way to levy the tax—and, just as importantly, with an ongoing 50 per cent reduction in that energy content to keep them competitive.

I want to remind the House about the very difficult time that LPG has had as a result of the government's approach to this issue. Not all that long ago, LPG was tax free. When the GST was introduced, the full weight of the GST was felt by the LPG industry because, unlike petrol and certain other fuels which had their excise reduced to compensate for the impact of the GST, LPG was not

carrying any excise; therefore there was no excise to be reduced, and therefore there was no opportunity to give the same sort of compensatory effect to LPG. So in that case LPG took the full weight of the government's GST, and I know it is an industry that has been suffering ever since as a result of that change.

I want to talk briefly again about the proposals to change the way in which business makes a claim on its GST exemption. Until now, business has been effectively able to do that up front. In some cases—and some would argue that this is a bad thing—that has been cash flow positive for businesses. In other words, they have been able to claim the tax back before making the payment. That would certainly often be the case in circumstances where the business has a 30-day credit line with the supplier of fuel. But what has been proposed in the fuel tax bills is that businesses now claim the rebate on their BAS at the end of the month or the end of the quarter, depending on their circumstances. The government claims this is a streamlining process—it involves less compliance. That is a very strong case. But the government obviously has not properly taken into account the extent to which this will impact upon the cash flow of many businesses in this country, and that is why the Labor Party moved quickly in the Senate to have a Senate committee inquiry. That is the course the government should have followed, rather than putting this House into shambles by pulling the bill while it deals with its backbench revolt.

We have had representations from all sorts of people on this issue, not just the people you would expect to make representation—like farmers, people in the transport industry and the fishing industry, very importantly—but people in areas like chemicals, plastics and paints. ACCI has been making strong representation on their behalf in recent

weeks. This could be tens of thousands of dollars, and, in the case of some big paint manufacturers, millions of dollars, in cash flow difficulty for some businesses. We intend to vigorously pursue these issues in the Senate committee process, if indeed we do not see some reversal from the government between now and then.

It is simply the case that the excise tariff will have some transitional compliance costs for taxpayers, as they will have to modify their accounting systems to reflect the changes made. However, it will decrease compliance costs—hopefully—in the longer term, due to the decrease in legislative complexity. Labor understands that and supports that. The difficulty is that the consultation obviously has not been extensive enough. It would appear to me that the government was not made aware early enough of the strength of the lobby and the extent of the problem this poses to industry, and that reflects the fact that the government did not properly consult on the bill.

What surprises me is that the government backbench are in revolt over the cash flow difficulty posed by the new system of reclaiming the tax rebate on the BAS, but we have heard not a word from them on the difficulty posed by the decision in the fuel tax bills to repeal the fuel sales grants scheme. When you have a look at the various reports in the newspapers, you see that the people revolting on the backbench, not surprisingly, are typically members and senators representing rural and regional seats. The fuel grants scheme, of course, is designed to assist people in rural, regional and indeed remote Australia. So why is it that we have a revolt on the cash flow difficulties emanating from the new BAS system but not a word from National Party senators and members and not a word from Liberals representing rural and regional seats? It defies any logic.

The government is going to put the Labor Party in a difficult position, because the government has cleverly decided to link the fuel grants scheme repeal to road funding in rural and regional areas. So everyone is going to have to pay so that some people can get more road funding in their particular area. No doubt, if past form rings true, those areas will be marginal seats held by National Party members in particular but also by other coalition party members and, of course, Labor marginal seats in rural and regional Australia. That is fine. The government can make it difficult for us, but it is going to be up to it to explain to people living in rural, regional and remote Australia the logic behind the repeal of the fuel sales grants scheme.

Here is a little bit of history. This scheme came into effect because of the government's reluctant acknowledgment that they were unable to meet their promise that the GST would not cause fuel prices to rise. They imposed a 7c per litre reduction on unleaded fuel, working out in their minds that, if you took 7c a litre off and put 10 per cent on fuel, taxes should remain about the same—the GST should not force petrol prices up. But they did not anticipate fuel prices going beyond 70c per litre. If you do the simple arithmetic you will find that, for anything below 70c, if you take 7c off and put 10 per cent on, you come out with about the same result. But, beyond that, take 7c off and put 10 per cent on and you will find the GST starting to dramatically impact on petrol prices. So the government had to run up the white flag and say, 'We'll fix this. The real impact, because of the knock-on effects of transport et cetera, will be in rural and regional Australia, so we'll give people living in regional Australia a 1c rebate at the bowser. For people living in rural Australia, we'll give you a 2c rebate at the bowser, and people in remote areas of Australia will get a 3c rebate at the bowser.'

That is the scheme the government is repealing. The GST is still there. The GST will continue to have an enormous impact on fuel prices, with oil prices so high, at around \$US70-odd per barrel. So the GST is not disappearing; oil prices are not about to fall. The government still refuse to have the ACCC formally monitor petrol prices. And the impact is always worse in the bush. Yet they are repealing this important scheme. So why wouldn't members of the coalition backbench also be in revolt over that issue? It is a mystery to me. I invite them, when contributing to this bill and the fuel tax bills, both in this place and in the other place, to justify their silence on this enormous whack on country motorists at a time when fuel prices are so high.

One would have thought that there was never a more important time to be extending relief to country motorists than now, when petrol prices are at record highs. The logical thing, if anything, would be to be strengthening the subsidy to the bush, not taking it away from the bush. What we will certainly be pursuing in the Senate committee is some assurance that the government's claim of I think \$1.1 billion saved over four years as a result of the abolition of this scheme will go to roads. We will not be taking that in good faith and on face value; we will be checking and looking for the facts in the Senate committee to ensure that that is the case.

I want to return to the Excise Laws Amendment (Fuel Tax Reform and Other Measures) Bill 2006. Schedule 1 of the bill amends the Excise Act 1901 and makes consequential amendments to a number of other acts to implement measures to streamline existing excise arrangements. It also amends the Energy Grants (Cleaner Fuels) Scheme Act 2004, adding a new fuel tax to the cleaner fuels grants scheme. Renewable diesel, which is liquid fuel manufactured from vegetable oils or animal fats through a proc-

ess of hydrogenation, is added to the definition of what is a cleaner fuel.

Schedule 2 of the Excise Laws Amendment (Fuel Tax Reform and Other Measures) Bill 2006 repeals a number of acts. Through changes to the Fuel Tax Bill 2006 fuel tax credits will replace existing rebates and subsidies on fuel. I want to clarify a point to the House. The government is presenting this as big fuel tax reform. In its normal, Orwellian way it has included 'reform' in the title of the bill. Once upon a time we had a diesel fuel rebate. I think most people in this place, and constituents who have been beneficiaries of that rebate, will understand the meaning of that rebate. The excise on diesel used off-road and in certain road uses for the purpose of business was able to be claimed back. Then we lost that scheme and the government created the energy grants scheme. The energy grants scheme was basically the same scheme. There were some amendments and some improvements to the system, and some minor extensions of the system, but effectively it just replaced the diesel fuel rebate. Now we are going to have the new fuel tax scheme, which again is just a rejig of the way the tax is claimed back. Instead of making an application to the ATO after you have bought the fuel to get your money back, you wait till the end of the quarter and claim it on your BAS. You will take off the money owed to the ATO that money that you believe is payable to you as a result of the tax on fuel that you paid but which you did not need to pay under law because of your exemption.

I want to make one point here. I note in the bill and in some of the announcements by the minister that this scheme is now going to be extended to petrol, not just diesel and some other fuels. That is all well and good. Anyone listening to that announcement would be forgiven for taking a great leap in the air now that not only diesel but petrol for business use will also be effectively tax free.

I would understand them thinking that. But this rebate only applies to vehicles that are 4.5 tonnes or heavier. I am not aware of any vehicle of 4.5 tonnes or heavier that runs on petrol. I invite members following me in this debate to nominate a vehicle of 4.5 tonnes or heavier that runs on petrol. The member for Fisher is following me on this bill. I know that he has a great interest in motor vehicles. I invite him to nominate for me a vehicle that is in that classification. I do not know whether the member for Page is speaking on this bill.

Mr Causley—I've got a Dodge truck.

Mr FITZGIBBON—A Dodge truck? We will check that.

Mr Griffin—If it's yours it would be a dodgy truck!

Mr FITZGIBBON—It could be a dodgy truck, as the member for Bruce suggests. Is the member for Page speaking on this bill?

Mr Causley—Yes.

Mr FITZGIBBON—He is. I invite the member for Page, a rural man himself, to do so. He should be very familiar with the sorts of transport vehicles used in agricultural pursuits in particular. I think he may have had some involvement in the trucking industry at some stage—or the son?

Mr Causley interjecting—

Mr FITZGIBBON—No, not the son. But he is a man with great experience in these matters, and I look forward to him nominating a vehicle of 4.5 tonnes or heavier that runs on petrol. If both members fail to do so then we will be giving the minister an opportunity, when he provides a summary to the bill, to do so himself.

But I will return to the detail of the bill. Coal is listed in the excise tariff and has attracted a free rate of duty since 1992. The inclusion of coal in the excise tariff means that it is an excisable product, and coal pro-

ducers are therefore required to be licensed as excise manufacturers. Coal is omitted from the excise tariff rather than included at the free rate of excise duty, as in the existing law, the Coal Excise Act—which contains licensing and other requirements. It is repealed, as it is no longer considered necessary to impose these requirements on activities involving coal.

The Spirits Act, which provides for controls over the manufacture of spirits, including brandy, whisky and rum, and methylated spirits, is repealed on the basis that most of the provisions it contains are adequately covered in the Excise Act or are no longer relevant to the effective management of the alcohol taxation regime. The Distillation Act, which provides controls on the distillation of spirits, including stills, distilleries, licences and fortification of Australian wine, is also repealed. I understand Senator Murray has sought to refer some matters relating to alcohol to the Senate Economics Legislation Committee. I make the point, having learned he has done so, that the government made a commitment that there would not be any changes to alcohol taxes in this country on a piecemeal basis, that any change or review of alcohol taxes in this country would be done in a holistic way by looking at every sector in the industry—that is, wine, beer and spirits.

I was surprised at the changes in the budget. Although I welcome the improvements to the exemptions on the wine equalisation tax, those are changes in isolation to alcohol tax in this country. I am not surprised that there are some who are now interested in further inquiring into the potential to make further changes to alcohol taxes in this country. I am sure there is not a member of this place who would disagree that it is a bit of a mess and that any Senate process could prove fruitful in teasing out whether the relativities are right and whether the policy is set

correctly in social terms. Is it producing the best health and social outcomes? I hope that representatives from all subsectors of the industry—again, wine, beer and spirits—and others who might have an interest take the opportunity to appear before that inquiry and to make their various points.

I now turn to the Customs Amendment (Fuel Tax Reform and Other Measures) Bill 2006. This bill amends the Customs Act 1901 to (1) strengthen customs control over certain imported goods that are used in the manufacture of excisable goods; (2) repeal the customs related provisions of the fuel penalty surcharge legislation; and (3) replicate certain provisions of the Spirits Act 1906, which again are to be repealed. I also turn to the Customs Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006. The purpose of the bill is to amend the Customs Tariff Act 1995 to implement changes that are complementary to amendments contained in the Customs Amendment (Fuel Tax Reform and Other Measures) Bill 2006. These measures are designed to, as the government argues, strengthen customs control over certain goods that are used in excise manufacture and to ensure that excise equivalent goods are subject to the same duty when imported as they would be under the Excise Tariff Act 1921—that is, the same products when manufactured or produced in Australia.

This cognate debate is about putting in place the machinery, if you like, to lay down the pathway for the Fuel Tax Bill. As I said, there are a number of other changes of well. Some go to avgas and some potentially go to alcohol taxes. The excise rates are not being dealt with in this cognate debate. What we are dealing with is the tidying up of the framework. We need four bills, on a constitutional basis, because we are dealing with excises on domestically produced products, we are dealing with the way in which we

apply taxes to imported goods and we are amending two excise acts—one, if you like, that lays down the framework of our excise system and another, a later act of 1921, which deals with the excise rates. It is the same with customs. We are dealing with the earlier act, which lays down the framework, and the second bill, which deals with the detail of the rates et cetera. These bills are very important, but the most important bill is the Fuel Tax Bill. That is the one we should have been debating first. It is the one we were going to debate first, according to the government's own program of earlier in the week, but we are not debating it today.

I have three quick questions for the Minister for Revenue and Assistant Treasurer. I hope he can respond to them. These bills reduce the customs duty and excise for avgas and avtur by nine per cent. The minister has indicated in his EM to these bills that the reduction is part of a change to the cost recovery regime for aviation services. However, it is not clear exactly how this reduction in the excise and customs duty operates as part of these new arrangements. I now ask the minister: what is the cost to revenue of reducing excise and customs duty rates for aviation gas and aviation turbine fuel? Also, Labor has been informed that the change to the definition of biodiesel in schedule 1, item 2, of the Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006 is significant. The definition of biodiesel is now to be amended so that biodiesel includes liquid fuels manufactured by chemically altering vegetable oils or animal fats. I ask the minister those two questions. I will take the opportunity to raise my third question in the consideration in detail stage. (*Time expired*)

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

Mr Griffin—I second the amendment and reserve my right to speak.

Mr SLIPPER (Fisher) (10.58 am)—The cognate bills being debated here today will bring a raft of changes in the areas of excises and tariffs. The Excise Laws Amendment (Fuel Tax Reform and Other Measures) Bill 2006 and the Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006 together will introduce measures that will bring excise relief to a wide range of Australian businesses and to householders in general. This area has been somewhat hindered by a lack of consistency in the excise provisions affecting certain fuels.

The changes include that from 2012 all fuels used off-road for business purposes will become excise neutral. Excise paid on fuel used in currently ineligible off-road business activities will be subject to a 50 per cent excise credit from 2008 to 2012, to be increased to a 100 per cent credit from 2012 onwards. Also, excise relief will be extended to all off-road business activities including previously ineligible activities in the manufacturing, construction and quarrying industries. These provisions will, for the first time, extend to utilities and motorcycles used off-road for business purposes.

The provisions of the Excise Laws Amendment (Fuel Tax Reform and Other Measures) Bill will also extend to those fuels purchased by both business and private users, meaning fuels used for the generation of electricity and those used for the generation of heat, such as kerosene, will also be excise free. This improved and more consistent arrangement will come about through the introduction of a fuel tax credit system. The tax credit will be able to be introduced through the business owner's regular business activity statement.

I have been approached by a number of constituents who are concerned about this new arrangement, and in particular I refer to trawler operators who operate from

Mooloolaba on the Sunshine Coast in my electorate of Fisher. The fishing industry is particularly important. In Mooloolaba we actually have a lot of product being landed and, given the fact that there have been concerns over the sustainability of the fishing industry, increasingly it is necessary for fishermen to go further afield to obtain an appropriate catch. They are big users of fuel and clearly are at the coalface when any changes are mooted. Previously, their fuel supplier was able to sell them the fuel minus excise and then the supplier would claim the fuel credit. The fishermen will now have to pay full price and claim the credit through their regular tax statements. This new arrangement is similar to those in other industries. I have made representations to the minister's office in relation to this and the minister has advised:

Currently, under the Energy Grants (Credit) Scheme (EGCS) fishers can authorise a third party to make and/or receive grant claims on their behalf. These arrangements are known as the 'sales to the fishing industry' arrangements. These allow fishers to enter into an arrangement with fuel suppliers whereby the fuel supplier claims a grant under the EGCS on behalf of the fisher and sells the fuel to the fisher at the price exclusive of tax.

Under the fuel tax credit system, fishers will pay the excise on their diesel but will then be able to claim a credit for the amount of the excise on their monthly or quarterly business activity statement.

When one initially looks at this, one might be disposed to say that the new situation does not seem unreasonable. However, the point that has been compellingly made to me by these constituents is that this is going to place an incredible disadvantage on these industries insofar as they will not have the cash arrangements to make the payments as required. In fact, it is going to present major problems for the fishing industry, and numbers of these fishermen have told me that if

this change proceeds then they could well be put out of business.

It is going to have a very adverse impact on their business's cash flow. This industry is particularly important to the Sunshine Coast and I would hope that the government is able to look at this matter. I am sure that it is an unintended consequence—I am sure that the government did not intend to force the fishermen at Mooloolaba out of business. Representations have been made to the government. We will have to wait and see, but I hope that the government is able to address the concerns, quite reasonably expressed, by my constituents at Mooloolaba. I suspect that other honourable members might well have had representations from their constituents, and I can see the honourable member for Page nodding—obviously his fishermen are similarly affected.

The Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006 helps to simplify the various taxation implements that are applicable to various types of fuel. The bill removes the various fuel tax provisions and replaces them with just two rates. One of those new rates is applicable only to aviation fuels and the other rate applies to other fuels.

The Customs Amendment (Fuel Tax Reform and Other Measures) Bill 2006 and the Customs Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006 accompany the previous two bills. These bills have the purpose of amending the Customs Act 1901 to improve the measures available to Customs to control specific goods that are imported and used in the manufacture of goods that are subject to excise. This means that the excise that is currently payable on goods that are used in Australia to manufacture goods that are excisable will be removed. This excise liability is removed as a result of the good itself being used to create

other excise liabilities. These two bills will also remove the penalty provisions applicable to Customs' operations of the fuel surcharge legislation. This means that imported fuels will be treated in the same way as locally produced fuels in relation to excise. The bills will also reintroduce certain provisions of the Spirits Act 1906, which will be repealed.

The changes outlined come about largely as a result of a review of excise provisions for a range of items including specific alcohol products, petroleum products and tobacco products. The review identified a number of redundant and unnecessarily complex provisions in our excise schedules and these bills enable the new excise schedules to be introduced.

These are important bills, but I would strongly urge the government to take on board the concerns of my constituents in Mooloolaba with a view to enabling them to continue their industry and to continue in business. I would hope that the concerns I have expressed will indeed be addressed by the government.

Mr CAUSLEY (Page) (11.06 am)—I am pleased to speak on the Excise Laws Amendment (Fuel Tax Reform and Other Measures) Bill 2006 and cognate bills today. This is a very interesting bill. It covers a number of areas of taxation and focuses on streamlining current excise arrangements across a range of sectors. These matters are of great interest to the National Party—in particular my colleague the member for Hinkler, who is on sick leave today in Brisbane and cannot participate in this debate. It will reduce compliance costs for excise manufacturers, importers and their administering authorities, and in this regard I would like to discuss one aspect of the accompanying bill—the Excise Tariff Amendment (Fuel Tax

Reform and Other Measures) Bill 2006—before I move into the body of my speech.

I note that the explanatory memorandum for the accompanying bill discusses the compliance costs for businesses using the fuel grants scheme. Changes to that scheme mean that the users will have to claim back fuel excise via their quarterly business activity statement. The explanatory memorandum suggests that the bill will have some compliance costs for end users of the scheme and says that end users will face rebalancing of their compliance costs, that they will have some transitional compliance costs and that they will have to modify their accounting system.

It all sounds rather benign, but I will put forward the case of commercial fishermen, who will remain eligible for the rebate but stand to be thousands of dollars out of pocket for months until they can claim their pay-back through the BAS. I and my east coast National colleagues believe that the fishing industry should be exempt and be allowed to retain its current arrangements, where the excise is rebated immediately on purchase through the fishing cooperative or the fuel supplier.

We need to recognise that fuel represents more than 30 per cent of the cost of fishing. This is bad enough, but now consider the state and federal closures along the east coast which are forcing fishermen well outside their traditional grounds to get a catch—it is a triple whammy. Even at this late stage I would urge the Minister for Revenue and Assistant Treasurer to remove the cash flow problem that this measure will create and not subject a struggling industry to even more pain.

Turning to the liquor aspects of the bill at hand, I would like to discuss the administration and taxation arrangements for alcohol, particularly in relation to the tax treatment of

alcoholic beverages that have a volume of alcohol below 10 per cent. There is no doubt this government has taken some important steps in recent years in improving tax treatment of alcohol products, and in this bill the government proposes to make significant changes to spirits legislation.

We need to recognise that many sectors of the liquor industry depend on sugar, particularly so in the case of rum. Rum is one of the primary tertiary by-products of the sugar industry, and it is of great concern to me and my National colleagues—especially the member for Hinkler, in whose electorate Bundaberg Rum is located. We have proposed these changes after extensive and detailed consultation with industry, which applauds our commitment to getting rid of unnecessary red tape.

The bill repeals the Distillation Act 1901 and the Spirits Act 1906, both of which contain provisions relating to the manufacture of spirits. These provisions are already adequately covered in the Excise Act but, hand-in-hand with repealing these acts, the government is inserting new provisions to the Excise Act 1901 to protect ongoing revenue interests and to ensure high standards of distilled alcoholic products, including provisions for the maturation of brandy, whisky and rum.

Maturation is a key step in the production process because storage in wood improves the quality of spirits and provides their unique characteristics. If the government had not inserted these new provisions, we would in effect have removed the requirement that brandy, whisky or rum be matured for at least two years. The maturation process is in keeping with standards applied around the world, and the matter of repealing the maturation provisions has been rejected by this parliament on a number of occasions. In 1979 the Fraser government rejected any

move to repeal the maturation requirement and in 1986 a Hawke government proposal to remove the rules was defeated in the Senate. This is because the coalition understands that without the maturation requirement there would be nothing to stop cane spirit—which, in effect, is raw ethanol—flooding into Australia.

Once it was allowed in, it could be mixed with artificial colouring and flavouring and sold to Australian consumers as rum. We do not want to see people being conned into buying ‘dressed-up’ ethanol and thinking it is rum when it could be anything from distilled potatoes to distilled grain, and certainly not when we have such a renowned and robust distilled spirit industry of our own.

My colleague Senator Ron Boswell and the former National Party member for Hinkler Bryan Conquest made another point when they spoke in defence of our maturation rules in 1986. They noted that such inferior products have much lower production costs, and manufacturers would therefore be able to incorporate the cost of aggressive advertising blitzes into the final retail price and still be able to get a competitively-priced product onto Australian shelves.

So this bill maintains the requirement that distilled alcohol products cannot be delivered from the Commissioner of Taxation’s control unless they continue to abide by the current maturation requirements. These requirements are also a nod to the fact that Australia has a very fine distilling sector, including the Bundaberg Distilling Company, and it ensures that the ongoing production of quality Australian products such as Bundaberg Rum is not jeopardised.

As members would be well aware, the member for Hinkler comes from the city of Bundaberg, and Bundaberg Rum is a very important part of the local economy. Bundaberg Rum is Australia’s highest selling rum,

with around 330 million Bundaberg Rums drunk in Australia each year, and up until recently it was the highest selling spirit brand in Australia. But aside from its national popularity as a drink, Bundaberg Rum has a far more profound presence in Bundaberg itself. The Bundaberg Rum Distillery employs 56 locals and is actually the No. 1 tourist attraction in Bundaberg, with 69,000 visitors to the distillery in 2004-05.

A couple of years ago, Bundaberg Rum announced a \$24 million expansion plan to help meet the demand for its products, including the installation of new maturation tanks, new timber storage vats and the upgrade of visitor facilities at the distillery. Work is already under way on a new \$2.7 million visitors centre which will offer tourists an interactive experience where they can touch, taste and smell the ingredients used in the rum-making process. I and my colleagues commend the company on its commitment to the Bundaberg region and want to underline just how significant it is. On the face of it, any company investing \$24 million in a regional economy deserves plaudits, but the extrapolation of these funds holds even greater significance for the local economy and the national economy.

Earlier this year, the member for Hinkler commissioned Bundaberg Rum’s new bond store, which cost \$4.6 million to build. The bond store will ultimately hold 90 extra vats of rum, worth approximately \$450 million—almost half a billion dollars worth of product, or nearly 10 times the value of the initial investment and all of it attracting excise revenue for the government.

This leads me to another point on the matter of our excise regime for spirits. If we want to foster further investment such as this, while encouraging increased production of lower alcohol products—and, by association, promote safe drinking practices by con-

sumers—I think we should consider an alteration to the taxation arrangements for low- and mid-strength ready to drink spirits. There is an existing discrepancy between the taxation arrangement for low- and mid-strength ready to drink products and beer products of a similar strength.

With respect to beer, excise is levied on the basis of alcohol content, with a 1.15 per cent alcohol by volume duty-free exemption. This means that for all packaged and draught beer there is no excise for the first 1.15 per cent of alcohol by volume—a concession not given to alcohol beverages that have the same alcohol by volume, that is the ready to drink products. This arrangement was introduced by the Labor government in the 1988 budget and has been in place since 1989. An examination of the debates indicates that the rationale for its introduction was to encourage the consumption of low-alcohol beer. Significantly, the net revenue effect of the regime was a \$400 million loss to revenue.

Remember that figure, because I believe that this is an ideal opportunity to consider applying the same taxation arrangement to low- and mid-alcohol packaged ‘ready to drinks’. As it stands, packaged ready to drinks are subject to a flat excise rate equal to that of full-strength packaged beer. At the current excise rates, this means 49c in excise for a can of mid-strength ready to drink, compared with 33c for a can of mid-strength packaged beer. Similarly, there is 37c in excise for a can of low-strength ready to drink and 18c for a can of low-strength packaged beer.

There is no sound policy reason for this anomaly. I believe that the Commonwealth should consider giving ready to drinks access to the 1.15 per cent excise-free threshold which applies to all beer products, as well as the reduced excise rates that apply to packaged and draught low- and mid-strength beer.

Such a proposal is consistent with encouraging the consumption of lower alcohol content beverages and could well improve drinking behaviours within the community. Producers of ready to drinks would also be encouraged to produce lower alcohol products due to the associated reduction in tax costs. As I have outlined, this could bring substantial benefits to both the national and local economies.

Interestingly, the National Alcohol Strategy 2006-09, which was recently endorsed by the Ministerial Council on Drug Strategy, highlights the need to focus on price related mechanisms to reduce consumption of alcohol at harmful levels. It sees that as a key strategy in generating a more responsible drinking culture in Australia. Tax equivalence between low- and mid-strength ready to drinks and packaged beer would undoubtedly help achieve this goal.

In concluding, let me answer a couple of questions posed by the member for Hunter. He berated members who represent rural electorates about the fact that we were saying very little about the fuel sales exemption scheme which operated in isolated areas and, I think, had a subsidy of between 1c and 3c, depending on the area and the price of petrol. I think the member for Hunter was forgetting that in the budget we doubled the amount of money that we are putting into roads in the country. We are very happy about that. If you have a close look at the money for roads, especially through AusLink, you will see that many millions of dollars have been put into the national road system, something which I think motorists right across Australia will benefit from.

As far as the trivial comment about four-tonne to five-tonne trucks is concerned, I just say to the member for Hunter that he should visit some of our wheat farms at the time of harvest. Farmers are not all that flush with cash. There are a lot of old trucks out there

that still haul grain to the silos. Many of those trucks, including the Internationals and Dodges of the 1960s and 1970s, ran on petrol. I dare say one of the reasons that much of our equipment and many of our trucks converted to diesel was that, in earlier days, diesel fuel was much cheaper than petrol. The reason given by the fuel companies at the time was that it was a product that was not used as extensively as petrol and therefore it was sold at a lower rate. Unfortunately, everyone has converted to diesel, and diesel is now dearer than petrol. I do not rule out the fact that some of these vehicle operators might be starting to look at other fuels, including petrol, in the future. I would not treat that matter as being quite so trivial.

It has been a pleasure to speak on this bill. I commend the bill to the House.

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (11.19 am)—I thank members in this place who have contributed to the debate on the Excise Laws Amendment (Fuel Tax Reform and Other Measures) Bill 2006, the Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006, the Customs Amendment (Fuel Tax Reform and Other Measures) Bill 2006 and the Customs Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006. It is a very important debate.

I specifically thank the member for Page for his contribution and want to respond to a couple of issues that he raised. I note the member's comments about the retention of maturation requirements for rum, brandy and whisky—and in particular rum and Bundaberg Rum, a great Queensland product. The satisfaction of the spirits industry with the outcome demonstrates the utility of the government's commitment to consult with that industry—and with all industries, where feasible, on legislation that affects them. I thank the member for Page for his contribution to

that end and for the way he has contributed to this debate otherwise.

This has been an important debate. Before I provide my summing up speech proper, I want to address some of the concerns raised by the member for Hunter. Only a couple of issues raised are relevant to the bills before the House, and they are the ones I intend to address. The member for Hunter spoke on the validation of the tariff proposal for reduction of excise and customs rates on aviation fuels. As the member for Hunter would be aware, it is a longstanding practice in excise and customs legislation that changes to rates are introduced by tariff proposals. This is covered in *House of Representatives Practice*. Excise and customs tariff proposals in themselves are not law; they work with other provisions of the legislation to allow duty to be collected by Customs or the tax office for a period of 12 months without legal challenge until the parliament considers the matter. These bills now legislate for the reduction of rates in the proposals. I suspect that that will answer the query the member for Hunter had on that issue.

The member for Hunter raised issues in relation to the change of treatment of aviation fuel. What I can say to the member for Hunter is that the cost is minor and was announced in the 2004-05 budget. The reduction reflects the cessation of cost recovery for the location pricing subsidy, as explained in paragraphs 1.127 to 1.131 of the EM. The renewable diesel definition implements the Prime Minister's announcement of 31 March 2006 and is attached. This directly affects product to be made by BP at its Bulwer Island refinery utilising tallow, a renewable product, as an input.

These bills, along with the Fuel Tax Bill 2006 and the Fuel Tax (Consequential and Transitional Provisions) Bill 2006, give effect to the government's announcement in its

energy white paper *Securing Australia's energy future* of 15 June 2004 that the current complex system of fuel tax concessions will be replaced by a single fuel tax credit system from 1 July 2006.

The Excise Laws Amendment (Fuel Tax Reform and Other Measures) Bill 2006 amends the Excise Act 1901 and makes consequential amendments to a number of other acts to implement a number of measures to streamline existing excise arrangements, protect the revenue and promote best practice regulation. It also amends the Energy Grants (Cleaner Fuels) Scheme Act 2004 so that fuel manufactured through a process of hydrogenating vegetable oil or animal fats receives the same tax treatment as biodiesel. This measure applies from 1 July 2006. The Excise Laws Amendment (Fuel Tax Reform and Other Measures) Bill 2006 also repeals the Coal Excise Act 1949, the Distillation Act 1901, the Fuel Blending (Penalty Surcharge) Act 1997, the Fuel Misuse (Penalty Surcharge) Act 1997, the Fuel (Penalty Surcharges) Administration Act 1997, the Fuel Sale (Penalty Surcharge) Act 1997 and the Spirits Act 1906, which are no longer required under the new system for providing fuel tax relief.

The Excise Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006 amends the Excise Tariff Act 1921 so that the mechanism of fuel tax relief for eligible users is through the fuel tax credit system legislated through the Fuel Tax Bill 2006 and not through concessions within the excise system. In particular, the fuel items in the schedule to the Excise Tariff Act 1921 are amended so that there are only two rates of duty—one for aviation fuel and one for other fuels. In conjunction with the fuel tax credit system, this will remove the effective excise on burner fuels and provide effective excise relief for a wide range of business users of fuel, including where fuel is used rather than

as a fuel. This measure applies from 1 July 2006, but three items in schedule 1 relating to the validation of an excise tariff proposal apply from 1 November 2005.

The Customs Amendment (Fuel Tax Reform and Other Measures) Bill 2006 and the Customs Tariff Amendment (Fuel Tax Reform and Other Measures) Bill 2006 make amendments to strengthen customs control over certain imported goods that are used in the manufacture of excisable goods to ensure that excise equivalent goods, certain alcohol, tobacco and petroleum products, are subject to the same duty when imported as is applied under the Excise Tariff Act 1921 for the same products when manufactured or produced in Australia. The amendments repeal customs related provisions of the fuel penalty surcharge legislation and replicate certain provisions of the Spirits Act 1906, the act which is to be repealed.

Presently, fuel tax relief is provided in the form of remissions, refunds and rebates under the Excise Act 1901 and the Customs Act 1901 and energy grants under the Energy Grants Credit Scheme. These schemes have restrictive and complex eligibility criteria and apply to different fuels and fuels used in different ways. The Energy Grants Credit Scheme currently provides a grant for the use of diesel fuel and alternative fuels in the case of the on-road credit in activities that are eligible for an off-road credit and an on-road credit. No credits are provided for the use of petrol under the scheme.

Remissions, rebates and refunds of excise and customs duties are also presently provided in prescribed circumstances and subject to prescribed conditions and restrictions. Remissions allow holders of a remission certificate to obtain prescribed fuel products fuel tax free for use in prescribed circumstances. Remissions and refunds commonly relate to solvent and burner fuel applications,

kerosene for some specific fuel uses and diesel and petrol substitutes for non-fuel uses.

These bills contain positive improvements to the system of providing fuel tax relief, giving effect to the government announcement of major reform in its energy white paper *Securing Australia's energy future* to modernise and simplify the fuel tax system. Further, the changes will lower compliance costs, reduce tax on businesses and remove fuel tax for the thousands of businesses and households across the country. When the fuel tax credit system is fully implemented, fuel tax will only be effectively applied to fuel used in private vehicles and for certain other private purposes and to fuel used on road in light vehicles for business purposes and aviation fuels where tax is imposed for cost recovery reasons. For the reasons I have outlined above, I commend these bills to the House.

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

EXCISE LAWS AMENDMENT (FUEL TAX REFORM AND OTHER MEASURES) BILL 2006

Consideration in Detail

Bill—by leave—taken as a whole.

Mr FITZGIBBON (Hunter) (11.28 am)—I want to take this opportunity to pose to the Minister for Revenue and Assistant Treasurer a question I did not have time to submit during the second reading debate. I

invite him to either answer the question now or, using the usual channels, get back to me at a later date. The question is in relation to the new customs regime as it relates to biodiesel and ethanol. I ask the minister to inform the House: what is the precise schedule of changes for the reduction of customs for these products until the full introduction of the new fuel tax regime? Indeed, we are seeking a table of annual customs rates for these products up until 2020.

What I am referring to here is the customs tariff which is imposed on the importation of biodiesel and ethanol. Members of the House with an interest in these matters will recall that some years ago in what was considered a very controversial move the Prime Minister decided to impose for the first time the full weight of taxation on ethanol and, I think, biodiesel right up to the 38.147c mark but to grant a production subsidy to domestic producers rendering or maintaining the tax-free status of domestically produced ethanol. In other words, overnight we had no import competition in ethanol and biofuels. The imported product would face more than a 38c tax imposition while the domestic industry would face no tax at all.

During the second reading debate, I spoke about the looming regime for the domestic market commencing in 2011, phasing in over, I think, five years, based on energy content discounted to 50 per cent. My question relates to what is now happening with imports. While the Prime Minister has not made a big deal of it, to the best of my knowledge, the time is soon coming when there will be parity between the taxation principles as they apply to domestically produced ethanol and biodiesel and how they relate to imported ethanol and biodiesel. So I want clarification on the point of the phase-in, step-by-step detail of how the phase-in will take place and where the taxation arrangements will end up in terms of parity

between the domestically produced product and the imported product. It would be appreciated if the minister could give some indication of that now, but if he needs more time to give us the detailed schedules we will be more than happy to give him that time.

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (11.32 am)—In response to the question of the honourable member for Hunter, as he would be aware, the customs rate is currently 38.143c per litre and will be so in the future. The effective tax rate is provided in other mechanisms. As to the finer detail of implementation, I will undertake to provide as much detail as I am able in another form.

Mr FITZGIBBON (Hunter) (11.32 am)—I thank the Minister for Revenue and Assistant Treasurer for that response. I also seek a commitment from him that, if it is not the intention of the government to make those schedules available before the eventual phase-in of the reduction of the tax on imports, he endeavour to ensure that they are brought forward in advance—in other words, that the government does not wait some four to five years before it makes an announcement of what is the eventual parity between the domestically produced product and the imported product.

Bill agreed to.

Third Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (11.33 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

EXCISE TARIFF AMENDMENT (FUEL TAX REFORM AND OTHER MEASURES) BILL 2006

Second Reading

Debate resumed from 11 May, on motion by **Mr Dutton**:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (11.34 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

CUSTOMS AMENDMENT (FUEL TAX REFORM AND OTHER MEASURES) BILL 2006

Second Reading

Debate resumed from 11 May, on motion by **Mr Dutton**:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (11.35 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

CUSTOMS TARIFF AMENDMENT (FUEL TAX REFORM AND OTHER MEASURES) BILL 2006

Second Reading

Debate resumed from 11 May, on motion by **Mr Dutton**:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (11.35 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

AUSTRALIAN BROADCASTING CORPORATION AMENDMENT BILL 2006

Second Reading

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

That this bill be now read a second time.

Mr CAUSLEY (Page) (11.36 am)—I did not intend to speak in this debate on the Australian Broadcasting Corporation Amendment Bill 2006 but, listening to contributions from those opposite, I thought that there needed to be a few things put on the table about some of the issues they have raised. One of the great arguments seems to be that there should not be any change to the board of the ABC and that action against the representative of the staff, whose position seems to be being removed, is of great detriment to the ABC. I have been thinking very carefully about boards. I remember belonging to a sugar milling board in New South Wales, but there were no representatives of staff on that board. There are no representatives of staff on the boards of many of the big companies in Australia, so I think that some of the arguments are fallacious.

Another argument put forward, which I found rather quaint in the extreme—‘quaint’ is probably too soft a word for it—was that the staff member would be able to alert the Australian public to things that might be going on in the board of the ABC. I would

think that would be a breach of secrecy of a matter of the board. From my knowledge of boards, the board’s chair is its spokesperson and any statement to be made about issues discussed on the board is made, on behalf of the board, by him or her. I would have thought that anyone going out and white-anting the board would be acting extremely against the principles of the board itself. In the corporate world, as far as I understand it, they could even be breaking the law.

The member for Lowe asserted that the government was stacking the board with its cronies, which rings a bell, as I dare say most oppositions talk about this from time to time. I have been there once myself—but, thankfully, for only three years in my whole political career. But aren’t we pure in opposition? We are very pure in opposition. I distinctly remember the Hawke government appointing Bill Kelty to the board of the ABC. That is a far cry from the independent nominations being suggested at present by the opposition. Much of the argument coming from the other side about some of these issues is cant and nonsense.

The member for Lowe also raised an interesting point, which I think needs discussing, about the director elect of the ABC, Mr Quentin Dempster, being a person of high standing and, therefore, eminently suitable to be on the board of the ABC. I happen to know Mr Quentin Dempster very well. I was in the parliament of New South Wales when he shifted from Brisbane to Sydney. He and a fellow journalist—I do not know whether they worked together in Brisbane—a man called Mr Murray Hogarth, came to Sydney with their egos inflated, saying that they had done over the Bjelke-Petersen government in Queensland and they had come down to New South Wales to do the same to the Nationals there. If Mr Quentin Dempster is to be on the board, we should understand some of the methods he uses as a journalist. I happen to

have been close to some of the stories he ran—very close. In fact, I was the principal involved in one particular story. At that time, I was the member for Clarence and a minister in the Greiner government.

Some years before the running of this story, I had owned and then sold the Ryan Hotel in the town of Lismore. However, *The 7.30 Report* decided it would do a story on this hotel based on pub gossip around that town. This story was a rather good one. It involved a great conspiracy among a senior minister of the Greiner government—I used to fluctuate from being a senior minister to a junior minister, depending on the story or the day—Mr Harold Fredericks, the Mayor of Lismore and a National Party member, and Mr Elton Stone, a lawyer in that town and another prominent National. We were all involved in this conspiracy regarding the redevelopment of the Ryan Hotel.

I am well aware of what is supposed to be the journalists' code of ethics. I wonder at times whether any of the journalists in this instance have read that code. However, the journalists' code of ethics states very proudly that, before running a story, journalists should look at all sides of it. Did Mr Murray Hogarth or Mr Quentin Dempster ring me? No. Did they go to Mr Fredericks, at that time the Mayor of Lismore, and get his side of the story? No. Did they go to Mr Elton Stone, a senior lawyer in Lismore and the other proponent of the redevelopment? No. They ran their story, of which not one scrap was correct. It was fiction. They did not bother to look at the other side of the story.

Mr Quentin Dempster wants to thank his lucky stars that, at that time, all my time was engaged in proceedings against the *Sydney Morning Herald*, because Murray Hogarth had also written a story about me in the *Sydney Morning Herald* using the same principles—not checking the facts or coming to me

and getting my side of the story. I won that court case against the *Sydney Morning Herald* for those simple reasons. It never had a feather to fly with, because it did not have any facts. Mr Quentin Dempster wants to thank his lucky stars that I was busy with the *Sydney Morning Herald*. If I had not been, he also would have been in the dock and, I am sure, would have experienced the same result—except that, after I had been through one court case, my wife did not have the stomach for me to go through another, I can assure you. That is what they rely on. They rely on the average person not being able to take them on and exhausting their funds before they can win. They are the methods of this person who is being put up for the board of the ABC.

So I have to ask those opposite to show me a journalist that abides by the journalists' code of ethics, which is a very responsible thing to do. In any free and democratic society, journalists play a very important role, especially investigative journalists. But, as the fourth estate, they also hold a huge responsibility to put both sides of the story; otherwise, we may as well live in a totalitarian society. Both sides of the story must be put. In my lifetime in politics—now, after 23 years, it seems like a lifetime—I have seen the standard of journalism slip substantially. When I first went into the New South Wales parliament, the ABC was pre-eminent. The ABC's standard of journalism was second to none, I would say. I remember its news broadcasts; there was not a hint of bias either way. It gave you the news. Standards have changed in journalism. With any board of the ABC, it is not about bias from one side or the other; it is about a standard. I think any new board of the ABC needs to look closely at that because it is a very important part of our democracy.

In the broader media over time, by-lines have been introduced whereby journalists

write stories that really are editorials. Our papers are full of editorials these days. Some of today's talkback programs, with the misinformation they peddle, are like sessions of gossip over the back fence—and, in many instances, they are about as factual. However, the people who run these talkback programs say, 'We're not journalists, so we're not bound by the journalists' code of ethics.' That is an anomaly that has slipped into our system that we need to look closely at. People are listening to this nonsense all the time—and, as Goebbels once said, if you hear something often enough you will believe it. The ABC's board is extremely important to the ABC as an organisation. It is a good organisation, but I think it needs to understand that it has to respect the society and democracy in which it lives and the standard it should set—and I do not believe it sets that standard at present.

Mr ANDREN (Calare) (11.45 am)—I listened with interest to the member for Page and his comments. I want to put some sense of perspective into the debate about the media, having been a long-time participant in both city and regional media. It is pretty easy to paint a picture of general bias against the media, against the ABC and against the commercial newspapers and to discredit the messenger. I would agree to some extent that talkback radio, in particular in the last two decades, has developed a distinct lack of objectivity around its product. But if people recognise it for what it is, which is three hours of absolute beat-up in the morning or late at night, and then take it with a grain of salt, you cannot get too concerned about it in a free speech environment. I would suggest the growth of comment in the media generally has coincided with the growth in the use of spin from governments and from the governing elite. If we are going to talk about the distortion of messages by bias or anything else then I think it is fair to have a close ex-

amination of the devices that are used by governments and their manipulation of the media to exploit the last ounce of propaganda from whichever side of politics happens to be spinning the message.

In his second reading speech, the minister stated that the Australian Broadcasting Corporation Amendment Bill 2006, which abolishes the position of staff-elected director of the ABC, ensures that there is no question about the constituency to which ABC directors are accountable. This seems extraordinary given that the remainder of the board, up to seven directors, is appointed by the government in a process that lacks any sort of transparency or accountability measure. It is this government-appointed board that appoints the managing director. Like previous Labor governments, so too has this government made blatantly political appointments to the board, a number of whom have impeccable pro-conservative political connections. Certainly, the board-appointed managing directors have also held very strong party political connections—a trend that began 30 years ago.

It has hardly had much impact though on the independence of the ABC broadcasters. I well remember Jane Singleton abruptly terminating a conversation with Bob Hawke when he was adding nothing of any further value to the question under debate. I remember too being told by the late Tony Ferguson that my application to join *This Day Tonight*, of which he was executive producer, had been rejected during the McMahon government days not because I was not regarded, at least by the executive producer, as the best applicant but because an order had come forth from Canberra that new current affairs appointments in that pre-election period were not to be made from outside and any promotions or appointments were to be made internally. It may not have been a very sinister directive, but it was a directive to the man-

agement of the ABC, 30 or more years ago, about how they were to construct their reporting teams.

Now it seems all board appointments have to be made internally—internal to the political priorities of the government. In its explanatory memorandum to this bill, the government states that there is a risk that a staff-elected director will be expected by the constituents who elect him or her to place their interests ahead of the interests of the ABC as a whole, where they are in conflict. Now there is a deathly silence about the logical extension to this statement which is that the government-appointed directors may also be expected, by the government who appointed them, to place the government's interests ahead of the interests of the ABC. Is this government then suggesting that an independent staff-elected director is less capable of acting in the ABC's best interests first and foremost than a pro-government-appointed director? Is the government claiming that a staff-elected director is somehow less bound than the other five to seven government-appointed directors by the legal duties and responsibilities that come with a position clearly framed in both the ABC Act and the Commonwealth Authorities and Companies Act? Is the government suggesting that the legal provision to enact action to remedy any impropriety is somehow not applicable to the staff-elected director? Dare I raise any questions about the political connections and independence of the newly appointed managing director? Is there any reason that Mr Scott's own close historical connections with the Liberal Party should hamper his ability to carry out his role with integrity and aplomb, as have others before him? Does the tension the minister refers to relate to the position of staff-elected director or does it relate to the ABC's own fierce fight to remain independent from the influence of the government of the day or other vested interests? The minis-

ter suggests this bill is informed by the 2003 Uhrig review, which he claims:

... does not support representational appointments to governing boards—

as they run the risk of representing—

the interests of those they represent—

heavens above—

rather than the success of the entity they are responsible for governing.

We are talking about a publicly funded organisation here rather than a pure corporation in the true sense of the word. Regardless of what opinion one has about Mr Uhrig's review—there was certainly no shortage of reviews criticising its lack of vigour—this interpretation by the minister is a total misrepresentation of that report. Mr Uhrig's terms of reference were restricted to focusing on only seven statutory authorities and not the ABC. They were the ATO, ACCC, APRA, RBA, ASIC, HIC and Centrelink, which have critical business relationships.

The review did not investigate staff-elected representation, despite briefly looking at appointments where a board member represents other people, departments or interests—again, within the context of its very limited terms of reference. While Mr Uhrig did not generally support representational appointment to governing bodies within the context he was studying, his review also concluded that any model of corporate governance also needed to take into account the environment in which the organisation is operating.

The review most certainly did not consider the ABC or other Commonwealth statutory organisations with staff-elected positions on their governing bodies. The report did not look at the Australian National University, the Institute of Health and Welfare, the Australian Film Television and Radio School or the myriad other public bodies

with representational appointment, as pointed out in the *Bills Digest*.

So what is this about? Certainly common-sense would dictate the importance of the presence of a staff member on the board to ensure true feedback from the grassroots in order to make fully informed decisions. Or is this about the looming possibility of commercialising the ABC—of advertising revenue paying for the new digital media? Is this about a government, like previous governments, who complain about bias by the ABC, mistaking critical debate and questioning for bias against contentious policies? Is it about the difficulty governments have historically in compromising the ABC's independence?

I agree with the minister's view that 'there should be no question about the constituency to which ABC directors are accountable'. I suggest that this government or any future government apply that rule of thumb to all its ABC appointments. Indeed, as the member for Banks pointed out earlier in this debate, a 2001 inquiry of this parliament supported the retention of a staff-elected director.

Directors such as Quentin Dempster, whatever the member for Page's problems, recently re-elected but fated not to take up the job, could hardly be accused of any particular bias if you take the time to watch his equal grilling of government and opposition on the *Stateline* program. My experience is that the ABC and commercial organisations have their in-house or outside contracted defamation lawyers to give advice on contentious programs. Very few executive producers would dare put stuff to air that would risk in a substantial way a defamation action. That goes back very many years. Back when I worked with Channel 9 in the late seventies and in all my period working in regional media I too sought the advice of defamation lawyers. In my case I sought that of the person whom I dealt with when I was producing

news in Sydney. No media organisation leaves it to the individual journalist, the individual producer or the line-up sub of a television news program—indeed not to anyone less than the executive producer—to seek that defamation advice. Maybe there are one or two things that do slip through, and they obviously create concern and headlines and settlements ultimately in the court process, and that is as it should be. But to suggest that there is a general lack of balance or bias or to suggest that a media organisation or journalist should not take the route of trying to expose information that they may regard as absolutely essential to the good of the public understanding is dangerous.

The member for Page invoked the image of Goebbels and propaganda and images like that. It is dangerous if we are going to restrict the output of the journalistic resources of the ABC particularly. I say 'particularly' because commercial organisations and their journalists and producers are subject too often for comfort to the pressure from their commercial interests to not run stories or to adjust stories so that they do not embarrass the commercial interests of the organisation employing the journalist. That happens in a commercial entity. Heaven forbid that we are going to have a situation where a government appointed and anointed board is going to determine the editorial policy of the Australian Broadcasting Corporation, because that is the real danger of not having at least that staff-elected member on the board.

The member for Banks reminded the House of the work put in by the staff-elected director to correctly ward off the influence of commercial interests. With that protector of the public position gone, it seems the way is being laid for full-on commercialisation and, as I have suggested, far more dangerously, the editorial influence that will inevitably come in the absence of—sure—those eyes and ears of a staff-elected board member.

That is an essential ingredient, I believe, in achieving a balance and in achieving an absolute guarantee that there is no undue influence being brought to bear on the managing director which is being filtered down to the executive producers of current affairs programs.

I am not going to get into a debate over what, when and by whom bias occurs on the ABC except to say that opinion has gradually and quite subtly crept into all media reporting over the past 20 years. Commercial broadcasting in particular has often favoured the conservative side of politics. There are no complaints there of bias from the government. I have seen Rupert Murdoch swing his editorial policy behind both major political blocs in this country, helping to make and break governments. I have been on the end of a smouldering phone line with Kerry Packer demanding that I rejig live-to-air television news because he did not like the order—not the choice—of my stories during an election campaign.

Paddy McGuinness bewailed in the *Australian* this week the failure of the new ABC chairman and former Fairfax editor in chief to prevent the *Age* from disposing of 'any semblance of balance', as he put it. Perhaps his own editors should look at his description of 'every hyperbolic outpouring of hate and prejudice from the ABC'. In condemning the so-called haters, McGuinness displays a hyperbolic hatred of his own. The fact is that, for a large part, bias will always be in the eye of the beholder. The late Richard Carleton floored Bob Hawke with one very direct question, provoking a howl of protest over an honest and accurate query, proving yet again how thin are the skins of government and how desperately we need a non-politicised ABC and a staff member on its board. I oppose this legislation, and I would suggest most country ABC listeners would agree with me.

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary (Trade)) (12.01 pm)—I am very pleased to have the opportunity to sum up the debate on the Australian Broadcasting Corporation Amendment Bill 2006. I would like to particularly acknowledge the contributions of the members for Kingsford Smith, Oxley, Banks, Canberra, Adelaide, Charlton, Canning, Herbert, Page and Calare. This bill amends the Australian Broadcasting Corporation Act 1983, the ABC Act, to abolish the staff-elected director and staff-elected deputy director positions. The position of a staff-elected director is not common amongst Australian government agency boards. The position at the ABC was introduced in 1975, abolished in 1978, reintroduced in 1983 and given legislative backing in 1985. It is worth noting that the SBS board does not include a staff-elected director.

Despite the comments made by the member for Adelaide, the reality is that the position of a staff-elected director is not consistent with the modern principles of corporate governance and a tension relating to the position on the ABC board has existed for many years. The tension between the expectations of staff and the duties of a director is manifest in the potential conflict that exists between the duties of the staff-elected director, under the Commonwealth Authorities and Companies Act 1997, to act in good faith and in the best interests of the ABC. The appointment of that director is as a representative of ABC staff and elected by them.

This election method creates a risk that a staff-elected director will be expected by the constituents who elect him or her to place the interests of staff ahead of the interests of the ABC where they are in conflict. This matter was recognised in the June 2003 review of the corporate governance of statutory authorities and officeholders, otherwise known as the Uhrig review. That review concluded:

The Review does not support representational appointments to governing boards as representational appointments can fail to produce independent and objective views. There is the potential for these appointments to be primarily concerned with the interests of those they represent, rather than the success of the entity they are responsible for governing.

On a practical level, this has led to difficulties in respect of board confidentiality, and the ABC staff-elected director felt unable to agree to a revised board protocol that dealt with, amongst other things, the handling of confidential information.

The staff-elected director is placed in a conflicted position if there are expectations that confidential information will be conveyed to constituents in potential breach of obligations to the ABC. This is an untenable position for the board. It is worth noting that a tension surrounding the position on the ABC board has existed for many years. In 2004 this led to the resignation of a director of the highest calibre, Mr Maurice Newman.

During the recent Senate Environment, Communications, Information Technology and the Arts Legislation Committee hearings on the bill, a former staff-elected director confirmed that staff-elected directors are at times placed under pressure by staff to act in ways which are not consistent with their roles as directors. The government is of the view that there should be no question about the constituency ABC directors are accountable to. In order to resolve this problem, the government has decided to abolish the staff-elected director position.

During debate on the bill it was suggested by the member for Kingsford Smith that the Uhrig review was not applicable to the ABC. That assertion is incorrect. The Uhrig review was given a very broad brief, and its findings are relevant across government. The terms of reference of the review were clear, and I will restate them now:

A key task was to develop a broad template of governance principles that, subject to consideration by government, might be extended to all statutory authorities and office holders. ... the review was asked to consider the governance structures of a number of specific statutory authorities and best practice corporate governance structures in both the public and private sectors.

Although the Uhrig review itself focused on particular agencies, its principles are considered generally applicable and all statutory authorities are being considered in relation to them. The proposed change in the bill is consistent with the Uhrig review's conclusions about representative appointments. The position is also endorsed by Professor Stephen Bartos, Director of the National Institute for Governance. Professor Bartos said in his submission to the Senate committee that the removal of the staff-elected director 'is consistent with the current corporate governance approach found in most Australian companies and increasingly in public sector bodies'.

There is a clear legal requirement on the staff-elected director that means he or she has the same rights and duties as the other directors, which includes acting in the interests of the ABC as a whole. The government is of the view that there should be no question about the constituency to which ABC directors are accountable. The bill resolves these tensions by abolishing the staff-elected director position. Contrary to suggestions made by some, this change will contribute to the efficient functioning of the ABC board. It is in line with modern corporate governance principles and will provide greater consistency in governance arrangements for Australian government agencies. The bill is intended to give effect to the abolition of the staff-elected director position as close as possible to the expiry of the term of the current staff-elected director. The abolition of the staff-elected director has nothing to do

with individuals. This announcement is about ensuring the efficient functioning of the ABC board.

The member for Canberra claimed during this debate that the abolition of the staff-elected director will impact on the independence of the ABC. That assertion must be rejected. The removal of the staff-elected director in no way impacts on the independence of the ABC. The independence of the ABC is enshrined in legislation. Section 78(6) of the ABC Act states:

... the Corporation is not subject to direction by or on behalf of the Government of the Commonwealth.

Section 8(1)(b) of the ABC Act makes it a duty of the board to maintain the integrity and independence of the corporation. Accordingly, it is the duty of all board members to maintain the ABC's independence and integrity, irrespective of the existence of a staff-elected director position.

As was clearly articulated by the member for Herbert, on the subject of independence it is worth noting that the Howard government has made a major commitment to the funding of public broadcasting in Australia and has substantially increased ABC funding since 1997. It is the first government to give the ABC additional money for programming since the mid-1980s. In the 2006-07 budget, the government announced that the ABC would receive significant new funding in the 2006-09 triennium. The government confirmed that it would maintain the ABC's triennial base funding in real terms, in line with its election commitment. In addition, the government announced that the ABC will receive \$88.2 million for new initiatives over the next three years. This increased funding means that in 2006-07 the ABC will receive total funding from the Australian government of \$822.7 million. For the three years to

2008-09, government funding to the ABC will total nearly \$2.5 billion.

This budget outcome has been welcomed by the Chairman of the ABC and others as the best for the ABC in more than 20 years—a point which I would say was well made by the member for Canning. This increased funding is a clear demonstration of the Howard government's commitment to ensuring that the ABC remains independent and that it is able to continue to deliver the quality programming and high standard of service that Australians have come to expect.

Another of the arguments raised by the other side in support of retaining the staff-elected director position is that previous staff-elected directors have been influential in preventing commercial decisions that would have been damaging to the ABC. While it may well be that these individuals played a role in these decisions, I note that the ultimate decisions were decisions of the whole board and that, without detailed knowledge of the workings of the ABC board, it is very difficult for anyone to accurately apportion credit for these decisions.

The issue of the consideration of staff issues by the ABC board has already been raised by the member for Adelaide and the member for Canberra. The ABC chairman has indicated publicly that the ABC board and management will continue to take staff interests into account as they do already. Further, the managing director is a full member of the ABC board and a conduit between staff, management and the board. I note that a new Managing Director of the ABC, Mr Mark Scott, has recently been appointed. Mr Scott has considerable media and management experience. Further, the heads of the ABC divisions report regularly to the board. Therefore—responding to concerns raised by the member for Oxley and the member for Charlton—there are obviously ways other

than having a staff-elected director by which the board can consult with ABC staff about issues concerning them.

Much has been made during the debate about the previous experience of directors on the ABC board. I would like to draw the attention of members to the criteria set out in section 12(5) of the ABC Act regarding the process by which the government appoints ABC directors. One of these criteria is 'experience in connection with the provision of broadcasting services or in communications or management'. Several of the current board members have experience in connection with broadcasting, despite the assertions by the member for Canberra. For example, the deputy chair, John Gallagher, was a director of a regional television broadcaster, Mackay Television, for 16 years from 1971 until 1987, and Mr Steven Skala was a director of the Channel 10 group from 1993 until 1998. There are a number of ways that the board can have regard and access to practical broadcasting experience in making decisions, irrespective of the board membership. So to say that the ABC board is deficient in broadcasting experience is a tenuous argument at best.

It has been suggested also that the ABC is a unique organisation and should be immune to the principles of good corporate governance mentioned in the Uhrig report. I am advised, however, that it is not at all common for Australian government agencies to have staff-elected representatives on their governing bodies. The only exceptions to this rule that we are aware of are educational and statistical institutions such as the Australian National University, the Australian Film, Television and Radio School and the Australian Institute of Health and Welfare. I note that most Australian higher education institutions include both staff and student representatives on their governing bodies. These organisations are quite different from the ABC,

which is a national broadcaster intended to serve all Australians. Further, as I have already noted, the other national broadcaster, the SBS, does not have a staff-elected director.

During the debate there have also been suggestions that the board appointments process should be changed to something resembling the method used for appointing governors of the BBC, involving what are called the Nolan rules. The current appointment process, which is set out in section 12 of the Australian Broadcasting Corporation Act, provides that appointments to the ABC board are made by the Governor-General. This method of appointment reflects standard practice for Commonwealth statutory authorities. The government seeks to meet the criteria set out in the ABC Act and to ensure that the members of the ABC board have a mix of skills appropriate to the running of a modern corporation with an annual budget in excess of \$800 million.

The Nolan rules are a method of board appointment based on recommendations of the Committee on Standards in Public Life—the Nolan committee. Under the rules, appointments are made on the basis of recommendations provided by an independent advisory panel in accordance with the code of practice. The two most recent appointments to the BBC chairmanship, Mr Gavin Davies and Mr Michael Grade, have been recommended to the government by a panel chosen by the Department of Culture, Media and Sport consistent with the code of practice laid down by the Office of the Commissioner for Public Appointments.

It is worth noting, with respect to the argument to adopt the Nolan rules to avoid the appointment of board members who are too closely associated with a political party, that a Nolan's rules type process will not necessarily deal with this issue. I note that that

argument has been put forward by the member for Kingsford Smith and others. In September 2001 Mr Gavin Davies was appointed Chairman of the BBC under the Nolan rules. Mr Davies was a Labour Party member and a long-time ministerial advisor to Labour governments in the United Kingdom. The appointment was criticised by the UK opposition as calling into question the BBC's political impartiality. The government is committed to the existing appointments process and considers that it works well.

In conclusion, I would like to remind the House of the government's attitude towards the ABC. The Howard government supports an independent, successful ABC that delivers high-quality programming to Australian audiences. The recent budget outcome that will deliver the ABC funding in the order of \$2.5 billion over the next three years is a clear demonstration of that support. The removal of a staff-elected director in no way compromises the independence of the ABC. The government has taken a decision to abolish the position of the ABC staff-elected director for sound reasons. I particularly commend the contributions of the member for Canning, the member for Herbert and the member for Page in this regard. The government is of the view that there should be no question about the constituency to which ABC directors are accountable and therefore supports the abolition of the position of ABC staff-elected director. I commend the bill to the House.

Question put:

That this bill be now read a second time.

The House divided. [12.22 pm]

(The Deputy Speaker—Mr Lindsay)

Ayes.....	76
Noes.....	<u>60</u>
Majority.....	16

AYES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Baird, B.G.
Baker, M.	Baldwin, R.C.
Barresi, P.A.	Bartlett, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Broadbent, R.
Cadman, A.G.	Causley, I.R.
Ciobo, S.M.	Cobb, J.K.
Costello, P.H.	Downer, A.J.G.
Draper, P.	Dutton, P.C.
Elson, K.S.	Entsch, W.G.
Farmer, P.F.	Fawcett, D.
Ferguson, M.D.	Forrest, J.A. *
Gambaro, T.	Gash, J.
Hardgrave, G.D.	Hartsuyker, L.
Henry, S.	Hockey, J.B.
Hull, K.E.	Hunt, G.A.
Jensen, D.	Johnson, M.A.
Jull, D.F.	Keenan, M.
Kelly, D.M.	Kelly, J.M.
Laming, A.	Ley, S.P.
Lloyd, J.E.	Macfarlane, I.E.
Markus, L.	May, M.A.
McArthur, S. *	McGauran, P.J.
Moylan, J.E.	Nairn, G.R.
Nelson, B.J.	Panopoulos, S.
Pearce, C.J.	Prosser, G.D.
Pyne, C.	Richardson, K.
Robb, A.	Ruddock, P.M.
Schultz, A.	Scott, B.C.
Secker, P.D.	Slipper, P.N.
Smith, A.D.H.	Somlyay, A.M.
Southcott, A.J.	Thompson, C.P.
Ticehurst, K.V.	Tollner, D.W.
Truss, W.E.	Tuckey, C.W.
Turnbull, M.	Vale, D.S.
Vasta, R.	Wakelin, B.H.
Washer, M.J.	Wood, J.

NOES

Adams, D.G.H.	Albanese, A.N.
Andren, P.J.	Beazley, K.C.
Bevis, A.R.	Bird, S.
Bowen, C.	Burke, A.E.
Burke, A.S.	Byrne, A.M.
Corcoran, A.K.	Crean, S.F.

Danby, M. *
 Elliot, J.
 Ellis, K.
 Ferguson, L.D.T.
 Fitzgibbon, J.A.
 Georganas, S.
 Gibbons, S.W.
 Griffin, A.P.
 Hatton, M.J.
 Hoare, K.J.
 Jenkins, H.A.
 Kerr, D.J.C.
 Lawrence, C.M.
 McClelland, R.B.
 Melham, D.
 O'Connor, B.P.
 Owens, J.
 Price, L.R.S.
 Ripoll, B.F.
 Rudd, K.M.
 Sercombe, R.C.G.
 Snowdon, W.E.
 Thomson, K.J.
 Wilkie, K.

Edwards, G.J.
 Ellis, A.L.
 Emerson, C.A.
 Ferguson, M.J.
 Garrett, P.
 George, J.
 Gillard, J.E.
 Hall, J.G. *
 Hayes, C.P.
 Irwin, J.
 Katter, R.C.
 King, C.F.
 Macklin, J.L.
 McMullan, R.F.
 Murphy, J.P.
 O'Connor, G.M.
 Plibersek, T.
 Quick, H.V.
 Roxon, N.L.
 Sawford, R.W.
 Smith, S.F.
 Swan, W.M.
 Vamvakinou, M.
 Windsor, A.H.C.

* denotes teller

Question agreed to.

Bill read a second time.

Third Reading

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary (Trade)) (12.28 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

SHARE TRADING

Mr KELVIN THOMSON (Wills) (12.28 pm)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Wills from moving—That this House calls on the Member for Gwydir to tell the House what conversations he had with each of the Prime Minister, Foreign Affairs Minister Downer, Agriculture Minister Truss, former CEO of AWB Andrew Lindberg and former AWB Government Relations Manager Daryl Hockey, prior to the sale of the

Member for Gwydir's AWB shares in October 2005, noting that—

- (1) the Member for Gwydir's shares were sold just prior to the release of the Volcker Report which was highly critical of AWB;
- (2) the Member for Gwydir failed to declare the sale to the Parliament at the time, and only lodged the required declaration the day before the share sale was reported in *The Australian*;
- (3) the Member for Gwydir claimed in *The Australian* on 26 February that the share sale was not the result of inside knowledge of the contents of the Volcker Report, and that he had always intended to sell his shares when the price hit five dollars;
- (4) this claim contradicted his previous public statement that he sold his shares in order to diversify his rural investments, a diversification which in any event has not occurred;
- (5) the \$5 trigger price for AWB was in fact reached 18 months earlier, on 10 March 2004, and the share price hit that point on another 30 occasions between 10 March 2004 and 5 October 2005;
- (6) the Member for Gwydir claimed to Mr Glenn Milne, reported on 26 February, and to the ABC Insiders Program, that he had not spoken to anyone about AWB or the Volcker Report prior to the share sale;

The DEPUTY SPEAKER (Mr Lindsay)—Order! The member for Wills will resume his seat.

Mr Abbott—Mr Deputy Speaker, I rise on a point of order. I accept that under normal circumstances people are allowed to read their motion onto the *Notice Paper*, but this is an abuse of the standing orders. This is a speech which has been crafted in the form of a motion, and the member for Wills should be told to stop.

The DEPUTY SPEAKER—I thank the Leader of the House.

Mr McMullan—Mr Deputy Speaker, on the point of order: notwithstanding the dis-

comfort of the Leader of the House, standing order 80 is clear and nothing can be done to prevent the member having the right to move his motion. It would be a travesty if the executive did have the capacity to interfere with the right of any member to move any motion in this House.

Mr Price—Mr Deputy Speaker, on the point of order: the member for Wills is following the directive of the Speaker, who on 23 May said that the member for Wills should move a substantive motion. This is indeed a substantive motion, and the member for Wills should be allowed to read it and debate it.

The DEPUTY SPEAKER—I thank you. I will rule on the point of order. To the member for Fraser: standing order 80 says that if the member is speaking, as the member for Wills was, the question could be put that the member no longer be heard, but I do not believe that the chair has the ability to cut off the member for Wills's motion. The member for Wills may proceed.

Mr KELVIN THOMSON—To assist the House, the motion is in 12 points and this is the seventh of them. I continue to move:

- (7) in fact the Member for Gwydir had a discussion with senior colleagues about AWB, Volcker and the Oil for Food Program in early 2005, followed by a one on one meeting with the Prime Minister to talk about AWB, and a meeting with AWB in June 2005;
- (8) the Member for Gwydir told the Insiders Program that while he was a Cabinet Minister he held no shares in any company, and neither did his wife;
- (9) in fact the member for Gwydir's wife held shares in 8 companies between 1996 and 1998, shares in 7 companies between 1998 and 1999, shares in Coles Myer and Watty between 1999 and 2004, and still held shares in Coles Myer after December 2004;
- (10) the Minister for Foreign Affairs met with Mr Volcker on 27 September 2005 and was

briefed that the Report would contain bad news for AWB;

- (11) on 4 October the Foreign Affairs Minister met with senior AWB officials in Canberra and told them that the Volcker report would implicate them in the corruption of the Oil for Food Program; and

- (12) the next day, 5 October, the Member for Gwydir lodged a sale note offloading shares held by him and his wife.

There is little doubt that the 'wheat for weapons' scandal is one of the worst political scandals this country has witnessed.

Mr ABBOTT (Warringah—Leader of the House) (12.34 pm)—I move:

That that snivelling grub over there be not further heard.

Opposition members interjecting—

The DEPUTY SPEAKER (Mr Lindsay)—Order! Members shall not speak in the gangway.

Mr Albanese—Mr Deputy Speaker, I rise on a point of order. I ask the obvious, which is that the Leader of the House withdraw that remark. He has a particular responsibility to uphold standards in this House. He once again has gone that yard too far.

Mr Abbott—If I have offended grubs, I withdraw unconditionally.

Mr Albanese—That is just—

The DEPUTY SPEAKER—The member for Grayndler will resume his seat. Under standing orders I am required to put the motion of the Leader of the House immediately. I will put that motion immediately.

Mr Albanese—Mr Deputy Speaker—

The DEPUTY SPEAKER—The member for Grayndler will resume his seat. I intend to put the motion immediately. All those of that opinion say aye; to the contrary no. Is a division required? Ring the bells for four minutes.

A division having been called and the bells being rung—

Opposition members interjecting—

Mr McMullan—Mr Deputy Speaker, on a point of order: you are obliged to uphold that call to withdraw.

The DEPUTY SPEAKER—I am obliged to uphold the standing orders.

Opposition members interjecting—

Mr Baldwin—Mr Deputy Speaker, I rise on a point of order. The member for Cowan made a very abusive remark about the chair and I ask that he withdraw that remark.

The DEPUTY SPEAKER—I thank the member for Paterson. I did not hear the remark—

Mr Albanese—You are ruling on his point of order, but—

The DEPUTY SPEAKER—and, to cool the House down, we might just leave it at that.

Ms Gillard—Mr Deputy Speaker, I raise a point of order. Would you confirm that the motion before the House is ‘That that snivelling grub be no longer heard’. If that is the motion before the House, would you rule it out of order, because it clearly is unparliamentary.

The DEPUTY SPEAKER—Order! The Manager of Opposition Business has asked me to restate the motion.

An opposition member—No!

The DEPUTY SPEAKER—Sorry—has asked me to clarify what the motion was. For the benefit of the House—and I have already advised the Manager of Opposition Business of this—the Leader of the House did withdraw the words that are complained of; therefore the motion—

Mr Swan interjecting—

The DEPUTY SPEAKER—The member for Lilley walks a fine line by calling the Deputy Speaker an idiot.

Mr Crean interjecting—

The DEPUTY SPEAKER—The member for Hotham walks a fine line by clapping. For the benefit of members, the question before the House is ‘That the member be no longer heard’.

Ms Gillard—Mr Deputy Speaker, I raise another point of order. At what point was that motion moved? Not one person on this side of the House heard it. Secondly, Mr Deputy Speaker, in respect of the withdrawal of what you say were the offensive words, my clear recollection is that the Leader of the House said, ‘If I have offended grubs, then I withdraw.’ That is not an unconditional withdrawal; it is not an effective withdrawal; he never withdrew unconditionally the offensive words. The motion before the House is clearly out of order, because no in order motion was moved.

The DEPUTY SPEAKER—I thank the Manager of Opposition Business. The Leader of the House has clarified that it is his intention to withdraw those words and that what he said was intended to withdraw those words. I accept that. We will continue with the division.

Mr McMullan—Mr Deputy Speaker, on a point of order: no subsequent withdrawal can change the terms of the motion that was moved. He has to withdraw the motion and move another one. You cannot put before the parliament a motion containing unparliamentary language. It is a disgrace.

The DEPUTY SPEAKER—I thank the member for Fraser. I intend to put the motion. The motion is ‘That the member be no longer heard’. The ‘ayes’ will pass to the right of the chair, the ‘noes’ will pass to the left of the chair—

Ms Gillard interjecting—

The DEPUTY SPEAKER—I am putting the motion. The motion is ‘That the member be no longer heard’.

Opposition members interjecting—

The DEPUTY SPEAKER—Order! We are wasting the time of the House. We will vote on the motion before the House.

Question put.

The House divided. [12.40 pm]

(The Deputy Speaker—Mr Lindsay)

Ayes.....	77
Noes.....	<u>58</u>
Majority.....	19

AYES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Bailey, F.E.
Baird, B.G.	Baker, M.
Baldwin, R.C.	Barresi, P.A.
Bartlett, K.J.	Billson, B.F.
Bishop, B.K.	Bishop, J.I.
Broadbent, R.	Cadman, A.G.
Causley, I.R.	Ciobo, S.M.
Cobb, J.K.	Costello, P.H.
Downer, A.J.G.	Draper, P.
Dutton, P.C.	Elson, K.S.
Entsch, W.G.	Farmer, P.F.
Fawcett, D.	Ferguson, M.D.
Forrest, J.A. *	Gambaro, T.
Gash, J.	Hardgrave, G.D.
Hartsuyker, L.	Henry, S.
Hockey, J.B.	Hull, K.E.
Hunt, G.A.	Jensen, D.
Johnson, M.A.	Jull, D.F.
Keenan, M.	Kelly, D.M.
Kelly, J.M.	Laming, A.
Ley, S.P.	Lloyd, J.E.
Macfarlane, I.E.	Markus, L.
May, M.A.	McArthur, S. *
McGauran, P.J.	Moylan, J.E.
Nairn, G.R.	Nelson, B.J.
Panopoulos, S.	Pearce, C.J.
Prosser, G.D.	Pyne, C.
Richardson, K.	Robb, A.
Ruddock, P.M.	Schultz, A.
Scott, B.C.	Secker, P.D.

Slipper, P.N.
Somlyay, A.M.
Thompson, C.P.
Tollner, D.W.
Tuckey, C.W.
Vale, D.S.
Wakelin, B.H.
Wood, J.

Smith, A.D.H.
Southcott, A.J.
Ticehurst, K.V.
Truss, W.E.
Turnbull, M.
Vasta, R.
Washer, M.J.

NOES

Adams, D.G.H.	Albanese, A.N.
Beazley, K.C.	Bevis, A.R.
Bird, S.	Bowen, C.
Burke, A.E.	Burke, A.S.
Byrne, A.M.	Corcoran, A.K.
Crean, S.F.	Danby, M. *
Edwards, G.J.	Elliot, J.
Ellis, A.L.	Ellis, K.
Emerson, C.A.	Ferguson, L.D.T.
Ferguson, M.J.	Fitzgibbon, J.A.
Garrett, P.	Georganas, S.
George, J.	Gibbons, S.W.
Gillard, J.E.	Griffin, A.P.
Hall, J.G. *	Hatton, M.J.
Hayes, C.P.	Hoare, K.J.
Irwin, J.	Jenkins, H.A.
Kerr, D.J.C.	King, C.F.
Lawrence, C.M.	Macklin, J.L.
McClelland, R.B.	McMullan, R.F.
Melham, D.	Murphy, J.P.
O'Connor, B.P.	O'Connor, G.M.
Owens, J.	Plibersek, T.
Price, L.R.S.	Quick, H.V.
Ripoll, B.F.	Roxon, N.L.
Rudd, K.M.	Sawford, R.W.
Sercombe, R.C.G.	Smith, S.F.
Snowdon, W.E.	Swan, W.M.
Thomson, K.J.	Vamvakinou, M.
Wilkie, K.	Windsor, A.H.C.

* denotes teller

Question agreed to.

Ms Gillard—Mr Deputy Speaker, I rise on a point of order. Would you rule for the benefit of the House what the motion was you just purported to put to a vote, who moved it and at what stage of the proceedings?

The DEPUTY SPEAKER—I have stated the question on a number of occasions—that is ‘That the member be no longer heard’.

Ms Gillard—Mr Deputy Speaker, I rise on a point of order—

The DEPUTY SPEAKER—The *Hansard* will show that it was moved by the Leader of the House.

DISSENT FROM RULING

Ms GILLARD (Lalor) (12.52 pm)—I move:

That the Deputy Speaker's ruling be dissented from.

Mr Deputy Speaker, clearly the ruling you have made is wrong.

Mr Abbott—Mr Deputy Speaker—

Ms GILLARD—Are you going to gag me on a dissent motion after that display; is that what you are going to do? You are an arrogant fool.

Mr ABBOTT (Warringah—Leader of the House) (12.53 pm)—I move:

That the member be no longer heard.

Opposition members interjecting—

The DEPUTY SPEAKER (Mr Lindsay)—The Leader of the Opposition will resume his seat. Please facilitate the chair. The chair did not hear the motion moved by the Leader of the House. I want to hear that motion and then I will take your motion. Could the Leader of the House please repeat the motion.

Mr ABBOTT—I moved:

That the member be no longer heard.

Mr Beazley—Mr Deputy Speaker, I rise on a point of order. It starts with the nature of the withdrawal by the Leader of the House which was in a form of withdrawal that has been found to be completely unacceptable here and which I have on numerous occasions been obliged to change and have conformed. All this trouble basically started with him. Frankly, Mr Deputy Speaker, you were on your feet when the Leader of the House came to the table—

Mr Secker—Mr Deputy Speaker—

The DEPUTY SPEAKER—Order! The Leader of the Opposition will resume his seat. There is another point of order. I remind the member for Barker that he is able to take a point of order in the middle of another point of order provided it is not designed to interrupt the point of order that is being taken. You cannot cut short a point of order. I call the member for Barker.

Mr Secker—Mr Deputy Speaker, I rise on a point of order. Standing order 78 clearly says you cannot debate that motion, and that was not a point of order. The Leader of the Opposition has not used any number in his point of order. It is clearly a debate and he should be sat down.

The DEPUTY SPEAKER—I thank the member for Barker. The Leader of the Opposition may proceed.

Mr Beazley—My point of order is this: when the Leader of the House was attempting to move a particular motion, you were on your feet, Mr Deputy Speaker. I sat down and he did not. Then you, apparently on instruction from him, sat down. Mr Deputy Speaker, you cannot conduct the affairs of this chamber in that way. You are letting them run roughshod all over you.

The DEPUTY SPEAKER—The Leader of the Opposition will withdraw that reflection on the chair. The Leader of the Opposition indicated that I took an instruction from the Leader of the House. I did no such thing. The Leader of the Opposition will withdraw that implication.

Mr Beazley—Mr Deputy Speaker, if you take offence at that, I withdraw it.

The DEPUTY SPEAKER—Thank you. Yes, the Leader of the House was on his feet. There was a bit of temperature here in the House. He was the next speaker. To facilitate the House, it seemed to me proper to allow

him to continue. There was no indication in relation to avoiding the standing orders when the Speaker is on his feet. Please accept that. The motion before the House is that the member for Lalor be no longer heard.

Question put.

The House divided. [1.02 pm]

(The Deputy Speaker—Mr Lindsay)

Ayes.....	75
Noes.....	58
Majority.....	17

AYES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Bailey, F.E.
Baird, B.G.	Baker, M.
Baldwin, R.C.	Barresi, P.A.
Bartlett, K.J.	Billson, B.F.
Bishop, B.K.	Bishop, J.I.
Broadbent, R.	Cadman, A.G.
Causley, I.R.	Ciobo, S.M.
Cobb, J.K.	Costello, P.H.
Draper, P.	Dutton, P.C.
Elson, K.S.	Entsch, W.G.
Farmer, P.F.	Fawcett, D.
Ferguson, M.D.	Forrest, J.A. *
Gambaro, T.	Gash, J.
Hardgrave, G.D.	Hartsuyker, L.
Henry, S.	Hockey, J.B.
Hull, K.E.	Hunt, G.A.
Jensen, D.	Johnson, M.A.
Jull, D.F.	Keenan, M.
Kelly, D.M.	Kelly, J.M.
Laming, A.	Ley, S.P.
Lloyd, J.E.	Macfarlane, I.E.
Markus, L.	May, M.A.
McArthur, S. *	McGauran, P.J.
Moylan, J.E.	Nairn, G.R.
Panopoulos, S.	Pearce, C.J.
Prosser, G.D.	Pyne, C.
Richardson, K.	Robb, A.
Ruddock, P.M.	Schultz, A.
Scott, B.C.	Secker, P.D.
Slipper, P.N.	Smith, A.D.H.
Somlyay, A.M.	Southcott, A.J.
Thompson, C.P.	Ticehurst, K.V.
Tollner, D.W.	Truss, W.E.
Tuckey, C.W.	Turnbull, M.
Vale, D.S.	Vasta, R.

Wakelin, B.H.
Wood, J.

Washer, M.J.

NOES

Adams, D.G.H.	Albanese, A.N.
Andren, P.J.	Beazley, K.C.
Bevis, A.R.	Bird, S.
Bowen, C.	Burke, A.E.
Burke, A.S.	Byrne, A.M.
Corcoran, A.K.	Crean, S.F.
Danby, M. *	Edwards, G.J.
Elliot, J.	Ellis, A.L.
Ellis, K.	Emerson, C.A.
Ferguson, L.D.T.	Fitzgibbon, J.A.
Garrett, P.	Georganas, S.
George, J.	Gibbons, S.W.
Gillard, J.E.	Griffin, A.P.
Hall, J.G. *	Hatton, M.J.
Hayes, C.P.	Hoare, K.J.
Irwin, J.	Jenkins, H.A.
Kerr, D.J.C.	King, C.F.
Lawrence, C.M.	Macklin, J.L.
McClelland, R.B.	McMullan, R.F.
Melham, D.	Murphy, J.P.
O'Connor, B.P.	O'Connor, G.M.
Owens, J.	Plibersek, T.
Price, L.R.S.	Quick, H.V.
Ripoll, B.F.	Roxon, N.L.
Rudd, K.M.	Sawford, R.W.
Sercombe, R.C.G.	Smith, S.F.
Snowdon, W.E.	Swan, W.M.
Thomson, K.J.	Vamvakinou, M.
Wilkie, K.	Windsor, A.H.C.

* denotes teller

Question agreed to.

Mr ALBANESE (Grayndler) (1.08 pm)—I second the dissent motion, which is a direct result of this government dripping in arrogance. You cannot have a motion moved in the parliament that ‘a snivelling grub be no longer heard’.

The DEPUTY SPEAKER (Mr Lindsay)—The member for Grayndler will resume his seat.

Mr ABBOTT (Warringah—Leader of the House) (1.08 pm)—I move:

That the member be no longer heard.

A division having been called and the bells being rung—

Mr Albanese—I raise a point of order, Mr Deputy Speaker. Given that this is during a dissent motion, I just wonder who had a vote on this motion that the minister at the table has just moved. There has been no vote and no division called. The point of order is there has been no vote.

The DEPUTY SPEAKER—I thank the member for Grayndler. The member for Grayndler will resume his seat. The question is that the member be no longer heard.

Mr Albanese—Why are the bells ringing?

Ms Gillard—You didn't put the question.

The DEPUTY SPEAKER—Okay. Thank you.

Mr Albanese interjecting—

The DEPUTY SPEAKER—I thank you for your advice, and the member for Grayndler will resume his seat. The Clerk's advice is that you are correct: we did not technically call a division. However, it was implicit.

Mr Albanese—Mr Deputy Speaker, I—

The DEPUTY SPEAKER—The member for Grayndler will resume his seat. Member for Grayndler, let me rule on your point of order. Just calm down! The chair will rule on the member for Grayndler's point of order. I accept the member for Grayndler's point of order. I will restate the question and we will re-ring the bells for one minute.

Mr Albanese interjecting—

The DEPUTY SPEAKER—After I put the question. The question is that the member be no longer heard. All those of that opinion say aye; against no. I think the ayes have it. Is a division required? Ring the bells for one minute.

A division having been called and the bells being rung—

Mr Beazley—Mr Speaker, I raise a point of order. There is a real problem here, Mr Speaker. This is the middle of a dissent motion against Mr Deputy Speaker's ruling. I would respectfully suggest to you that you do not take the chair until the motion is disposed of; otherwise, it puts us in a ludicrous position because he is now no longer in the chair.

The SPEAKER—I thank the Leader of the Opposition. This is an unusual situation, I admit, but I have just taken advice too. The ruling is against the chair, not against the individual; therefore, it is perfectly in order for me to be sitting here. And it is time to lock the doors. The question is that the member be no longer heard.

The House divided. [1.13 pm]

(The Speaker—Hon. David Hawker)

Ayes.....	76
Noes.....	<u>58</u>
Majority.....	18

AYES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Bailey, F.E.
Baird, B.G.	Baker, M.
Baldwin, R.C.	Barresi, P.A.
Bartlett, K.J.	Billson, B.F.
Bishop, B.K.	Bishop, J.I.
Broadbent, R.	Cadman, A.G.
Causley, I.R.	Ciobo, S.M.
Cobb, J.K.	Costello, P.H.
Draper, P.	Dutton, P.C.
Elson, K.S.	Entsch, W.G.
Farmer, P.F.	Fawcett, D.
Ferguson, M.D.	Forrest, J.A. *
Gambaro, T.	Gash, J.
Hardgrave, G.D.	Hartsuyker, L.
Henry, S.	Hockey, J.B.
Hull, K.E.	Hunt, G.A.
Jensen, D.	Johnson, M.A.
Jull, D.F.	Keenan, M.
Kelly, D.M.	Kelly, J.M.
Laming, A.	Ley, S.P.
Lindsay, P.J.	Lloyd, J.E.
Macfarlane, I.E.	Markus, L.

May, M.A.
 McGauran, P.J.
 Nairn, G.R.
 Pearce, C.J.
 Pyne, C.
 Robb, A.
 Schultz, A.
 Secker, P.D.
 Smith, A.D.H.
 Southcott, A.J.
 Ticehurst, K.V.
 Truss, W.E.
 Turnbull, M.
 Vasta, R.
 Washer, M.J.

NOES

Adams, D.G.H.
 Andren, P.J.
 Bevis, A.R.
 Bowen, C.
 Burke, A.S.
 Corcoran, A.K.
 Danby, M. *
 Elliot, J.
 Ellis, K.
 Ferguson, L.D.T.
 Garrett, P.
 George, J.
 Gillard, J.E.
 Hall, J.G. *
 Hayes, C.P.
 Irwin, J.
 Kerr, D.J.C.
 Lawrence, C.M.
 McClelland, R.B.
 Melham, D.
 O'Connor, B.P.
 Owens, J.
 Price, L.R.S.
 Ripoll, B.F.
 Rudd, K.M.
 Sercombe, R.C.G.
 Snowdon, W.E.
 Thomson, K.J.
 Wilkie, K.
 * denotes teller

Question agreed to.

Question put:

That the Deputy Speaker's ruling be dissented from.

McArthur, S. *
 Moylan, J.E.
 Panopoulos, S.
 Prosser, G.D.
 Richardson, K.
 Ruddock, P.M.
 Scott, B.C.
 Slipper, P.N.
 Somlyay, A.M.
 Thompson, C.P.
 Tollner, D.W.
 Tuckey, C.W.
 Vale, D.S.
 Wakelin, B.H.
 Wood, J.

Albanese, A.N.
 Beazley, K.C.
 Bird, S.
 Burke, A.E.
 Byrne, A.M.
 Crean, S.F.
 Edwards, G.J.
 Ellis, A.L.
 Emerson, C.A.
 Fitzgibbon, J.A.
 Georganas, S.
 Gibbons, S.W.
 Griffin, A.P.
 Hatton, M.J.
 Hoare, K.J.
 Jenkins, H.A.
 King, C.F.
 Macklin, J.L.
 McMullan, R.F.
 Murphy, J.P.
 O'Connor, G.M.
 Plibersek, T.
 Quick, H.V.
 Roxon, N.L.
 Sawford, R.W.
 Smith, S.F.
 Swan, W.M.
 Vamvakinou, M.
 Windsor, A.H.C.

The House divided. [1.19 pm]
 (The Speaker—Hon. David Hawker)

Ayes..... 58
 Noes..... 75
 Majority..... 17

AYES

Adams, D.G.H.
 Andren, P.J.
 Bevis, A.R.
 Bowen, C.
 Burke, A.S.
 Corcoran, A.K.
 Danby, M. *
 Elliot, J.
 Ellis, K.
 Ferguson, L.D.T.
 Garrett, P.
 George, J.
 Gillard, J.E.
 Hall, J.G. *
 Hayes, C.P.
 Irwin, J.
 Kerr, D.J.C.
 Lawrence, C.M.
 McClelland, R.B.
 Melham, D.
 O'Connor, B.P.
 Owens, J.
 Price, L.R.S.
 Ripoll, B.F.
 Rudd, K.M.
 Sercombe, R.C.G.
 Snowdon, W.E.
 Thomson, K.J.
 Wilkie, K.

NOES

Albanese, A.N.
 Beazley, K.C.
 Bird, S.
 Burke, A.E.
 Byrne, A.M.
 Crean, S.F.
 Edwards, G.J.
 Ellis, A.L.
 Emerson, C.A.
 Fitzgibbon, J.A.
 Georganas, S.
 Gibbons, S.W.
 Griffin, A.P.
 Hatton, M.J.
 Hoare, K.J.
 Jenkins, H.A.
 King, C.F.
 Macklin, J.L.
 McMullan, R.F.
 Murphy, J.P.
 O'Connor, G.M.
 Plibersek, T.
 Quick, H.V.
 Roxon, N.L.
 Sawford, R.W.
 Smith, S.F.
 Swan, W.M.
 Vamvakinou, M.
 Windsor, A.H.C.

Ferguson, M.D.	Forrest, J.A. *
Gambaro, T.	Gash, J.
Hardgrave, G.D.	Hartsuyker, L.
Henry, S.	Hockey, J.B.
Hull, K.E.	Hunt, G.A.
Jensen, D.	Johnson, M.A.
Jull, D.F.	Keenan, M.
Kelly, D.M.	Kelly, J.M.
Laming, A.	Lindsay, P.J.
Lloyd, J.E.	Macfarlane, I.E.
Markus, L.	May, M.A.
McArthur, S. *	McGauran, P.J.
Moylan, J.E.	Nairn, G.R.
Panopoulos, S.	Pearce, C.J.
Prosser, G.D.	Pyne, C.
Richardson, K.	Robb, A.
Ruddock, P.M.	Schultz, A.
Scott, B.C.	Secker, P.D.
Slipper, P.N.	Smith, A.D.H.
Somlyay, A.M.	Southcott, A.J.
Thompson, C.P.	Ticehurst, K.V.
Tollner, D.W.	Truss, W.E.
Tuckey, C.W.	Turnbull, M.
Vale, D.S.	Vasta, R.
Wakelin, B.H.	Washer, M.J.
Wood, J.	

* denotes teller

Question negatived.

SHARE TRADING

Consideration resumed.

The SPEAKER—The motion before the chair is the suspension of standing and sessional orders. Is the motion seconded?

Mr ALBANESE (Grayndler) (1.24 pm)—I second the motion. The AWB ‘wheat for weapons’ scandal just gets worse and worse—

Mr ABBOTT (Warringah—Leader of the House) (1.24 pm)—I move:

That the member be no longer heard.

A division having been called and the bells having been rung—

The SPEAKER—Order! Lock the doors. Lock the doors.

Mr Albanese interjecting—

The SPEAKER—The member for Grayndler will be aware that there is a division under way. He can take a point of order, but he will take it sitting.

Mr Albanese—Mr Speaker, seven government members entered the chamber well after the division was over. They should exclude themselves from this division.

The SPEAKER—I remind the member for Grayndler that, until tellers are appointed, members may enter provided the doors are not locked. The doors have now been locked.

Mr Albanese—Mr Speaker, on the point of order: given the ruling you have just made, how is it possible to get into the chamber if the doors have been locked and the tellers have not been appointed? How does your ruling that the time in which people are allowed to participate in a division is when the tellers are appointed sit with the locking of the doors?

The SPEAKER—I thank the member for Grayndler. I make the point that, once the doors are locked, members are then expected to move quickly to their seats. Obviously, once the doors are locked they cannot come in.

Mr Albanese—Mr Speaker, further to the point of order: there was a considerable gap in time between when one minute had expired and the doors were locked. After you declared that the time had expired, seven government members entered the chamber.

The SPEAKER—When I ask for the doors to be locked, I expect staff to move quickly to lock the doors, and I am sure that they did.

Question put.

The House divided. [1.25 pm]

(The Speaker—Hon. David Hawker)

Ayes.....	75
Noes.....	<u>52</u>
Majority.....	23

AYES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Bailey, F.E.
Baird, B.G.	Baker, M.
Baldwin, R.C.	Barresi, P.A.
Bartlett, K.J.	Billson, B.F.
Bishop, B.K.	Bishop, J.I.
Broadbent, R.	Cadman, A.G.
Causley, I.R.	Ciobo, S.M.
Cobb, J.K.	Costello, P.H.
Downer, A.J.G.	Draper, P.
Dutton, P.C.	Elson, K.S.
Entsch, W.G.	Farmer, P.F.
Fawcett, D.	Ferguson, M.D.
Forrest, J.A. *	Gambaro, T.
Gash, J.	Hardgrave, G.D.
Hartsuyker, L.	Henry, S.
Hockey, J.B.	Hunt, G.A.
Jensen, D.	Johnson, M.A.
Jull, D.F.	Keenan, M.
Kelly, D.M.	Kelly, J.M.
Laming, A.	Lindsay, P.J.
Lloyd, J.E.	Macfarlane, I.E.
Markus, L.	May, M.A.
McArthur, S. *	McGauran, P.J.
Moylan, J.E.	Nairn, G.R.
Panopoulos, S.	Pearce, C.J.
Prosser, G.D.	Richardson, K.
Robb, A.	Ruddock, P.M.
Schultz, A.	Scott, B.C.
Secker, P.D.	Slipper, P.N.
Smith, A.D.H.	Somlyay, A.M.
Southcott, A.J.	Stone, S.N.
Thompson, C.P.	Ticehurst, K.V.
Tollner, D.W.	Truss, W.E.
Tuckey, C.W.	Turnbull, M.
Vale, D.S.	Vasta, R.
Wakelin, B.H.	Washer, M.J.
Wood, J.	

NOES

Adams, D.G.H.	Albanese, A.N.
Andren, P.J.	Bird, S.
Bowen, C.	Burke, A.E.
Burke, A.S.	Byrne, A.M.
Corcoran, A.K.	Crean, S.F.

Danby, M. *	Edwards, G.J.
Elliot, J.	Ellis, A.L.
Ellis, K.	Emerson, C.A.
Ferguson, L.D.T.	Fitzgibbon, J.A.
Garrett, P.	Georganas, S.
George, J.	Gibbons, S.W.
Gillard, J.E.	Griffin, A.P.
Hall, J.G. *	Hatton, M.J.
Hayes, C.P.	Hoare, K.J.
Irwin, J.	Jenkins, H.A.
King, C.F.	Lawrence, C.M.
McMullan, R.F.	Melham, D.
Murphy, J.P.	O'Connor, B.P.
O'Connor, G.M.	Owens, J.
Plibersek, T.	Price, L.R.S.
Quick, H.V.	Ripoll, B.F.
Roxon, N.L.	Rudd, K.M.
Sawford, R.W.	Smith, S.F.
Snowdon, W.E.	Swan, W.M.
Thomson, K.J.	Vamvakinou, M.
Wilkie, K.	Windsor, A.H.C.

* denotes teller

Question agreed to.

Original question put:

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

The House divided. [1.35 pm]

(The Speaker—Hon. David Hawker)

Ayes.....	53
Noes.....	<u>77</u>
Majority.....	24

AYES

Adams, D.G.H.	Albanese, A.N.
Andren, P.J.	Bird, S.
Bowen, C.	Burke, A.E.
Burke, A.S.	Byrne, A.M.
Corcoran, A.K.	Crean, S.F.
Danby, M. *	Edwards, G.J.
Elliot, J.	Ellis, A.L.
Ellis, K.	Emerson, C.A.
Ferguson, L.D.T.	Fitzgibbon, J.A.
Garrett, P.	Georganas, S.
George, J.	Gibbons, S.W.
Gillard, J.E.	Griffin, A.P.
Hall, J.G. *	Hatton, M.J.
Hayes, C.P.	Hoare, K.J.
Irwin, J.	Jenkins, H.A.

Kerr, D.J.C.
Lawrence, C.M.
Melham, D.
O'Connor, B.P.
Owens, J.
Price, L.R.S.
Ripoll, B.F.
Rudd, K.M.
Smith, S.F.
Swan, W.M.
Vamvakinou, M.
Windsor, A.H.C.

NOES

Abbott, A.J.
Andrews, K.J.
Baird, B.G.
Baldwin, R.C.
Bartlett, K.J.
Bishop, B.K.
Broadbent, R.
Causley, I.R.
Cobb, J.K.
Downer, A.J.G.
Dutton, P.C.
Entsch, W.G.
Fawcett, D.
Forrest, J.A. *
Gash, J.
Hartsuyker, L.
Hockey, J.B.
Hunt, G.A.
Johnson, M.A.
Keenan, M.
Kelly, J.M.
Lindsay, P.J.
Macfarlane, I.E.
May, M.A.
McGauran, P.J.
Nairn, G.R.
Pearce, C.J.
Pyne, C.
Robb, A.
Schultz, A.
Secker, P.D.
Smith, A.D.H.
Southcott, A.J.
Thompson, C.P.
Tollner, D.W.
Tuckey, C.W.
Vale, D.S.

King, C.F.
McMullan, R.F.
Murphy, J.P.
O'Connor, G.M.
Plibersek, T.
Quick, H.V.
Roxon, N.L.
Sawford, R.W.
Snowdon, W.E.
Thomson, K.J.
Wilkie, K.

Anderson, J.D.
Bailey, F.E.
Baker, M.
Barresi, P.A.
Billson, B.F.
Bishop, J.I.
Cadman, A.G.
Ciobo, S.M.
Costello, P.H.
Draper, P.
Elson, K.S.
Farmer, P.F.
Ferguson, M.D.
Gambaro, T.
Hardgrave, G.D.
Henry, S.
Hull, K.E.
Jensen, D.
Jull, D.F.
Kelly, D.M.
Laming, A.
Lloyd, J.E.
Markus, L.
McArthur, S. *
Moylan, J.E.
Panopoulos, S.
Prosser, G.D.
Richardson, K.
Ruddock, P.M.
Scott, B.C.
Slipper, P.N.
Somlyay, A.M.
Stone, S.N.
Ticehurst, K.V.
Truss, W.E.
Turnbull, M.
Vasta, R.

Wakelin, B.H.
Washer, M.J.
Wood, J.

* denotes teller

Question negatived.

The SPEAKER—I call the Leader of the House.

Ms Gillard—Mr Speaker—

Mr Abbott—I had indicated to the Speaker that I wished to approach the box. Mr Speaker, I wish to indicate that I withdraw unconditionally any imputation or offensive words against the member for Wills.

**AUSTRALIAN TRADE COMMISSION
LEGISLATION AMENDMENT
BILL 2006**

Second Reading

Debate resumed from 10 March, on motion by **Mr Vaile**:

That this bill be now read a second time.

Mr RUDD (Griffith) (1.39 pm)—I am confident that the debate on this legislation will be as diverting and as engaging as the most recent exchanges we have had on the matters just now. I rise to speak on the Australian Trade Commission Legislation Amendment Bill 2006. This is an important bill because it brings focus to bear on Australia's trade performance—a trade performance which, over the last decade, and half-decade in particular, has in fact been exceptionally poor. Despite the record terms of trade that Australia now enjoys, the government has not yet found a way to reverse the longstanding trend of imports outstripping exports and the fact that more money is being pulled out of Australia than the Australian government, consumers and business are able to bring into Australia.

This trend is having a major impact. It is having a major impact on our current account deficit; it is having a major impact, therefore, on our half-trillion-dollar foreign debt. Most disturbingly, that in turn has the

capacity to drive up interest rates. That is why in considering this bill the parliament should also address exactly how Australia's export performance has deteriorated over the last decade; Australia's current account deficit and its spiralling trend; Australia's record foreign debt; the risk to interest rates of our continued external imbalances; the government's narrowcast approach to our export regime through its focus exclusively on resources; the government's neglect of other key export sectors, specifically with regard to manufacturing; and the need for a new export strategy for Australia. This country and its economy desperately need such a strategy because unless we correct our most recent performance on exports we cannot see a way forward in bringing this country's current account deficit under control.

Current account deficits do count. Current account deficits have not simply fallen off the radar screen when it comes to the attitude of international financial markets. Current account deficits become critical evaluation tools by which markets ultimately judge the adequacy of macro-economic balances within any economy, including this one. It is important that this country and this government have an effective strategy for dealing with the current account deficit. You cannot simply pretend that a current account deficit does not exist. You cannot simply pretend that a current account deficit no longer matters to markets. You cannot simply wish a current account deficit away. The laws of economic gravity have not simply been suspended, and the rule of thumb which has prevailed over many economic cycles in recent decades is that when a country's current account deficit starts to head north of five per cent of gross domestic product—let alone six per cent of gross domestic product and beyond—international financial markets begin to pay close attention.

The cumulative result of the Howard government's export performance over the past 10 years has been disastrous. When it comes to export performance, the cumulative result of Minister Vaile's performance over the last six years that he has held the job of Minister for Trade has been doubly disastrous. In fact, there are not many ways in which you could interpret the trade minister's performance in a positive light. You do not have to look much further than the Australian Bureau of Statistics to demonstrate this fact. According to the ABS, Australia's monthly trade deficit for March 2006 was \$1.5 billion. This was the 48th consecutive monthly trade deficit, meaning that for more than four years the value of Australia's exports has been exceeded by the value of our imports. In November 2004 Australia's trade deficit of \$2.6 billion was the highest on record—a record we have come close to equalling on a number of occasions since, most recently in February this year, when the monthly trade deficit reached \$2.4 billion. Australia's annual trade deficit for the calendar year 2005 was close to \$20 billion, and these record trade deficits of recent years have contributed directly to our record current account deficits.

In the federal budget released a fortnight ago the government forecast export growth of seven per cent in 2006-07. I hope—we as an opposition hope—that this is achieved. But, given the government's forecasting record, we do not hold out a great deal of hope. It is important to place clearly on the record the gap which has existed in recent years between the government's forecast at budget time of what export growth is likely to be and the government's actual performance, come year's end, as to what that growth was. In 2001 the government forecast five per cent export growth when in fact exports fell in that year by 0.8 per cent. In 2002 the forecast was for growth of six per cent when in fact exports fell, again, by 0.8 per cent. In

2003 again the forecast was for export growth of six per cent, while exports grew by barely more than one per cent. In 2004 we had a heroic forecast of eight per cent export growth, whereas exports in fact grew by only 2.5 per cent. In 2005 there was a further heroic forecast of seven per cent growth when in fact exports grew by barely two per cent.

Over the past five years, therefore, the government has forecast growth in exports of an average of 5.5 percentage points each year. The government's forecast of export growth has grossly exceeded that which has been delivered by an average factor of 5.5 percentage points every year. Combined with that, Australia has recorded an annual trade deficit every year since the year 2000, with the single exception of 2001. The export growth over this five-year period is recorded at 2.6 per cent, whereas import growth over this five-year period is recorded at 5.3 per cent. Obviously this performance is bad for Australia's export regime, but it is having a broader effect on the Australian economy as well.

Continued failure to achieve substantial export growth is having a direct impact on Australia's current account. Australia's current account deficit in 2005 was \$55 billion or six per cent of GDP, and we recorded a quarterly current account deficit in December 2004 of 7.3 per cent of GDP. For the past 13 quarters, Australia has had a current account deficit above five per cent of GDP. This has occurred at a time when Australia is experiencing some of the strongest prices and demand for our major commodity exports that this country has seen in 30 years—that is, at a time when our external balance should be in surplus or at least heading in the direction of surplus. It does not appear that Australia's trade position will improve significantly in the near future either, as this year's budget papers point out. The government has forecast a current account deficit of

\$62½ billion for the year 2006-07. If this comes about, it will be another new record low when it comes to Australia's overall trade performance.

It is important to understand the composition of the current account if we are to understand what it means for the economy, how it may develop and what impact it might have on the economy over time. There are two parts to the current account. The first is, of course, the balance on trade—close to a \$20 billion deficit in the year 2005. This simply means that the value of Australia's imports exceeded the value of our exports by \$20 billion last year. The second is the balance on income. The balance on income is the total value of interest and dividends Australia has received from the rest of the world less the payments of interest and dividends from Australia to other countries. In 2005 Australia had a net income deficit of \$35 billion. In total, Australia paid out \$35 billion more in interest and dividends overseas than we received from overseas. As our current account deficit grows from year to year, so does our debt to the world. When we combine this net income deficit of \$35 billion and add it to the trade deficit of \$20 billion, we are in fact adding a very large amount of money each year to this country's overall foreign debt—a foreign debt which now stands at half a trillion dollars or more than half of GDP. As a result, so does the amount of interest that Australia must pay abroad.

Like any business with an overdraft or a homeowner with a mortgage, Australia as a whole must pay interest on this half-trillion-dollar debt. Over the past two years, the interest on Australia's foreign debt has risen by almost 40 per cent from \$15.9 billion in the year 2003 to \$22.4 billion in the year 2005. While our current account deficit continues to increase, so will our level of foreign debt. This is because the current account deficit reflects a surfeit of savings within the do-

mestic economy. Put simply, when we import more than we export, this implies that the economy as a whole is spending more than we are saving. The money to pay for our current account deficit must come from abroad; hence, each current account deficit increases foreign debt by roughly the same amount. Taking calendar year 2005 as an example, the current account deficit, as I said before, was \$55 billion, comprised of both the trade deficit and the net income deficit. This meant that the Australian economy required \$55 billion more than it saved. Therefore, the surfeit had to be sourced from somewhere: overseas. Australia borrowed a sum roughly equivalent to the current account deficit, our foreign debt, and our foreign debt will increase by roughly that same amount as each year progresses. There are some exchange rate effects and the revaluation effects in 2005, in particular, meant that our foreign debt last year rose by \$53 billion, not the full \$55 billion of the current account deficit itself.

An important factor in Australia's current account is the level of foreign ownership of Australian companies. This is something I referred to in an address earlier today to the Committee for the Economic Development of Australia. Both in this respect and in other elements of my address here to the parliament today, I draw significantly on the remarks made this morning. Many of our large resource companies have significant foreign ownership and, as a result, much of the income from the resource boom goes directly out of the country and adds to the net income deficit. It is estimated that less than 50 per cent of earnings from resources actually remain in Australia.

I highlight this not to make a point about foreign ownership but rather to highlight that the resources boom will take a considerable amount of time, if it continues, to actually reduce the current account deficit or reduce it

significantly. Because the simple fact is that the resources boom is not a universal panacea for our current account problems, the solution to the cycle of debt is to export more than we import—a trade surplus, one which, as I have already noted, this country has not enjoyed for more than four years. Exports remain the sick man of the Australian economy and, unless we address this challenge to our exports and export performance, the problems we face at the level of the current account and foreign debt will simply continue. There is no other solution for this economy.

Before I discuss the factors affecting Australia's recent trade performance, I would like to compare our trade imbalances with the rest of the world. Earlier this month, the IMD International released its world competitiveness index, which outlined just how poor the government's record on trade is. This is what the Committee for the Economic Development of Australia says about Australia's trade performance as reported in the world competitiveness index:

... the numbers also show that Australia remains relatively uninvolved in global trade. Even in the middle of a commodities boom, we rank 57th out of 61 as an international trader. These numbers suggest we are simply not buying and selling enough with the rest of the world.

The IMD report concludes that, on exports as a percentage of GDP, Australia was ranked 54th out of 61 countries; on overall productivity, real growth, Australia was ranked 54th out of 61 countries; on skills shortages, it found that on qualified engineers Australia was ranked 39th out of 61 countries; and on the current account—in our case, the current account deficit—Australia was ranked 41st out of 61 countries. This is not a positive report card when we are seeking in this country to rebuild exports, to restore balance to the trade account, to restore ultimately a greater sense of balance to the current ac-

count and, ultimately, to bring down our foreign indebtedness. This report by IMD suggests that, when measured against other developed economies and some developing economies, our record on exports is, frankly, poor indeed.

Persistent high current account deficits place an economy at risk of higher interest rates. Economic theory and history show us that current account deficits cannot persist forever and market forces will eventually adjust the deficit towards balance. The Senate Economics Committee summarises the standard textbook economics process by which a current account deficit unwinds in its report on household debt and the current account deficit. The report states:

In theory, when the CAD gets too high self-correcting market forces are triggered. Interest rates will tend to rise (slowing economic growth); the exchange rate will tend to fall (making imports more expensive and exports cheaper); the trade balance will improve; and as a result the CAD will improve.

Let me just reiterate the key part of that quote: interest rates will rise, slowing economic growth.

Like any borrower, Australia risks losing the confidence of its lenders as our debt mounts. A loss of confidence in Australia as a destination for international investment would have the following effects: first, a premium would be built into the interest rates expected when Australia borrows money from overseas; second, this would also precipitate a fall in demand for the Australian dollar, driving the exchange rate down; third, imported goods would then become more expensive; fourth, inflation would increase; and, fifth, the Reserve Bank would in all probability have little option other than to increase rates. We have begun regrettably to see certain elements of this process unfold. The question is by how much more interest rates will rise, having already

seen two increases in the rate since the last election—an election where the Prime Minister told the country that rates would not rise again and that—to use his own language—the rates that existed at the time of the last election would continue into the future.

There is some argument about the definition of what too high a current account deficit is, but in 2000 the US Federal Reserve broadly defined it as five per cent of GDP. There may have been some structural shift in Australia's current account deficit, but the fact remains that Australia's current account deficit has been above five per cent of GDP for 13 consecutive quarters and there is a risk therefore over time to interest rates.

The financial markets have so far adopted a permissive attitude to our external imbalances, but it is worth noting again that the Access Economics March 2006 *Business Outlook* states:

Superheated commodity prices were meant to send our trade accounts whirring back towards surplus. Instead, the current account deficit is lingeringly large. There is a risk that markets eventually - but suddenly - overreact to that, pushing the A\$ down and our long term interest rates up. That won't happen until commodity prices start to fade in a year or so. But it will happen.

The root cause of Australia's external balance problem is Australia's recent performance on exports. If our external imbalance is not addressed, there is every potential that interest rates will suffer as a consequence. Rather than looking at a comprehensive solution to Australia's export problems, the government is focusing its attentions squarely and almost exclusively on the resources boom. This is a government placing all its eggs in one basket. There is no doubt that Australia should take advantage of its resource stocks to enhance its export performance, but long-term economic planning suggests we should not leave all of our eggs in

one basket, because the reality is that, at some stage in the future, this resources boom will come to an end. If in the meantime the government continues to neglect other key export industries, the result at that point in time would be unthinkable. However, this is the path the current government is leading us down. All of its attention is being devoted to the resources sector, with none of its attention being devoted to other export sectors such as services, manufacturing and, I have to say, even agriculture.

Let us look at Australia's manufacturing sector as an example. The 2006-07 budget papers effectively hauled up the white flag on manufacturing exports. Budget Paper No. 1 Statement 3: Economic Outlook states:

Other categories of exports—

that is other than resources—

are forecast to pick up [in] 2006-07, although they are unlikely to grow at the strong rates experienced in the 1990s. Exports of elaborately transformed manufactures are forecast to grow moderately over the next two years ...

Although the manufacturing sector recorded reasonable growth in 2004-05, the total value of manufactured exports is now \$2 billion less than it was at its peak in 2001. This performance is unacceptable.

Welcome back, Prime Minister.

Australian manufacturing exports were one of the great success stories of the 1980s and 1990s. Between 1986 and 1996, the volume of exports of ETMs increased by 13.9 per cent per annum. Between 1995 and 2000 they grew at an annual average rate of 7.2 per cent per annum. Manufacturing remains the largest sector in the economy, accounting for 30 per cent of value added activity; however, as a share of the economy, this is less than the 15 per cent level of 10 years ago and the 18 per cent level of 20 years ago. This does not compare well with other developed economies. The manufacturing sector ac-

counts for 20 per cent of GDP in Italy, 19 per cent of GDP in New Zealand and 17 per cent of GDP in the United Kingdom.

The need for greater government involvement in this sector has become critical. In 2004-05 Australia's manufacturing trade deficit was \$87.5 billion. Put simply, this of itself is unsustainable in the long term. Of course, there are some external factors which have impacted on our manufacturing sector. We cannot talk about the manufacturing sector without also talking about the rise of China as the engine of global manufacturing. Suffice to say that China's burgeoning output of manufacturing goods is having a significant effect on Australia's own manufacturing sector—not only through declining prices of goods in import competing sectors but also in competition for our export markets of manufactured goods. Australia's share of global manufactured exports has been in decline since 2000—

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

EAST TIMOR

Mr HOWARD (Bennelong—Prime Minister) (2.00 pm)—Mr Speaker, on indulgence: I am sure that all honourable members will agree that Australia has a vital national interest in the promotion and maintenance of stability in our region. Yesterday the government received a formal request from the government of East Timor for military assistance to help that country in the restoration of security, confidence and peace. The government has agreed in principle to this request and, subject to the final agreement of East Timor to the conditions of the mission, Australia is preparing to send an Australian Defence Force battalion group of approxi-

mately 1,300 personnel to help our near neighbour. Earlier today the Leader of the Opposition, the member for Griffith and the member for Barton were briefed by senior government officials on this matter.

It is worth pointing out to the House that we are in a position to respond quickly because of the decision taken by the government on 11 May to pre-deploy our forces in a state of readiness to respond to any requests that might be forthcoming from the East Timorese. Later this afternoon, 150 members of a commando company group will arrive in East Timor accompanied by Black Hawk helicopters and a C130 Hercules aircraft. These Australian forces will take immediate action to secure the perimeter of Dili international airport. It is our expectation that this will ensure that the airport remains open and functioning normally. This forward deployment has the express approval of the government of East Timor.

This action follows a significant deterioration in the security situation in East Timor, especially in and around Dili. After initial riots at the end of April, recent days have seen the outbreak of sustained fighting between elements of the East Timorese military and a breakaway rebel group. The violence escalated yesterday with reports of a number of casualties. It is not my purpose today to go into detail on the causes of the current violence, though I want to reinforce the Australian government's firm view that respect for democracy and the rule of law will be crucial to any sustainable resolution to the current situation.

The Australian force will provide assistance to East Timor fully respectful of that country's sovereignty and in the spirit of offering a helping hand to a friend in a time of need. New Zealand, Portugal and Malaysia have received similar requests for assistance. Australia's mission in New York has in-

formed the United Nations of the request and the disposition of the Australian government to respond in the manner that I have outlined.

The exact nature of the Australian deployment is, of course, subject to discussion and agreement with the East Timorese government, though I can stress that at all times Australian troops will be under Australian command. An Australian delegation led by the Vice Chief of the Defence Force, Lieutenant General Gillespie, is travelling to Dili today to define the terms and conditions of assistance and to discuss cooperation with the East Timorese Defence Force. What I can say now is that it is our intention that our personnel will have a number of specific tasks. They include (1) facilitating the evacuation of Australian and other foreign nationals as is appropriate and necessary; (2) stabilising the situation and facilitating the concentration of the various conflicting groups into safe and secure locations; (3) auditing and accounting for the location of weapons that belong to each group; and (4) creating a secure environment for the conduct of a successful dialogue to resolve the current crisis. The duration of this ADF support is subject to further consultation and negotiation as well as, of course, to events on the ground.

The government is very conscious of the danger the current situation presents to Australians in East Timor. As of 24 May, 656 Australians were registered with our mission, but we estimate that the total number living in East Timor is likely to be approximately 800. Given the security situation, we are obviously advising Australians not to travel to East Timor at this time. Australians there should consider departing, and those who do not intend to do so should remain in a secure location indoors, follow the media and follow the instructions of security authorities. I am advised that commercial flights are still operating. However, the government will

continue to monitor that situation and provide assistance to those planning to depart.

The Australian government has also directed that its non-essential staff and dependants should leave East Timor because of the increased violence. Accordingly, three embassy staff members and 23 dependants will return to Australia as soon as the situation allows. Their departure will not affect the delivery of the full range of consular and passport services by the embassy in Dili. Australia takes this deterioration in East Timor's security situation very seriously. Having played a decisive role in the birth of the nation of East Timor, we recognise that Australia has a particular obligation to assist what is a small and poor country in its struggle for a stable, democratic future.

This deployment also reflects what I have said on many occasions: that Australia—a large, stable and prosperous country—has a special responsibility to act as a force for peace and order in our immediate region. I want to reaffirm in the strongest terms that this action is in our national interest, because the world we live in is one where the problems of weak and fragile states, especially ones on our doorstep, can very quickly become our problems. At the same time, I want to underscore the importance of states accepting their own responsibility for improving governance and reducing corruption, as the path to a better future.

It is always a solemn responsibility of any government to place the men and women who defend our country in danger. This is a dangerous mission and a dangerous situation and we must not walk away from the possibility that casualties could be suffered by the forces that will go to East Timor. I know that I speak on behalf of all members when I say that our forces undertake this mission with our admiration and with our hopes and prayers for their safe return.

Mr BEAZLEY (Brand—Leader of the Opposition) (2.08 pm)—Mr Speaker, with your indulgence, I wish to speak on the same matter. I want to say at the outset that the Labor Party gives its strong and unqualified support to the deployment of Australian troops to East Timor. We understand that this will follow detailed discussions on missions and associated matters, producing a clear mission statement after the Vice Chief of the Defence Force has concluded those discussions with the Timorese government. At that point in time, the Prime Minister has stated his intention that what is an in principle approval will move to being a definite approval and troops will be deployed. We support that, as we supported the pre-positioning of troops and mechanisms for transport when the government chose to do that some days ago by sending amphibious ships to both Townsville and Darwin. It was obvious at that time that the government was anticipating the possibility of a request being forthcoming from the East Timorese authorities. As we in the opposition saw the situation developing, we thought that it was important that Australia should respond positively to that. So we understand it.

As the Prime Minister has said, the deployment is in response to a formal request received from President Gusmao, Prime Minister Alkatiri and the parliamentary president. I noted, at least on news broadcasts this morning, that the person who apparently is leading the dissident forces also expressed a desire that Australian troops should be moved in to keep the peace. If that is the case, that is good news indeed. As the Prime Minister says, the circumstances into which our troops will go have already produced a not insubstantial number of deaths and injuries. Our troops are going into a definitely dangerous situation. I am sure that the Prime Minister, as he indicated to us all, has this weighing heavily on his heart, as it

must weigh heavily on the hearts of all members of this parliament. We wish our troops well. We strongly support them in the activities they will now engage in when this situation shifts from in principle approval to actual deployment. We want the troops going into Timor in this situation to comprehend that they have the wholehearted support of all elements of the parliament in this very difficult situation.

To some extent, the Prime Minister in his remarks was able to cover off the matters that are being deliberated on between the Vice Chief of the Defence Force and the Timorese authorities in the clear issue of a mission statement. It is very necessary that that should be put in place. It ought to incorporate, as the Prime Minister states, a reference to securing Australian and other foreign personnel who may be placed in danger in the region, to its primary function being to stabilise the situation in which they find themselves and to creating a secure environment for a negotiated resolution of these matters. I think it is very important that the Timorese people understand that this is the purpose of this deployment and that the troops are there for the peace and good order of the totality of the society and there to engage with the goodwill of all the relevant authorities. We do have special responsibilities now placed upon our shoulders in East Timor. Those responsibilities grew out of the role that was played by Australia in the processes that midwifed the birth of the East Timorese nation. A substantial number of Australian serving personnel have spent some considerable time in East Timor.

It has to be noted that, in the course of the last few weeks, the disagreements that have emerged in the police and defence forces involve troops who were trained by Australians and who are led by an individual who was trained by Australians. That does impose special responsibilities on us. It is important

that we get these things right. I hope that, as a result of the years of contact between Australian serving personnel and those who are engaged in the acts of dissidence at the moment, there will be a level of trust established that will ensure that the mission comes to a successful conclusion.

Once you are involved in these situations, you can never walk away from them. The situation we now experience with this arc of instability in the region to the north of us is the most substantial foreign-policy national-security problem that confronts our nation and this is where we must focus our attention. This is a backdoor which is our backdoor and therefore not one from which we exit. There will be, I think, over the years, substantial burdens assumed by Australia and the Australian military in this area.

I conclude with these thoughts. It is the case now that in the Solomons, Afghanistan and Timor we have found ourselves obliged to go back in after a settlement had been reached which we believed permitted us to exit. This imposes upon all of us who have some responsibility for the development of Australian foreign policy and national security strategies the need to think through the character of our commitments at the time when those commitments are made, to learn from any errors that may have been made and to see how things can be done better.

It is not a critical statement that I am making here today and I am not at all attempting to diminish the bipartisan character of this, but I simply point out the obvious. When circumstances are that you are obliged to go back in with the level of regularity that we now see, then there clearly is a requirement on us to start to think these things through in some detail. There are other areas of the South Pacific in that arc of instability where it is conceivable that Australian assistance may at some point be sought. East Timor is

clearly an immediate area of national security deliberation and, as I said, is currently the most important area of concern for us.

Finally, our troops. It is necessary that our troops should have the best possible support that we can provide them. They need to be assured that they have the support of all Australians as they go into this very difficult situation. Our prayers are with them. We expect the best of them. They have always delivered for us; we expect that they will deliver again. Our thoughts will remain with their families, their friends and their loved ones as their deployment proceeds and, hopefully, comes in a brief period of time to a successful conclusion.

QUESTIONS WITHOUT NOTICE

Workplace Relations

Mr BEAZLEY (2.17 pm)—My question is to the Prime Minister. It relates to the issue of the Spotlight AWA raised in his absence yesterday. What does the Prime Minister have to say to Annette Harris, the 57-year-old employee offered the Spotlight AWA which would have seen her lose \$90 a week in take-home pay, when she is saying to the Prime Minister: 'I thought it was an insult; absolutely disgusting. I voted Liberal all my life, but there's no way I'd sign up to this'?

Mr HOWARD—I do not pretend to have seen the actual statement that she has made, but what I would say to her, to the Leader of the Opposition and to everybody who is interested in this issue is simply this: at the end of the day the test of workplace relations laws is the contribution they make to the general health of the economy. If workplace relations laws strengthen the economy, they generate more jobs. I would remind the Leader of the Opposition that, when he presided over 11 per cent unemployment in Australia, we had the most highly regulated labour market this country has had in the last 40 years. All the regulation in the world did

not save people in the Beazley employment ministry era from losing their jobs.

When it comes to taking advice from Labor leaders on employment matters, I have always preferred the view of my good friend the Labour Prime Minister of Great Britain, Mr Tony Blair, who, when addressing the Trades Union Congress in 1997, said, 'Ladies and gentlemen'—I do not think he said 'comrades'; I think he said 'ladies and gentlemen'—'fairness in the workplace starts with the chance of a job.' I have no doubt that the workplace relations laws of the Howard government will lead to more jobs, higher wages and a stronger economy.

East Timor

Mr BAIRD (2.20 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of what diplomatic and consular steps Australia is taking to assist East Timor?

Mr DOWNER—First of all, I thank the honourable member for Cook and I appreciate his interest. Let me say that the security situation as of last we have heard in Dili is bad. We are very concerned about the security situation on the ground and there are reports of shootings, so there is a good deal of danger there. Of course, our first priority is to the welfare of the 800 Australians who are in East Timor, and we continue to advise those Australians who are there that they should leave and that Australians who are considering going to East Timor as civilians should not do so.

I have directed that the non-essential Australian government staff and their dependants should depart as quickly as possible. Although the last I heard the civil airport was open and there have been scheduled civilian flights over the last few days, the government is arranging a C130 flight to assist the departure of Australians as necessary and

that flight is expected to leave sometime this afternoon or possibly this evening.

As far as diplomacy is concerned, I think honourable members will be aware that I have had many conversations with my friend and counterpart Jose Ramos-Horta over the last few days. He, of course, has been a very constructive interlocutor in putting together this assistance that Australia is providing.

I know a number of honourable members will be interested in the role of the United Nations in all of this. Our Ambassador to the United Nations, Mr Hill, has spoken to the United Nations Secretary-General's chief of staff—Kofi Annan, the Secretary-General, is currently I think on a trip to Vietnam—and he has written to the Secretary-General and the current President of the Security Council informing them of East Timor's request for assistance. The Secretary-General has also been notified by New Zealand and Portugal. The current President of the United Nations Security Council released a media statement a short time ago which said, amongst other things:

The members of the Council—
being the Security Council—

expressed their full understanding of the request, and appreciated the initial favourable responses made so far by the Governments concerned.

That, if you like, informal statement by the President of the Security Council is likely to be followed up, probably this evening our time, by a formal presidential statement that is being drafted and negotiated at the moment. I have spoken this morning with the American Secretary of State, Condi Rice. The Americans are giving a good deal of assistance to ensure that this presidential statement is made. So insofar as there are concerns about how the United Nations fits in to what is happening and what we are doing, I think that is proceeding satisfactorily.

Workplace Relations

Mr STEPHEN SMITH (2.24 pm)—My question is also to the Prime Minister and it relates to the Spotlight AWA. I refer the Prime Minister to statements today by the general manager of marketing of Spotlight stores that Spotlight's AWA is being offered because:

We are doing what we were told by the legislators. We are not the ones writing the laws. Like any other legislation we fall under, we follow it.

Prime Minister, isn't it the case that, consistent with the government's legislation, the AWA offered by Spotlight gives 2c an hour for losing penalty rates, overtime payments, public holiday pay rates, annual leave loading, rest breaks and incentive based payments and bonuses?

Mrs Bronwyn Bishop—Mr Speaker, there are two points of order that are relevant. Firstly, that question was asked yesterday and was fully answered. Secondly, even if you rule otherwise, it is asking for an opinion and that also is against the standing orders.

The SPEAKER—I thank the member for Mackellar. I will listen carefully. The member for Perth has not completed his question. I call member for Perth and ask him to come to his question.

Mr STEPHEN SMITH—Prime Minister, isn't Spotlight doing what the government's legislation wants it to do—starting a 2c race to the bottom?

The SPEAKER—The last part of that question was not necessary.

Mr HOWARD—No.

Australian Defence Force

Mr LINDSAY (2.26 pm)—My question is addressed to the Minister for Defence. Would the minister update the House on how the Australian Defence Force is contributing

to a more secure region and protecting Australia's broader security interests?

Dr NELSON—I thank the member for Herbert for his question and his championship of the defence community in Townsville. I also take the opportunity to welcome to the House the midshipmen from the Royal Australian Naval College, HMAS *Creswell*, and thank them for committing their lives to the service of Australia and the Royal Australian Navy.

Honourable members—Hear, hear!

Dr NELSON—The government has three objectives in terms of the defence and security of Australia. It is firstly about defending and securing our borders; secondly, about security in our region—as the Prime Minister said, instability in our region means instability for Australia; thirdly, to recognise that what happens in remote parts of the world has everything to do with the security of our country in this the 21st century.

The Australian Defence Force of 51,000 personnel is undertaking at the moment a wide range of activities across that broad global theatre. Recently we saw 400 ADF personnel assisting Australians with Operation Larry Assist. Two and a half thousand supported security at the Commonwealth Games. Every day there are 300 ADF personnel defending our borders with naval and air assets from everything from illegal fishing through to those who seek to come to Australia unlawfully. In our region more recently I think all Australians were impressed by the very rapid response to the Solomon Islands and the events which happened on 19 April. I announced yesterday that, with security and stability having been returned to the Solomon Islands, Australia will wind down its current deployment from 370 to 150.

Today, as the Prime Minister has said, the Australian Defence Force is doing it again. Having had two weeks of pre-positioning,

today, subject to the agreement of the East Timorese government, we will deploy around 1,300 ADF personnel. We do not do that lightly. We know that this is going to be a particularly dangerous mission, but we know that it is important for the people of East Timor, the stability of our region and the security of Australia that we play a significant and lead role in ensuring security in East Timor. As the foreign minister said, the situation in East Timor is very unstable, it is very dangerous and there are also incidents occurring as the day progresses which give no reason to believe that it is likely to improve in the foreseeable future. Equally, the commitments the government has made in Afghanistan and Iraq in supporting democracy and overcoming terrorism have everything to do with what happens in Australia.

We are able to undertake these tasks because the government has made a significant financial commitment to improving the size and structure of the ADF. We have taken the proportion of ADF personnel that are combat ready from 42 per cent to 62 per cent. The government has also committed over the next 10 years, which will bring the total to 15 years, a three per cent real increase in funding above and beyond inflation. Should the East Timor deployment fully proceed, we will have around 3½ thousand ADF personnel deployed from a Defence Force of some 51,000. If we were asked to assist with humanitarian or other kinds of issues—whether in our own country or in our region—I can assure you we have much more in our back pocket. The government has well-advanced strategic planning for the future of the ADF.

Workplace Relations

Mr STEPHEN SMITH (2.30 pm)—My question is again to the Prime Minister about Spotlight's AWA. I refer to a statement today by Mr Patrick McKendry, the Chief Execu-

tive of the National Retail Association, about Spotlight's AWA. I quote:

Far from being defensive about it, the National Retail Association applauds it because we think a lot of other retailers will follow Spotlight's lead.

Why doesn't the Prime Minister just fess up to the start of his 2c an hour race to the bottom?

Mr HOWARD—As the member for Perth will know, I made it very clear when the legislation was introduced that in relation to the conditions of employment there were those that were stipulated as part of the Australian standard. They related to hourly rates of pay, to annual leave and to all the other things that were listed in that standard. On issues such as penalty rates I indicated that, if people were covered by an award, then the award provisions would apply. In relation to other matters such as employment under an AWA, the question of whether penalty rates would apply would be a matter that had to be specifically addressed. If those issues were not specifically addressed, then the default position would be the adoption of the provisions under the relevant award in relation to matters such as penalty rates. It remains the case that, if the lady mentioned in the honourable gentleman's question believes she was terminated because she did not sign an AWA, she can make a complaint to the Office of Workplace Services.

Workplace Relations

Mr ANTHONY SMITH (2.32 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Is the minister aware of recent media reports about the operation of Work Choices on a Melbourne construction site? If so, what is the government's response?

Mr ANDREWS—I thank the member for Casey for his question and for his ongoing interest in this subject. Last month there were reports in the media that workers on a

building site in Melbourne were docked four hours pay after they stopped work to take a collection for the widow of a deceased colleague. At the time, it was claimed by the union concerned, the CFMEU, that this had occurred due to Work Choices. This matter was investigated by the Australian Building and Construction Commissioner who, after his investigation, issued a determination on the matter.

What the commissioner found about this case was interesting. He found that the CFMEU site representative and the CFMEU organiser had both attempted to manoeuvre the employer, Hooker Cockram, and other contractors into a position where they were obliged to deduct four hours pay. He found that the CFMEU site representative engaged in unlawful industrial action and that the CFMEU organiser aided and abetted the contravention by this representative—in other words, this report of the Building and Construction Commissioner found that the CFMEU had shamelessly manipulated the workers concerned. That is what an independent report found.

Opposition members interjecting—

Mr ANDREWS—It is interesting that they do not want to hear. They want to be part of the allegations, but they make as much noise as possible so as not to hear what an independent inquiry found. This is what the ABCC found:

One of the purposes for taking the action appears to have been to gain publicity for the CFMEU's views about the new work choice relations laws.

What we have here is the CFMEU being prepared to use the workplace death of a colleague to pull a political stunt, something which is appalling but not surprising. It is not surprising because the President of the ACTU, Sharan Burrow, said last year: 'I need a mum or a dad of someone who has been seriously injured or killed for my cam-

paign. That would be fantastic.' That was an appalling statement. We now have another appalling incident.

Ms King interjecting—

The SPEAKER—The member for Ballarat is warned!

Mr ANDREWS—I do not think it could be put better than what Neil Mitchell, the morning presenter on Radio 3AW, said this morning:

Do not trust the CFMEU. If you are a member of that union, wake up to yourself. They claim concern about workers killed on the job, and then they use their bodies and their families to play politics.

He concluded in his comment:

It is sickening.

Instead of the interjections we get from the Leader of the Opposition and others opposite they ought to join me and the government in condemning this absolutely pathetic stunt.

Workplace Relations

Mr BEAZLEY (2.36 pm)—My question is to the Prime Minister. It follows from the answer he gave to the previous question from the member for Perth, when he reiterated something he said to the House on 31 October last year. That was:

... in the absence of explicit provision to the contrary there is a default provision in the new policy which will guarantee delivery of the award provisions in relation to penalty rates and loadings.

I also refer to clause 20 of Spotlight's AWA, which provides:

... this ... expressly excludes the operation of protected award ... conditions in relation to, incidental to and/or ... with respect to:

- rest breaks;
- incentive-based payments and bonuses;
- annual leave loading;
- public holidays;
- loadings for working overtime or shift work;
- and

- penalty rates, including for work on public holidays;

Isn't it the case that the government's legislation enables the Prime Minister's so-called default provision and these conditions to be sold down the river at the stroke of a pen for the princely sum of 2c an hour?

Mr HOWARD—The answer to that is no. The situation is, as I said last year—and the government was totally open about it when the legislation was brought forward—that, with matters relating to penalty rates, if somebody is covered by an award, the award provision obtains. If somebody is not covered by an award, it must be specifically addressed. In the absence of it being specifically addressed then the default provision applies, and that default provision represents the terms and conditions that are in the award.

The Leader of the Opposition and his colleagues can ask, as they undoubtedly will, as many questions as they choose on this issue and indeed on any other issue. But nothing can alter the fact that, when we changed the workplace relations laws 10 years ago, they said unemployment would go up, wages would go down, people would be humiliated, people would be sacked, their lives would be destroyed, their families would be destitute, their marriages would break down, they would resort to violence against their friends, they would become unsociable and they would become enemies of society. Ten years on, do we have those situations in Australia? No. Ten years on, we have real wages that have gone up by 16 per cent, versus a lousy 1.3 per cent under the former government. We have seen unemployment at a 30-year low, and we have seen international economic bodies say that the wages and remuneration of production workers in this country compared with the rest of the world are second to none.

I have said it before and I will say it again: my guarantee to the workers of Australia is my record. My record over the last 10 years is of service to the workers of Australia, service that the Labor Party could only dream of giving to those men and women of our country.

Economy

Mr BAKER (2.40 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the latest survey documenting Australia's progress over the last decade? What does this indicate about the need for more reform to keep Australia moving upwards and forward?

Mr COSTELLO—I thank the honourable member for Braddon for his question. I can tell him that yesterday the ABS released its *Measures of Australia's Progress*, which looks at where Australia was 10 years ago and where it has come over the last 10 years. I think members on both sides of the House will welcome the fact that, over the last 10 years, national income in Australia has substantially increased. Between 1994-95 and 2004-05, national disposable income per capita grew around three per cent per year, an important measure of the strength of the economy.

The good news is that national disposable income grew for all sectors of society, including the lowest paid. Importantly, real average disposable income grew for all Australian households by 21 per cent, but for lower income households it grew by 22 per cent over the last 10 years. So, over the last 10 years, it is true to say that the rich got richer and it is true to say that the poor got richer too, which I think most members of this House would believe in.

On average, real net worth per capita increased 0.9 per cent a year between 1995 and 2000. Our housing improved, our productivity kicked up, our life expectancy increased,

our education and training increased, with more Australians becoming educated, and the unemployment rate continued to decline.

That made me think I ought to take my mind back to 1994-95—a trip down memory lane. In 1994-95, we had a famous publication released by the then Minister for Finance, a publication called *Shaping the Nation*, about the achievements of the Labor government. In this section on the economy—have a listen to this—this is what he reported in 1994-95: 'The Labor government has transformed the economy with low interest rates, low inflation and a huge growth in employment.' 'Low interest rates' is what the then Minister for Finance claimed Australia had in 1994-95. Do you know how low they were? Ten and a half per cent. Boy, I'm glad they weren't high! He also had a 'huge growth in employment'. Unemployment was at 8.3 per cent in 1994-95.

You have two documents: one from the ABS and one from the former Minister for Finance. They tell the story and they tell it eloquently: you cannot trust Labor with economic management.

Workplace Relations

Ms ANNETTE ELLIS (2.44 pm)—My question is to the Prime Minister. I refer to the Prime Minister's statement on the Alan Jones program on radio 2GB on 4 August last year:

It would be absurd and unfair and unreasonable, if somebody has to work on a public holiday, that that person isn't compensated by being paid whatever it is—the double time or the time and a half ...

I refer to Spotlight's AWA, which expressly excludes 'penalty rates, including for work on public holidays'. Prime Minister, why isn't 2c an hour for working on a public holiday absurd, unfair and unreasonable, just like your legislation?

Mr HOWARD—Let me give my answer in two parts. Firstly, our legislation is not absurd, unfair and unreasonable. Our legislation will be as successful in generating more jobs for the Australian economy as was our legislation of 10 years ago. The doomsaying of those who sit opposite about our legislation will be proved just as invalid as it was in relation to our reforms of 10 years ago.

In relation to what I said on the Alan Jones program, no disrespect to the person who has asked the question—perhaps it is some of the company she keeps—but I have learnt from long experience—

Ms Annette Ellis interjecting—

Mr HOWARD—I mean amongst your colleagues. I respect the lady very much, Mr Speaker—she is a hardworking member and I mean no offence to her. But I have long adopted the very wise practice, when members of the opposition get up and say, ‘You said this 10 or 20 years ago’ or ‘15 months ago’ or ‘15 days ago,’ and I take the normal human precaution, of having a look at the transcript before I accept what is put to me by the opposition. I intend to do that again on this occasion, much as I respect and like the member who asked me the question.

DISTINGUISHED VISITORS

The SPEAKER (2.46 pm)—I inform the House that we have present in the gallery this afternoon the Hon. Sherryl Garbutt, the Victorian Minister for Community Services and Children. On behalf of the House I extend to her a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Maritime Sector

Mr WAKELIN (2.46 pm)—My question is addressed to the Minister for Transport and Regional Services. Would the minister update the House on initiatives the government has taken to assist the Australian maritime

sector? Is the minister aware of any alternative policies?

Mr TRUSS—I thank the honourable member for Grey for his continuing interest in the maritime industry. As the member for an electorate that produces a lot of exports, he wants a very efficient maritime sector and, particularly, efficient Australian ports. I am pleased today to report to the House on the conclusion of a major chapter in Australia’s waterfront reform. You will all be aware that, in the time of this government, we have transformed Australia’s waterfront from one of international embarrassment to one where many of our ports are at or up with world’s best practice.

We can all remember on this side those days when Labor ministers stood at this box and told us that it was completely impossible to move more than 14 containers an hour—it simply was not possible to move more than 14 containers in an hour. Now we regularly achieve double that figure. Indeed, our export and import performance has been greatly enhanced.

A levy was introduced in 1998 to help fund the waterfront reform agenda, in particular to fund redundancies that were occurring as part of the waterfront reform. There has been \$247 million collected through that levy and it has funded, amongst other things, redundancy packages for 1,487 employees.

Mr Cameron Thompson interjecting—

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

Mr TRUSS—When this levy was introduced it was indicated that the expectation was that it would take until 2010 for the cost of this redundancy package and the reform to be funded. I am pleased to inform the House today that the levy will be lifted from the end of this month—four years ahead of schedule. The job has been done, the funds have been

collected and this package of reforms has been completed.

I acknowledge and thank the members of the Maritime Industry Finance Co. for their effective stewardship of this program. I particularly acknowledge the work of our former colleague Peter Reith, who led this reform process and put in place the mechanisms which our country is now benefiting from richly. We have had substantial reform on the waterfront, and that reform process is now at an advanced stage. There is still more work to be done, and I acknowledge the work of the member for Gwydir, as Minister for Transport and Regional Services, and others who played key roles in driving this agenda. We copped endless criticism from the other side of the House. They are silent now. They recognise as well that our waterfront is a much better place, we have achieved a lot of reform and our country is the richer for it.

Workplace Relations

Mr BRENDAN O'CONNOR (2.49 pm)—My question is to the Prime Minister. Does the Prime Minister believe that losing the right to have a toilet break after working four hours of a shift is worth 2c an hour?

The SPEAKER—Order! In calling the Prime Minister: that question is very much a question of opinion. But if the Prime Minister chooses to answer it he may.

Mr HOWARD—I will choose to answer it, Mr Speaker. I will take the opportunity of repeating what I said earlier—that is, that the reforms that we have introduced to the workplace relations law are going to result in more jobs, higher living standards, higher wages and a stronger Australian economy. I invite the opposition to go on asking these specific questions as long as they like, just as they did in 1996, 1997 and 1998. My friend and colleague the Minister for Transport and Regional Services has just reminded me that,

when we introduced the reforms to the Australian waterfront, we were told by those who sit opposite—

Mr Beazley—Mr Speaker, I rise on a point of order going to relevance. It was a question explicitly on the removal of the toilet break from the Spotlight AWA.

The SPEAKER—Order! The Leader of the Opposition will resume his seat. Has the Prime Minister completed his answer?

Mr HOWARD—No, Mr Speaker, I have not finished my answer.

The SPEAKER—I call the Prime Minister. The Prime Minister is in order.

Mr HOWARD—When we introduced those reforms in 1998 the opposition railed against them. They defended the outrageous practices of the Maritime Union of Australia. They predicted that the Australian waterfront would not become more efficient. Eight years later we have hourly crane rates on the Australian waterfront that are the envy of the rest of the world. Just as they said the world would come to an end—

Mr Albanese—Mr Speaker, I rise on a point of order. Under standing order 104, the question was very short and concise. It was about—

The SPEAKER—The member for Grayndler will resume his seat. I will rule on his point of order. I call the Prime Minister. Has the Prime Minister completed his answer?

Mr HOWARD—No. I will just wind up on this point. I am warming to my task! The minister for agriculture reminds me that they said over there—

Mr Brendan O'Connor—Mr Speaker, I raise a point of order going to relevance.

The SPEAKER—The member for Gorton will resume his seat. The Prime Minister had barely begun to continue his answer. I call the Prime Minister.

Mr HOWARD—They said it was physically impossible to achieve crane rates of 22 an hour. They are now at 27 an hour. There is a working rule on industrial relations debate in this chamber: never believe those who sit opposite.

Public Hospitals

Mr LAMING (2.54 pm)—My question is to the Minister for Health and Ageing. Would the minister update the House on the reaction to attempts to ban Bibles in Queensland public hospitals and elsewhere? Minister, what is the government's response?

Mr ABBOTT—I thank the member for Bowman for his question. I regret to inform the House that over the past few months the half-century-old practice of placing Bibles by hospital bedsides has ceased in large numbers of public hospitals in Queensland and Victoria. I quote again a spokesman from the Royal Melbourne Hospital in Victoria. He said they did not have Bibles in each room anymore:

Because we have so many people from different religious backgrounds it is considered inappropriate. It is also an infection-control measure.

I am not for a second saying that director-generals or health ministers in those states are responsible for the Bible ban. I would be quite confident that the Bible ban is the result of overzealous local officials terrified of appearing culturally insensitive. For that reason, I would respectfully refer any such officials to a very intelligent letter from Mr Michael Choi, who is the Labor member for Capalaba in the Queensland state parliament. The letter appeared yesterday in a Queensland local paper. It read:

Tens of thousands of patients find the bedside bible a source of comfort, particularly in times of difficulty, and their families often use it when they visit them.

He went on:

I have been an active participant of the multicultural communities in the last 20 years and not once have I heard complaints about people's freedom of religion being violated in hospitals and offence taken because of bedside bibles.

Ms Gillard—It is nothing to do with that!

The SPEAKER—Order! The member for Lalor.

Mr ABBOTT—Michael Choi, the Labor member, goes on:

This is exactly the type of issue that gives multiculturalism a bad name.

Ms Gillard interjecting—

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

Mr ABBOTT—He goes on:

I would have thought visitors brought more germs to the hospital on their hands, their clothing and their shoes, as they walked past numerous patients, not to mention numerous magazines and newspapers available at some hospitals.

I agree with Michael Choi, the state Labor member for Capalaba. This Bible ban is objectionable and should be withdrawn. It would take only a few words from the Victorian and the Queensland health ministers to overturn this ban. I respectfully suggest that they utter those few words. They should allow Bibles back to the bedside and they should allow this worthy, traditional practice to continue.

Snowy Hydro Ltd

Mr ANDREN (2.57 pm)—My question is to the Prime Minister. Given differing legal opinions on the constitutionality of the sale of Snowy Hydro Ltd and on the motion used to achieve this parliament's agreement, will the government listen to growing public concern, and concern from within its own ranks, and consider a full public inquiry before proceeding with any sale of the Commonwealth's share? Will it seek similar undertakings from the New South Wales and Victorian state governments on the sale of their

respective shares in Snowy Hydro? If not, why not?

Mr HOWARD—I thank the member for Calare for his question. I am aware that this issue has attracted a lot of publicity. I am aware that a number of people, including one in particular for whom I have some affection—a good colleague of mine, who represents the state of New South Wales—and others, have voiced some reservations. Let me do my best. In doing this, I do not think I get things wrong in saying that this legislation passed the House without opposition from the Australian Labor Party.

Honourable members interjecting—

Mr HOWARD—You have not joined the Australian Labor Party, have you? I mean no offence to the member for Calare.

Mr Andren—Mr Speaker, I raise a very respectful point of order. It was a motion; it was not legislation.

The SPEAKER—I call the honourable Prime Minister.

Mr HOWARD—I thought I said ‘without opposition’. You are correct: it was a motion. I do not think they voted against it—am I right?

Honourable members interjecting—

Mr HOWARD—They supported it; okay. I know that is not of any account in a sense but I am trying to make my point, Mr Speaker. Let me explain to the House—and this is a serious issue, and I treat the—

Ms Burke interjecting—

The SPEAKER—Order! The member for Chisholm!

Mr HOWARD—I note, Mr Speaker, that the Labor Party is trying to stop me giving a respectful answer to an Independent member. We have decided to sell our 13 per cent stake in Snowy Hydro for three main reasons. The first is that the Commonwealth holds a mi-

nority 13 per cent and we have accepted that the New South Wales government decided in December of last year to proceed with the sale whether or not the Commonwealth chose to participate.

The second and very important reason, we are selling is that we are very confident that the sale will not affect water flows for irrigation and the environment in any way, and let me tell the House why. Firstly, Snowy Hydro does not own any water itself; the public owns that water. All Snowy Hydro has is a licence issued by New South Wales that permits them to make use of the water. That licence is locked in for 75 years through legislation and agreements that New South Wales has signed with other governments. That licence is the instrument that obligates Snowy Hydro to make guaranteed minimum annual releases to the River Murray into the Murrumbidgee, and the sale will not change that obligation in any way nor will it change our commitment to making environmental releases down the Snowy River.

As for the arrangements we have had with Snowy Hydro and the Murray-Darling Basin Commission, can I remind the House of the budget subvention of some \$500 million along the way to the Murray-Darling Basin Commission. Those arrangements, put in place since the sale was announced, will mean that the commission and New South Wales and Victorian water agencies will have more information and more certainty on the timing of releases for irrigation.

The third reason why we support the sale is that we believe that the private sector is best at running businesses, not government, and we are instructed by long years of experience in relation to that. Our responsibility is to make certain that the regulatory regime protects the stakeholders. I remind the House and I remind the member for Calare that much of Snowy Hydro’s infrastructure is

now 40 or more years old and privatising the company will give it access to new capital and it can reinvest in and upgrade its clean, green energy business. And I think that is a very good result for the environment, a good result for electricity consumers and a very good result for the region.

I understand the concerns that have been expressed and I acknowledge that this is probably an issue where, on the surface, a majority of public opinion would oppose what is being done by the three governments. But that is what I think, for the reasons that I have outlined to the House and for other reasons, and I would be very happy to further explore them with the member for Calare and indeed any member of the House who has concerns. And the concerns that others have in this parliament have been put to me and I have a feeling they will be put to me very forcefully within the next few days and in no uncertain terms, but, as always, I will listen to those and I will respond as best I can. But for the reasons I have outlined, I think the government has taken the right decision. I am not persuaded that the legal position is quite as ambiguous as that represented in some newspaper articles this morning, particularly on the front page of the *Financial Review*. I think the legal basis of what we are doing is pretty sound and I am not disposed and the government is not disposed to change our position.

Vocational Education and Training

Mr TICEHURST (3.04 pm)—My question is addressed to the Minister for Vocational and Technical Education. Would the minister update the House on how school based new apprenticeships are providing opportunities for young Australians?

Mr HARDGRAVE—I thank the member for Dobell for his question and can report to the House that some 15,300 people in years 11 and 12 are engaged in school based ap-

prenticeships. In fact, over half of them are in the state of Queensland alone. The government believes very strongly in school based apprenticeships as being part of the way in which we can engage not only the young people of Australia and the education and training communities but also, importantly, the business community to understand the investment that they should make in their business through training people.

Of course the record level of expenditure in our most recent budget and the budget of last year includes a commitment of some \$25.9 million, in an initiative to Group Training Australia, to help foster 7,000 more school based apprenticeship opportunities and, on top of that, the \$343.6 million Australian technical colleges initiative will deliver another 7,500 school based apprenticeship opportunities. In fact, I noticed the South Australian education minister was in the Adelaide *Advertiser* today boasting how that state has in fact trebled school based apprenticeships—of course as a result of the initiatives of this government.

The member for Dobell comes from the state of New South Wales and in that state there are no school based apprenticeships in the form of certificate III in the trades. Let me be very clear about that. While a state like Queensland has some 2½ thousand young people involved in school based apprenticeships in the trades at certificate III level and above, in the state of New South Wales—and indeed in the state of Western Australia—because of the opposition of the CFMEU and other unions, this is not possible. The Prime Minister, just two weeks ago, wrote to the premiers of both of those states, asking them to keep their word to the COAG conference earlier this year, and indeed to the education ministers of each of those states to the training agreements they signed in October of last year. I would call on them to remove all of the impediments which continue

to stand in the way of school based apprenticeships at certificate III level and above.

It is preposterous to think that—in a week when the New South Wales government tried to trick the people of New South Wales with an \$18 million announcement which is about giving 36 days' work experience to students attending just 10 schools, in the face of the fact that the Australian technical college proposal, which will provide over \$100 million of funding in eight schools and 100 days of work experience and training to those young people—we have some 10,000 young people in New South Wales today denied an opportunity to do a school based apprenticeship at certificate III and above.

This government will continue to demand action, particularly from New South Wales and Western Australia. The question those opposite have got to ask themselves is: where do they stand, and why is it that they back the ambitions and views of the leaders of unions like the CFMEU, leaders like Andrew Ferguson and Kevin Reynolds, instead of backing the ambitions of young people, particularly in the state of New South Wales.

Fuel Tax

Mr FITZGIBBON (3.08 pm)—My question is to the Minister for Revenue and Assistant Treasurer. I refer the minister to the government's proposal to change the way in which business claims back fuel taxes which, for most businesses, will mean waiting three months to get the cash rebates rather than securing the rebates immediately. Has the minister pulled the bill implementing this proposal because his backbenchers told him he simply got it wrong?

Mr DUTTON—No.

Resources Sector

Mr HARTSUYKER (3.09 pm)—My question is addressed to the Minister for Industry, Tourism and Resources. Would the

minister inform the House of the latest export figures from the Australian resources sector? Is the minister aware of policies that are holding back growth in resource development?

Mr IAN MACFARLANE—I thank the member for Cowper for his question and his strong interest in the resources sector. The news on Australia's resources sector just keeps getting better and better, with the latest figures showing that exports of iron ore have now reached \$11 billion in 2005, earning the Western Australian government some \$1 billion in royalties and representing some eight per cent of Australia's total merchandise exports. Of course, iron ore is not the only commodity that our trading partners are chasing. We are seeing real global demand grow by the day for our uranium. With 40 per cent of the world's low-cost uranium here in Australia, we have a real opportunity to build our export performance.

This is an opportunity going begging, because of Labor's 'no new mines' policy and the fact that Western Australia and Queensland will not allow the development of a uranium industry in those states. This is a policy described by various people as 'illogical', 'anticompetitive' and 'silly'—and they are just the people in the Labor Party.

Meanwhile, we are seeing the Leader of the Opposition grappling with the policy on uranium and trying to walk both sides of the street. While he is giving indications that he will reconsider his uranium policy and allow the resource to be exported and used in nuclear power plants overseas, he will not allow a debate here in Australia on nuclear power. That is despite comments from his own side—such as those from the member for Batman who, earlier this year, called for cool heads on the nuclear industry, saying 'it may well become essential for our future global, environmental and energy security'.

He is backed up by my friend the member for Hunter, who says, 'Look, I'm not as fearful of nuclear power generation as some people are; I mean, most of Europe use it.' Even the new member for Werriwa is keen to get in on this and he said, 'If we can export uranium and are satisfied that it is only going to be used for power generation and not weapons proliferation, then why aren't we doing the same?'

The Leader of the Opposition wants to sit there and deny his own party and Australians the opportunity to debate nuclear power. The last word should go to the member for Batman who, on the weekend said, 'Anybody who says there is not a debate about it'—nuclear power—'is just plain stupid.'

Taxation

Mr FITZGIBBON (3.12 pm)—They call that a 'wet lettuce', Mr Speaker. I have another question for the Minister for Revenue and Assistant Treasurer. Is the Assistant Treasurer aware that AWB Executive Chairman Brendan Stewart claims to have legal advice that AWB will not suffer a tax penalty, even though it claimed a tax deduction for its \$300 million bribe to Saddam Hussein's regime? Is the Assistant Treasurer happy with this outcome or will he now join Labor's plan to crack down on this outrageous tax rort?

The SPEAKER—Part of that question did ask for an opinion, but the rest of it stands.

Mr DUTTON—I thank the honourable member for his question. People's personal arrangements or company arrangements with regard to their tax matters are entirely a matter for the Commissioner of Taxation. This parliament operates independently. The Commissioner of Taxation runs the Australian Taxation Office, which is an independent statutory authority. They will make investigations and, if people have acted outside of

the law, then those people will incur the penalties that are provided for in the legislation. The laws in this country are very clear in relation to prohibiting such payments that are made to bribes. This is a very deceptive question by the member opposite, and I would say—

Opposition members interjecting—

The SPEAKER—Order! The minister has the call.

Mr DUTTON—that what needs to be respected in this process is that the matter is before the Commissioner for Taxation at the moment. The way in which he deals with it, the penalties which he may apply, are entirely a matter for him.

Superannuation

Mrs MAY (3.14 pm)—My question is also addressed to the Minister for Revenue and Assistant Treasurer. Would the minister update the House as to how the Howard government is helping Australian women build their retirement savings?

Mr DUTTON—I thank the member for her question and acknowledge the considerable support that she provides to constituents in her electorate, both men and women, who are keen to save for their future, who are keen to put more money away into their superannuation policy.

One of the most significant policies—one of the most successful policies—of the Howard government has been the superannuation co-contribution scheme. Since this scheme came into place, the Australian taxpayer has provided \$1.8 billion towards people's superannuation in the form of co-contribution payments. Importantly, that is, of course, of considerable assistance to all Australians, and to women in particular. I say to the House today that there are over 84,103 women in the period of January to March of this year who have had \$76.7 million paid

directly by the Howard government through the co-contribution into their superannuation funds.

The question is: how is this government helping people into retirement? We have an ageing population in this country. We need to make sure that we provide support to people into their retirement. This is one of the ways in which we are helping people. It is one of the ways in which we will secure the future of this nation. It is 16 days since the federal budget was handed down—and still not one word of support from the Leader of the Opposition in relation to the superannuation system that we have announced as part of the budget. It is a budget measure which will provide simplicity for people under the age of 60. It will say to people over the age of 60 that we will do away with the end tax that they pay; we will make it easier for people over the age of 60. From 1 July next year we will make it much simpler. We will take the complication out of the system. You would think that the alternative Prime Minister of this country would support such a system—not a word.

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

QUESTIONS TO THE SPEAKER

East Timor

Mr EDWARDS (3.16 pm)—Mr Speaker, on indulgence, the Prime Minister and Leader of the Opposition made statements about the deployment of troops to East Timor. Notwithstanding these statements, I am sure that members of this House would wish to have the opportunity to express their own support for our troops and their families. Mr Speaker, would you give consideration to liaising with the Prime Minister to ascertain the feasibility of members being given such an opportunity in the near future.

The SPEAKER—I thank the member for Cowan and I appreciate the sentiments that

he expresses. I believe that the appropriate people to discuss this would be the Leader of the House and the Manager of Opposition Business. Since they are both present, I am sure they have listened and will give serious consideration to your request.

Mr Howard—Mr Speaker, I would like to assist the House. I would be very happy to find a way, after discussion with the Leader of the House, for there to be opportunities for people next week to do exactly that.

EAST TIMOR

Mr BEAZLEY (Brand—Leader of the Opposition) (3.17 pm)—If I can do it straightaway, I will move that the House take note of the statements by the Prime Minister and the Leader of the Opposition on the commitment of troops to Timor.

The SPEAKER—Is leave granted?

Mr Abbott—Mr Speaker, I do not think it is appropriate to do it immediately, but I can assure the House that a mechanism—

Mr BEAZLEY—We can do it now.

Mr Abbott—In that case, let us do that then. Leave is granted.

Mr BEAZLEY—I move:

That the House take note of the statements of the Prime Minister and Leader of the Opposition on the subject of commitment of troops to East Timor.

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

QUESTIONS TO THE SPEAKER

Hansard

Ms GILLARD (3.18 pm)—I have a number of questions to you, Mr Speaker. Can I refer to pages 602 and 603 of the *House of Representatives Practice*, which deals with *Hansard*. Mr Speaker, you would be aware that *Hansard* is to be a verbatim report of members' speeches and that it is not to contain unnecessary additions. You would also

be aware that, whilst the content of *Hansard* is actually the property of the House, that practice has devolved the responsibility of monitoring *Hansard* to the Speaker.

Mr Speaker, I draw your attention to turn 29 of the parliamentary greens, which are available through the members portal. This is the turn at 12.30 today. It records from the Leader of the House, 'I move', and then, formatted as parliamentary motions are formatted 'That the snivelling grub over there be not further heard'. Then the opposition raises points of order about the fact that this is clearly out of order and that the Leader of the House should withdraw the terminology 'snivelling grub'.

Mr Speaker, if you go into the parliamentary portal at the moment, turn 30 of *Hansard*, which would be the next logical turn to be produced, which deals with the remainder of this series of events, and in particular what I would contend was the putting of an out of order motion to this House, for some reason is not available through the parliamentary portal. But later turns of the greens, including turn 36 and turn 34, are available through the portal at the moment.

This causes me to be concerned that there are some additions, deletions or other changes being made to turn 30. I would request of you, Mr Speaker, consistent with your obligation to be dealing with questions about *Hansard*, that you not only monitor the *Hansard* but view the tape and make sure that the *Hansard* is a complete and accurate account of what happened in this parliament earlier today.

Mr Speaker, if you do that, I believe you will come to no other conclusion than that a motion that was clearly out of order—namely, the motion that appears in turn 29 of the *Hansard*, 'That that snivelling grub over there be not further heard'—was a motion voted on by this House. I would ask you, Mr

Speaker, to then come back and report to the House whether that is an appropriate form of parliamentary motion—because, if it is, Mr Speaker, you can expect to see it used regularly.

The SPEAKER—I appreciate the sentiments the Manager of Opposition Business is raising, but I do not appreciate the very last comment; I think that was almost a reflection. Can I say that certainly I will investigate the tape and the transcript—which clearly, as the Manager of Opposition Business makes clear, apparently are not available yet; I do not know the reason. I am happy to follow the question up. I will look at it and report back as appropriate.

Division: Recording of Votes

Ms GILLARD (3.22 pm)—Mr Speaker, I would remind you of another difficult day in this parliament: 13 October 2005. On that day, you might recall, Mr Speaker, that there was a vote taken in the parliament and there was a concern by opposition members that the member for Goldstein, now the Parliamentary Secretary to the Minister for Immigration and Multicultural and Indigenous Affairs, entered the chamber after you had called for the doors to be locked but before the doors were closed. You would recall, I think, Mr Speaker, that, after some confusion about that matter in the House and some concern about that matter, on the next sitting day, which was 1 November 2005, you made the following report back to the House on the question. You said:

Late on the last sitting day, 13 October, some confusion arose about a division called at 4.26 pm. I wish to report to the House that after the House rose, in discussions with me, the honourable member for Goldstein stated that in the circumstances he would not wish his vote to be recorded. With the honourable member's agreement I spoke to the whips and, with their agreement, the honourable member's vote was not recorded.

Mr Speaker, relying on that precedent you would be aware that there was concern today after you had resumed the chair that on the question of the vote on the proposition that the member be no longer heard, referring to the member for Grayndler when he was speaking to the member for Wills's suspension motion, that there was a period in which, after you had ordered that the doors be locked, the doors remained open.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. The point of order is that the member opposite is debating a question and putting it in the form of a question. If this precedent is established, we will have the ridiculous situation where debates take place outside the standing orders and where members can rise and make any allegation they like which is truly the subject of debate, and it is quite out of order.

The SPEAKER—I thank the member for Mackellar. The member for Mackellar raises an important point. I do believe that, while the Manager of Opposition Business certainly has a valid question, she could get to her point a little faster. I call the Manager of Opposition Business and ask her to come to the point.

Ms GILLARD—Certainly, Mr Speaker, and I was just about to do so. My point is this: in the period between when you ordered that the doors be locked and when they were finally secured, a number of government members entered the chamber. To my certain knowledge, those members included the minister for education, the minister for workplace relations and the member for Dawson, although there were others. Can I suggest, Mr Speaker, in accordance with the precedent you yourself set, that you ask government members who entered the chamber in these circumstances, that you discuss the matter with them and that you advise them that the clear parliamentary precedent in

these circumstances is that they seek to have their vote not counted—exactly the same mechanism used by the member for Goldstein very appropriately.

The SPEAKER—I thank the Manager of Opposition Business. I was not aware that members came into the chamber after the doors were to be locked, but I am happy to investigate the points she made with the three members she mentioned.

Ms Gillard—As quick clarification: there were a large number; I would say more than 10. I did not want to speculate on the identities of them. I did not keep a complete list. But I have at least confirmed the three names I raised with you with a number of opposition members, and I am confident of those.

The SPEAKER—I thank the Manager of Opposition Business. I will talk to those three members. I am not aware of others, and I was not aware at the time of anyone, but I will follow up the matter for her.

AUDITOR-GENERAL'S REPORTS

Report No. 42 of 2005-06

The SPEAKER (3.26 pm)—I present the Auditor-General's Audit report No. 42 of 2005-06 entitled *Administration of the 30 per cent Private Health Insurance Rebate follow-up audit—Australian Taxation Office; Department of Health and Ageing; Medicare Australia*.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr McGAURAN (Gippsland—Deputy 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*.

MATTERS OF PUBLIC IMPORTANCE**Workplace Relations**

The SPEAKER—I have received a letter from the honourable member for Perth proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government's attack on the living standards of Australian families and the Australian way of life by legislating away people's hard won conditions of employment and as a consequence reducing their take home pay.

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 STEPHEN SMITH (Perth) (3.28 pm)—The government's attack on the living standards of Australian families by legislating away hard won conditions of employment and, as a consequence, reducing their take-home pay is conclusively proved by the Spotlight AWA.

John Howard's 2c an hour race to the bottom has begun. The government, in this matter, are guilty as charged. The Spotlight AWA has sprung them, and what is now in the spotlight is the government's race to the bottom. For the princely sum of 2c an hour, we now know that all those conditions and entitlements that Australian working families have come to rely upon to make up an important part of their take-home pay and to enable them to pay their mortgages are now gone for the princely sum of 2c an hour. Knowing John Howard as I do, if he had the chance he would try to round the 2c an hour down.

We have had two days in question time on the Spotlight AWA, and what do we know? Firstly we know that Spotlight is Australia's largest fabric, craft and home decorating su-

perstore. This is no fly-by-night, walk-in, walk-out employer in a corner store. This is a major employer, with revenue exceeding \$600 million, nearly 90 stores operating in Australia and nearly 100 across the region, three million square feet of floor space and 5,000 to 6,000 employees.

If you look at the conduct of Spotlight, although we might be very, very angry about the outcome, it is true to say that they have conducted themselves appropriately and in accordance with the law that the government has set for the nation. I made the point yesterday that if you go to Spotlight's web site you will find that there is a capacity for people to apply for a job with Spotlight online. Also on that website you will find that attached to the application for employment is advice from the Australian government's Office of Employment Advocate, which details the government's so-called minimum conditions and standards. So Spotlight have made it crystal clear that, if you apply for an AWA and a job with Spotlight, there are five minimum standards: a minimum wage, four weeks paid annual leave, 10 days paid personal carer's leave, 52 weeks unpaid parental leave and maximum ordinary hours of work of 38 hours per week.

So Spotlight have made it crystal clear that their AWA is consistent with those minimum standards. They then proceed to do what the government's legislation points them in the direction of—to knock off all the other conditions and entitlements for the princely sum of 2c an hour, which is precisely what John Howard wants them to do. It is not as though John Howard has wanted them to do this only since 27 March this year. John Howard has wanted employers to do that since the 1990s. This is precisely the policy approach that he, as the Liberal Party's shadow minister for industrial relations, took to the 1993 federal election under the guise of Jobsback. Just as the Australian

community threw out Fightback on that occasion, it also threw out Jobsback. Chastened by that experience, it is little wonder that, on this occasion, we heard nothing about this in the run-up to the last election.

That, I think, is a very appropriate starting point, because it has been interesting to see the responses in the media today to the Spotlight AWA, to which we drew attention in the parliament yesterday. Annette Harris, the 57-year-old Coffs Harbour employee who was presented with the AWA, said:

I thought it was an insult; absolutely disgusting. I voted Liberal all my life, but there's no way I'd sign up to this.

She voted Liberal all her life. Did John Howard tell her anything about these matters in the run-up to the last election? No, on the contrary: at the Liberal Party's policy launch of its industrial relations policy in Brisbane in the course of the 2004 campaign, John Howard was expressly asked whether he was proposing to reduce the number of allowable matters, and he said no. The Prime Minister was asked in that election campaign, 'Are you proposing to reduce the number of allowable matters?' and he said no. That was a disingenuous misleading of the Australian people—then and now.

We find the General Manager Marketing of Spotlight making it clear that Spotlight are conducting themselves in the way in which the government's legislation points them. The General Manager Marketing is reported today as saying:

We are doing what we were told to do by the legislators.

... ..

We are just doing whatever we are required to do to meet the minimum conditions set out by the Australian Fair Pay Commission.

They got that wrong, but they know that they are required to meet minimum conditions. He was further reported as saying:

Our AWA obviously meets all of the Work Choices requirements ... which includes all those five minimum conditions ...

... ..

We've been very careful to make sure it complies with everything. We are not the ones writing the laws. Like any other legislation we fall under, we follow it.

So we are just doing what the legislation of the Prime Minister and the Minister for Employment and Workplace Relations tells us to do. When I put to the Prime Minister today, 'Isn't this just the start of your 2c an hour race to the bottom?' he said, 'No, none of that.' Why, then, do we find Mr McKendry, Chief Executive of the National Retail Association, the formal industry organisation for retailers, say this in respect of the Spotlight AWA:

Far from being defensive about it, the National Retail Association applauds it because we think a lot of other retailers will follow Spotlight's lead.

... ..

We think it's pretty ... smart ...

... ..

We think a lot of other retailers will follow Spotlight's lead.

That is the Prime Minister's, the Liberal Party's and the National Party's 2c an hour race to the bottom—the shifting of part of the economy from the wages section of the economy to the profit section of the economy, encouraged by the government's legislation. That is the Liberal Party's and the National Party's individual, joint and several, collective 2c an hour race to the bottom.

Let us very clearly understand what the Spotlight AWA is all about. Today the Prime Minister was asked by both me and the Leader of the Opposition: 'Isn't it the case that, consistent with the legislation, the AWA offered by Spotlight gives 2c an hour for losing penalty rates, overtime payments, rest breaks, incentive based payments and bo-

nuses, annual leave loadings and public holidays?' The Prime Minister said, 'I made that clear when the legislation was going through the House.' What the Prime Minister always made clear when the legislation was going through the House was that his defence mechanism was always that, in the absence of explicit provisions to the contrary, there is a default provision in the new policy which will guarantee the penalty rates and loadings in the award. Time after time I would say publicly, 'All that can go with a one-line stroke of a pen,' but on more than one occasion the Prime Minister and the minister said, 'No, that's not the case.' So what do we find now in clause 20 of Spotlight's AWA? A one-line throwaway stroke of the pen which sells down the river rest breaks, incentive based payments and bonuses, annual leave loadings, public holidays, loadings for overtime or shiftwork and penalty rates, including for work on public holidays. They are all sold down the river for the princely sum of 2c an hour at the stroke of a pen.

When he knows he is in trouble the Prime Minister likes to say, 'Oh, I wouldn't take that quotation at its face value.' But in August last year, when public concern about the government's proposals was at the height of interest and concern, the Prime Minister went on one of his favourite radio stations and said to Alan Jones:

... it would be absurd and unfair and unreasonable if somebody has to work on a public holiday that that person isn't compensated by being paid whatever it is, the double time or the time and a half ...

Not even the Prime Minister would be able to find wriggle room to get out of that one. Do you know what the compensation is now? It is 2c an hour. That is what you would get under the Spotlight AWA—and the Prime Minister says it would be absurd, unfair and unreasonable if someone had to

work on a public holiday if they were not compensated properly.

Currently, under the New South Wales award, if you work on a public holiday you get double time and a half, or \$35.70 per hour. Under the Spotlight AWA you get \$14.30 an hour. So much for John Howard's hand-on-heart commitment to Alan Jones and the Australian people that it would be 'absurd, unfair and unreasonable to not compensate someone properly for working on a public holiday'. That is just one example. Let us look at what the Spotlight AWA means. To Annette Harris it meant that, for the princely sum of 2c an hour, she lost \$90 a week. That is what it meant to her. The Prime Minister's defence of that at question time was to say that the ultimate test of a change in industrial relations legislation is its effect on the economy. Are we now suggesting that to knock off Annette Harris's wage by \$90 a week is somehow essential for the good of the economy?

When this legislation was adopted, the Prime Minister stood at the dispatch box and said, 'The mere passage of this legislation will automatically see an increase in employment.' Therefore, it is interesting to observe in the budget papers that the budget figures of the Treasurer, who has been Acting Prime Minister this week, show a decline in employment growth over the outlay years. The Prime Minister's ultimate defence of these measures is to say that the ultimate test is whether it is good for the economy. Thank you very much. He can now go and tell Mrs Harris and the other 10 million Australian employees that, for the benefit of the ultimate good of the Australian economy, they will have \$90 a week knocked off their wages.

What happens under the Spotlight AWA? The base rate of pay under the award is \$14.28 per hour; under the Spotlight AWA it

is \$14.30 per hour. The Saturday penalty rate is \$17.85 per hour; under the AWA it is \$14.30. Under the award the Sunday penalty rate is \$21.42 per hour; under the AWA it is \$14.30. Under the award the public holiday penalty rate is \$35.70 an hour; under the AWA it is \$14.30. Then there is overtime. Under the award it is time and a half for the first two hours, \$21.42, and double time for all other hours, \$28.56. Under the AWA there is no overtime, just \$14.30 per hour. As for rest breaks—a toilet break question was asked at question time today—under the award there is a paid 10-minute break; under the AWA there is no paid rest break. Ordinary hours are set out as being 7 am to 6 pm Monday to Wednesday, 7 am to 9 pm Thursday to Friday, 7 am to 6 pm Saturday and 8 am to 5 pm Sunday. Under the AWA all hours worked are ordinary hours at \$14.30 per hour. Under the award there is annual leave loading of 17.5 per cent; under the AWA there is no leave loading. It goes on and on.

I will give a couple of scenarios and not just Mrs Harris's, who drew this matter to attention. A full-time adult employee working shifts of Thursday night, Saturday night and Sunday—and I do not know a Spotlight store that is not open on Thursday night or Saturday—under the award gets \$634.75; under the AWA they get \$543.40. That represents \$91.35 a week down the gurgler. For full-time employees who are rostered on a public holiday, under the AWA the value of the public holiday loss is \$53.96. In New South Wales, there are 10 or 11 public holidays per year, which equates to \$500 down the gurgler.

Why are we doing this? Because the only way the government can see to improve our economy is by cutting the wages of Australian employees and workers. That is its ultimate justification. We are going to cut wages because it will improve our economy—as

though somehow cutting wages to New Zealand levels, which a couple of months ago is what the industry minister said we should do, would enable people in Sydney to pay their mortgages. However, if this means New Zealand wages tomorrow, the cutting of wages to benefit our economy approach can only mean Indian, Indonesian and Chinese wages next week. That is not the way to improve our economy. That is not the way to ensure that Australia is a productive economy. That is not the way to ensure that we continue to be a prosperous nation.

The way to ensure that we continue to be a prosperous nation is to ensure that we make an investment in the productive activity of our society and our economy. That means an investment in education and training, an investment in skills, an investment in research and development, an investment in infrastructure—all of which this government has complacently ignored and neglected in the course of its 10 years in office. In addition to the creation of wealth by being a prosperous and productive economy, we need to ensure that all Australians have the chance to share fairly in the proceeds of that productive economy and productive society. That is at the heart of the public policy evil of the government's legislation—not allowing Australian working families and middle Australia to share fairly in a prosperous economy and a prosperous society. The Spotlight AWA has sprung the government. The government is intent only on reducing the living standards, wages and take-home pay of Australian employees. When we come to office, things like the Spotlight AWA will be torn up and thrown away.

Mr ANDREWS (Menziez—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.42 pm)—For most Australians, sharing in the prosperity of the economy starts with the chance of a job. Some-

thing that a successful Labour leader—not of this country, but the Labour Prime Minister of Great Britain—told his comrades in the Trades Union Congress when he first spoke to them was that fairness starts with the chance of a job.

What we have not heard, either in the remarks this afternoon from the member for Perth or in the questions in question time today or yesterday, is that, as Spotlight have advised, they have created over the last few weeks something like 90 to 95 new jobs for their stores in Australia. Indeed, some 40 or so new jobs, I understand from information provided by or through the company, have been created with the opening of a new store in the western suburbs of Sydney—some 40 new jobs. Beyond that, I am told that the overwhelming majority of people who have been provided a job by Spotlight with the opening of this new store in the western suburbs of Sydney were previously unemployed. Let us put this in the context of what that means for somebody who is unemployed in Australia today. If you are unemployed, your gross weekly income—your benefit from Newstart—is \$205.30. An unemployed person offered a job under the Spotlight AWA, which is being referred to by the member for Perth, would receive \$543.40 per week—\$205.30 on Newstart or \$543.40 on the AWA referred to by the member for Perth.

Yesterday the member for Perth held up 2c. Let me demonstrate graphically, using real money, what that means to a person who goes from Newstart to a wage under this AWA. It is not \$50, it is not \$100, it is not \$150, it is not \$200, it is not \$220, it is not \$240, it is not \$260, it is not \$280, it is not \$300, it is not \$320, it is not \$330, it is not \$335, it is not \$338; it is \$338.10 extra. By comparison that is the extra amount that an unemployed person currently receiving \$205.30 on Newstart would have at the end of the week. Those real people who are un-

employed in the western suburbs of Sydney and will now get a job from Spotlight as a result of the opening of the new store and the provision of jobs will be a total of \$338.10 a week better off. We see the member for Perth floating around and holding up 2c in this place, but \$338.10 of real money will be in their pockets to provide for themselves and their families if they have them.

Not only do they have \$338.10 extra as a result of having a job; they have the chance to get another job and get on in life. What the data, the statistics, the research and the records overwhelmingly show is that, when somebody gets a job, it is a stepping stone to another job. It used to be called, as I recall the former Leader of the Opposition saying, the ‘first rung on the ladder of opportunity’. In the Labor Party it seems that that ladder of opportunity has gone the way that the former leader went. That is the reality and that is the comparison.

These people in Western Sydney who did not have a job, were surviving on \$205.30 per week and are now taking home a gross income of \$543.40 per week, are getting more than double the amount they would have received on Newstart. In fact, it will be more than double even when you take the tax out. That is the comparison which the Labor Party does not want to address in this debate at all.

Implicit in the argument by the Leader of the Opposition and the member for Perth is that a person is better off remaining on Newstart and taking home \$205 of government benefits than having a job at \$543 a week and being able to do more for themselves and their families with that additional money. That is the implicit argument which is being run by the Leader of the Opposition and the member for Perth. I say to members of this House and to anybody listening to this broadcast that that is not the position of this

government. This government believes that in giving more people jobs in this country, and in particular a number of people who did not have jobs, Spotlight is doing a much better thing—and that is sharing in the prosperity of this country.

We hear rhetoric from the other side about sharing in the prosperity of this country when they are not concerned enough to actually do something to create jobs, particularly for young Australians who are still unemployed. That is not sharing in the prosperity of this country at all. As Tony Blair said to the Trades Union Congress when he became the Prime Minister of Great Britain: 'Fairness starts with the chance of a job.' That is something which we fundamentally believe on this side of the House. The opposition do not believe that—they do not believe that fairness starts with the chance of a job. Well, we do and we will continue to propound that to the people of Australia.

In addition to the fact that these people now have a job, there are protections in the legislation for these jobs. There are protections in the Australian fair pay and conditions standard, which says that the safety net wage, which was established by the Industrial Relations Commission last year, is a starting point below which somebody cannot go. Also, you have to be accorded four weeks of annual leave in the written agreement, whether it is an individual Australian workplace agreement or a collective agreement. That has to be in the agreement. There also have to be provisions relating to personal leave, carers leave and sick leave. All of these things are protections in the agreement. Further, the ordinary 38-hour week prevails under the protections in the Australian fair pay and conditions standard. On top of that, the Australian Fair Pay Commission has the ability—and we will address this issue in spring this year—to actually increase minimum wages in Australia.

I remind members on the other side that the current economic climate which we enjoy in Australia came about because of the reforms that were undertaken in the past. They objected to these reforms in language and rhetoric very similar to that which they use in objecting to Work Choices now. Because of those reforms we are enjoying a prosperous economy, and, in those circumstances, one could expect that the Fair Pay Commission would increase the minimum wage so that workers can continue to share in Australia's prosperity.

But what has sharing in the prosperity meant for Australians over the last decade? First of all, it has meant that something like 1.7 million extra jobs have been created in Australia—1.7 million of our fellow Australians have jobs today that they did not have when we came to government in 1996. Indeed, the Leader of the Opposition was the Minister for Employment, Education and Training in the Hawke-Keating government. To paraphrase him, he said that this was the job that least interested him and that he had less passion for than anything else. It is no wonder when, under his regime, unemployment generally was at over eight per cent. It reached double figures in the 'recession we had to have' as a result of prescriptive labour market regulation in Australia, amongst other things. We are a far cry from that. We have 1.7 million extra jobs in this country, partly as a consequence of good economic management and partly as a consequence of the preparedness of this government to make significant ongoing reform to the economy to address the challenges of the future.

Had we stood where we were in 1996 and accepted the rhetoric and the argument of the opposition against the Workplace Relations Act, would we be where we are today? No. A study by Access Economics indicated that, if we had not made those reforms, the unemployment rate in Australia today would be

closer to eight per cent rather than five per cent. Something like 300,000 of our fellow Australians would not have the job they have today had we listened to the rhetoric which was coming from the opposition back in 1996—the same rhetoric that we are getting today against Work Choices.

Sharing in prosperity has meant a chance of a job for 1.7 million Australians that they did not have back in 1996. Not only do they have a job but they are being paid more for those jobs. Let us again put this in historical context. Throughout the 13 years of Labor government, the Hawke-Keating governments, real wages in this country increased by about 1.2 to 1.3 per cent. Through the 1980s, as a result of the accord between the ACTU and the then Labor government in Australia, real wages went backwards. In fact the only time since I think the end of the Second World War—I might stand corrected—that real wages have gone backwards in Australia was when we had a Labor government deal with the unions to drive those wages down. That 1.2 or 1.3 per cent increase in real wages through the 13 years of the Hawke and Keating governments is contrasted to a 16.8 per cent increase in real wages in the last 10 years. There is hardly a comparison between a one per cent and a 16 per cent increase in real wages. If we are talking about sharing in prosperity, which was the rhetoric of the member for Perth, not only have we got 1.7 million extra jobs in Australia but we have also seen an almost 17 per cent increase in real wages for Australians.

Thirdly, in terms of sharing in prosperity, many more Australians are in work rather than being on the unemployment queues. What was the unemployment rate when we came to government? Something like eight per cent. In some electorates my colleagues here could point to there were much higher rates of unemployment than that eight per

cent. What is it nationally today? About five per cent. If you go to the member for Perth's state of Western Australia, the unemployment rate is 3.8 per cent. By any modern definition, that is close to if not full employment. I was in Western Australia last week and at every meeting and function where I spoke to business owners and operators they were saying, 'Where can we find the workers to do the jobs to continue the prosperity of this economy?'

Part of the prosperity which has been enjoyed by workers in Western Australia includes the fact that many of them have taken up the advantages of Australian workplace agreements and have got the extra pay which comes with those agreements. Australian workplace agreements on average pay people something like 13 per cent more than people on collective agreements. They pay people something like 100 per cent more on average than people who are employed under awards. In the Leader of the Opposition's electorate there have been 18,471 Australian workplace agreements entered into since 1996—almost 20,000 Australian workplace agreements just in the electorate of the Leader of the Opposition. In the electorate of the previous speaker, the member for Perth, there has been 10,391 Australian workplace agreements since 1996. In those two electorates alone, out of the 150 electorates in Australia, we have seen almost 30,000 Australian workplace agreements entered into. Why, on 30,000 occasions, have people entered into Australian workplace agreements? They have entered into them because of the advantage to them and their families of entering into those agreements.

It is just like the unemployed person in Western Sydney who has been given the chance of a job, who says, 'Yes, I am prepared to take the job because I am better off earning \$540 rather than \$205 a week.' Yes, this is about money. It is about real money. It

is about that \$338 which someone who is unemployed can be better off by each week because they have taken an Australian workplace agreement. But we have sneering about that from the opposition, just like when the member for Lilley told us last year that \$600 was not real money. I can assure the opposition that \$338 extra in your pocket is real money to many Australians.

Ms BIRD (Cunningham) (3.57 pm)—The Minister for Employment and Workplace Relations might think that sounded really good in here, but I challenge him to walk into Annette Harris's lounge room and explain to her family, who are going to have to deal with \$90 a week less in her pay packet, how wonderful that deal is for her and indeed for the many other women who work in the retail industry. I do not think they would be receiving it with any sort of standing ovation at all and I do not think the minister's justification for an overall general increase in employment and in the average wage is going to give an awful lot of satisfaction or comfort to that particular family and the many others like them who will also be employed under these conditions at Spotlight and, as the contagion spreads, at other retailers in this country.

Let me just take you into a Spotlight store. I do not know if the minister has actually been in one. He might not do as much craft or sewing as some of us do on this side of the House. I can assure him that I am regularly there and if I have not got time my mother regularly drags me down there. Spotlight is a big retailer. You walk in and they have a lot of craft and hobby sections, a big material section and a home furnishing section. It is a nice place to spend an hour or two. It is a nice place to spend the \$90 that you have probably just lost out of your wage and will not be able to spend in the future. What you will notice is that it is by and large staffed by women. They are, generally speaking,

women in the 30 to 60 age range. Why? Because they are the ones who tend to have the practical knowledge and skills about the sorts of services and products sold by Spotlight and they can then impart that to people who come into the store. We would all recognise those who go into these stores—people who like craft, hobbies, sewing and beautifying the home, which is a tremendously well followed hobby in Australia, as people value their homes and seek to make them look better.

What we are talking about is a female intensive industry—not only Spotlight but also across the retail industry. These women generally work casual or part-time hours, and they take a great deal of pride in their work. By and large they also love going to work. They enjoy social relationships with their fellow workers and the clients, and they take a great deal of pride in what they do. What you would have heard—and what I hope the minister would have heard, but I doubt it—in Annette Harris's comments was that a woman who works in retail and who takes pride in what she does would see herself as an exemplary employee who has pride in her work and for the business she works for, and she simply asks for a little respect in return for the labour she provides. I suspect she would think that the award that she was paid under—which was hardly an award that you might find for workers on a big mineral deposit in Western Australia such that the minister wanted to talk about—was not a bad award, and she probably felt that that the remuneration and conditions under which she worked gave her some dignity.

The new agreement does completely the opposite. It basically says: 'We want you to continue to provide that service at the standard that you do, taking pride in the job that you do, but we take less than that pride in you and we are going to cut \$90 a week out of your pay.' That is the reality. For all the

minister's rhetoric, and for all his generalisations, that is the reality for those women in that industry who will have those sorts of agreements put before them. It is a kick for them after what is in Annette's case, and I am sure in many others, many years of service to that particular industry. I say to the minister that it is a bad job to have to sell. He probably gave it a fairly good effort in this House, but that line will not run in the homes where they are facing these realities. It will not run, Minister. If you want to go out there and put the argument, I invite you to do so.

The company says that these women will continue under the current award and new employees will be signed up to this new agreement. Someone who works on a Saturday—and Spotlight, which services many working women, is regularly open on Thursday nights, Saturdays and Sundays—would have earned \$142.80 a day under the award but now they will earn \$111.40 for a typical eight-hour day. On Sundays, they would have earned \$171.36, but now they will earn \$111.40. So on a Sunday alone, they will earn \$57 less for that days work.

The 'good news' for current workers is that potentially, in the future, they will get \$57 a day less, but the reality is that they will not get the work. That is what will happen. These new employees that the minister boasted about—these 90 to 95 jobs that have been created—will replace those employees who work any sort of shift that provides any sort of penalty rate. So not only will they potentially lose \$57 a day in the future, but right now, as soon as those new jobs are online, they will lose those shifts. They will be allowed to work only a standard nine to five job at normal rates, and the new staff will work at those lower rates on those shifts to get rid of the penalty imposts on the employer altogether.

I say to existing employees, who are obviously worried and upset that this proposal has been brought in, that they will also feel the direct and immediate impacts of this in the loss of the shifts that they rely on to get that bit of extra money, particularly in areas like Western Sydney, where the minister has indicated a new store will open—in the member for Werriwa's area, in my area and in many areas around Sydney and the outer suburbs, where the mortgage rates are breaking the backs of many families who rely on that money to meet those commitments. This is not a bit of extra spending money; this is basic family budget money. If you go out and talk to those families, that is the reality for them.

I would suspect they were pretty sceptical to start with about the \$10 they would have got in the budget cuts, but they will be far less than impressed when they see this sort of thing—

Ms Plibersek—And then there's their petrol costs.

Ms BIRD—and their petrol costs and their private health insurance costs and the increase in interest rates. In respect of the new jobs that will be created, the minister and the Prime Minister have argued consistently in this place that any job, even a slave-wage job, is better than no job. That is simply not true. The minister would not put himself through the indignity of saying: 'I'm in a well-paid job. How about I split my pay in half and give somebody else a job?' Would the minister do that? Would the minister say, 'I'll halve my pay, no problems'? Half his pay would probably pay for six of these women in full-time jobs. The minister would not do it because he would expect people to have some respect and dignity and he would expect fair compensation for the sort of work that he puts in on behalf of this nation. These people deserve no less. These people are do-

ing jobs with pride and dignity and they do not deserve a minister who says, 'Don't feel bad about having your value undercut; you'll provide jobs for somebody else so you can all be paid less than enough to make a living on.' That is a disgraceful argument, Minister. You would not take that attitude yourself. How dare you expect other people in the workforce to take that attitude.

The minister got up and talked to us about the importance of superannuation and the co-payments. He boasted about how that was so great for women workers. I will tell you why the co-payments are so common for women workers. It is because by and large they earn so much less and they work such unreliable hours that they do not have an entitlement to the normal super that we all expect to need for our retirement. If the minister thinks the super program will continue to flourish under pay rates like this, he is kidding himself. The reality is that you have to get a bit of extra money to put aside for savings in the first place. If you are going to have your pay rate cut by \$90 a week, there is no way in the world a female worker in John Howard's workforce would have the capacity to put away for super. So, Minister, start putting away for the pensions for all these women when they hit retirement, because they certainly will not have savings. This Spotlight award has exposed exactly what the Work Choices legislation is about. It is driving wages down. Who are the first, most soft and vulnerable people to be hit? Young people and women. And that is exactly what Spotlight shone the light on.

Mr BARRESI (Deakin) (4.07 pm)—This is the third time this sitting that we find ourselves debating an MPI of this nature. It was not enough to raise this MPI yesterday or even to have the arguments being run yesterday during the disallowance motion; we also had it two weeks ago. The arguments that the ALP are running, their contributions on this

debate, are frankly becoming repetitive. They have not just been repetitive in the last two or three weeks; they have been repetitive in the last 10 years. We have been hearing these same arguments over and over again—today, yesterday, two weeks ago, 10 years ago.

If we go back to 10 years ago, we know that those lines they were running back then about the conditions of the workers—they were going to be disastrously abolished because of our intended workplace relations changes—did not come about. In fact, we had the very reverse. We all remember that famous statement of the member for Perth back in 1995, which now comes back to haunt him. I know that he probably now regrets ever having said those words. He said:

The Howard model is quite simple. It is ... about lower wages; it is about worse conditions; it is about a massive rise in industrial disputation; it is about the abolition of safety nets; and it is about pushing down or abolishing minimum standards.

He said this back in 1995; he is saying it again now. We had the absurdity of the Leader of the Opposition, only a matter of a few weeks ago, claiming that divorce—*(Quorum formed)* Yes, the ALP should be embarrassed about the doomsaying statements that they keep making on industrial relations, whether it be back in 1995, last week or even in today's MPI. These scare campaigns are continuing today. Even off the back of the disaster down at Beaconsfield, we had the ALP continuing with their scare campaigns and tactics when they were saying that occupational health and safety training was at risk because of the Work Choices legislation.

We know that the line they presented out there in the community was not supported by their actual belief. We know that because of the email from the member for Lilley, Mr Wayne Swan, that went out in response to a

constituent. The constituent asked: 'So the impression being given that employers are subject to \$30,000 fines if they send employees to union run safety training courses is misleading?' And the office of the member for Lilley said:

Yes, that is correct. Employees attending union-run training cannot be included in an agreement as a condition of employment but an employer can send employees to union training.

So they come in here, they run scare campaigns and scare tactics around Work Choices and the legislation and regulations that this government has introduced, but out there, privately, they know that Work Choices is in fact far from the disaster that they claim.

The Minister for Employment and Workplace Relations quite eloquently mentioned the advantages to the unemployed people who are taking up the AWAs with Spotlight: the 95 new jobs that have been created, 40 in Western Sydney alone. The member for Cunningham got up here and was basically saying that having a job is not a good start to getting on in life.

Government member interjecting—

Mr BARRESI—And unemployment. Yet we know that in Wollongong at the moment we have unemployment of somewhere around eight per cent. In parts of Blacktown, we have unemployment of somewhere around 10 per cent. In Campbelltown, we have unemployment of somewhere around 7.6 per cent. As the minister said, unemployment benefit is \$205.30 per week. Contrast that to the offer that has been made through the Spotlight AWA—which, by the way, is an offer that can be rejected by someone who is taking on a job. It is a decision they are making. But, of course, if you are a young person who is unemployed and you are trying to get on in life, as the member for Burke would know—

Mr Burke—The member for Burke?

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Watson, I think!

Mr BARRESI—If you are trying to get on in life, you would know that a job is a great start. It is that first step on a career path. They will get a job, and they will be on \$543.40—\$338.10 better off. That is the reality of what is facing an unemployed person in Blacktown, in Wollongong, in Western Sydney. When they are going out there looking for a job they say, 'Okay, I've got \$205.30 per week on the one hand but I have an opportunity to get a start in life on \$543.' Any sensible young person wanting a starting job, any person who is unemployed, would say, 'I will take that job and use it as an opportunity to move on in life.' In itself, that \$543 per week is above the current safety net wage, which was handed down by the Industrial Relations Commission late last year and sets a benchmark for our Fair Pay and Conditions Standard of \$484. The member for Cunningham states that it is slave labour employment—\$484 is the current safety net agreement. These people at Spotlight will be on an AWA of \$543.40. The opposition ignore one simple fact: Work Choices is all about agreements—employers and employees agreeing to the new system they will work with. They make a decision about whether they accept it or not.

The ALP talk about the driving down of living standards of Australian families and their way of life. Since 1996 the contrast between what we have been able to achieve in this country and what the Australian Labor Party, through its 13 years in office, was able to achieve is quite stark. We have increases in real wages of 16.7 per cent compared with around 1.2 per cent under the Australian Labor Party. We have average mortgage rates of 7.15 per cent under the coalition versus 12.75 per cent under the Labor Party. Those

reductions in interest payments would be put to good use by those families that the Australian Labor Party is talking about. We have 10.1 million people in employment versus 8.3 million who were employed in Australia during the Australian Labor Party's term in office. The unemployment rate is now around five per cent. In Western Australia it is actually hard to find labour. In the member for Brand's own state, where unemployment is coming down to around 3.8 per cent, it is tough to find labour. There are jobs there and not enough people to fill them. This MPI has been rerun. (*Time expired*)

Mr HAYES (Werriwa) (4.17 pm)—I actually welcomed the contribution from my colleague the member for Deakin.

Mr Baldwin—Mr Deputy Speaker, I rise on a point of order. The normal process for an MPI is—

The DEPUTY SPEAKER (Hon. IR Causley)—There are arrangements made, but I cannot deny anyone the call. The honourable member for Werriwa.

Mr HAYES—As I was saying, I welcomed the contribution from my friend the member for Deakin, a fellow ordinarily I have a— (*Quorum formed*)

The DEPUTY SPEAKER—Order! The discussion is now concluded.

MAIN COMMITTEE

Intelligence and Security Committee

Reference

Mr BARTLETT (Macquarie) (4.21 pm)—by leave—I move:

That the following order of the day be referred to the Main Committee for debate: Intelligence and Security—Parliamentary Joint Committee—Review of the listing of the Kurdistan Workers' Party (PKK)—Report—Motion to take note of document: Resumption of debate.

Question agreed to.

COMMITTEES

Communications, Information Technology and the Arts Committee

Membership

The DEPUTY SPEAKER (Hon. IR Causley)—Mr Speaker has received advice from the Chief Opposition Whip that he has nominated Ms Vamvakinou to be a member of the Standing Committee on Communications, Information Technology and the Arts in place of Mr Griffin.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (4.21 pm)—by leave—I move:

That Mr Griffin be discharged from the Standing Committee on Communications, Information Technology and the Arts and that, in his place, Ms Vamvakinou be appointed a member of the committee.

Question agreed to.

EXPORT MARKET DEVELOPMENT GRANTS LEGISLATION AMENDMENT BILL 2006

Report from Main Committee

Bill returned from Main Committee without amendment, certified copy of the bill presented.

Ordered that the bill be considered immediately.

Bill agreed to.

Third Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (4.22 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**EMPLOYMENT AND WORKPLACE
RELATIONS LEGISLATION
AMENDMENT (WELFARE TO WORK
AND OTHER MEASURES)
(CONSEQUENTIAL AMENDMENTS)
BILL 2006**

Report from Main Committee

Bill returned from Main Committee without amendment, message from the Governor-General recommending an appropriation having been reported; certified copy of the bill presented.

Ordered that the bill be considered immediately.

Bill agreed to.

Third Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (4.23 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**TAX LAWS AMENDMENT (2006
MEASURES NO. 2) BILL 2006**

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that the bill be considered immediately.

Bill agreed to.

Third Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (4.24 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**AUSTRALIAN TRADE COMMISSION
LEGISLATION AMENDMENT
BILL 2006**

Second Reading

Debate resumed.

Mr RUDD (Griffith) (4.24 pm)—I continue my comments on the Australian Trade Commission Legislation Amendment Bill 2006. Manufacturing and manufactured exports are of critical significance when it comes to whether or not Australia can rectify its current gross trade imbalance, the imbalance on its current account and its spiralling half-trillion dollar foreign debt. I noted in my previous remarks in the debate on this legislation that Australia's share of global manufactured exports has in fact declined since 2000. This experience is consistent across most developed countries, as China's manufacturing capacity has grown. The United States, the United Kingdom and Canada, for example, have all suffered a slowing in the growth of manufactured exports. It is important to recognise that these trends are occurring elsewhere in the world but not as steeply, as sharply or as significantly as is occurring in this economy, where manufacturing is going out the back door.

If we look at the growth in Chinese manufactured exports, they accelerated from 17 per cent to 26 per cent a year between 2000 and 2004. As a result, the average OECD country has lost six percentage points of global market share over the last five years. Over the same period, Australia's share has declined by three times this amount. That highlights the problem. There is a China factor out there, but here in Australia the decline in manufacturing and the decline in manufacturing exports vastly exceed that which we see over comparable OECD economies, and that presents us with another fundamental challenge for the current account. It is this massive growth in China's manufacturing

capacity that has driven demand for Australian resources and the boom in prices that this entails, and that has been the dividend which Australia has attracted at the same time.

The key question on the future of Australia and its exports regime is this. How long will the resources boom last and what will happen to Australia's trade balance when that resources boom ends? There are few who believe that current commodity prices will last forever, and we must be mindful of the fact that none of the previous spikes in commodity prices in Australia's history have ended well. We hope, of course, that when the resources boom ends for Australia our economy will not suffer as a consequence. But if we do not implement a comprehensive export strategy then we are helping to ensure that, when it comes to the end of that boom, the consequences for the economy overall will be great.

History reminds us that the current boom in resource prices is now close to equalling the boom of the 1970s but is unlikely to surpass the Korean War wool boom, which saw Australia's terms of trade increase by 140 per cent over two years in the 1950s. The key point is that Australia's historical experience of resources booms is that they eventually unwind, sometimes very sharply and sometimes very rapidly—as in fact happened just after the Korean War itself. On other occasions the unwind has occurred more gradually, as it did in the 1970s, when the terms of trade fell to pre-boom levels over a three-year period. There may be some limited structural increase in Australia's terms of trade, but if history is a guide then our terms of trade could possibly retreat from near record levels.

The next question is: with all our eggs in the resources basket, who will our exporters be once the boom is over and what should

we do in the meantime to ensure that these industries do not collapse? This is the question Labor are asking, and we are not alone in posing this question. The Australian Industry Group shares our concerns, and its *Manufacturing Futures* publication summed up its fears:

Among manufacturers there is a belief that while Australia is currently experiencing a commodity boom driven by demand from China and India, it will not be possible for manufacturing to pick up the slack when the boom comes to an end (as it inevitably will), because critical mass and capability will be gone.

In other words, once the resources boom is over, what will be left of our manufacturing? There will be an industry, an important industry, that we will rely upon to fill the gap created by the slowing resources sector. While it is clear that across-the-board tariffs are not the solution, there is a role government can play to smooth out the economic cycle. Just as Mr Costello and Ken Henry, of the Treasury, believe there is a role for the Reserve Bank to play in smoothing the economic cycle through monetary policy, so too is there a role for government to ensure that the economy has a robust future once the resources boom comes to an end. The *Australian Financial Review* in an editorial last year argued that there was a role for government in ensuring a balance between industry sectors and the economy. The *Fin Review* are not a bunch of wets when it comes to these questions. They said:

Industry policy has moved a long way since manufacturing was equated with high levels of industry protection. But now there is a need to do more than simply leave manufacturing to its own devices—as long as we follow the incentive route and do not revert to protection.

We are not talking about tariffs or massive industry subsidies, nor is industry.

Debate interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 4.30 pm, I propose the question:

That the House do now adjourn.

Public Hospitals**Pharmaceutical Benefits Scheme**

Ms GILLARD (Lalor) (4.30 pm)—Yesterday and today in question time, the Minister for Health and Ageing answered questions in relation to what he called a ‘Bible ban’ in hospitals in Queensland and in Victoria. He said today:

I would be quite confident that the Bible ban is the result of overzealous local officials terrified of appearing culturally insensitive.

He went on to say:

This Bible ban is objectionable and should be withdrawn. It would take only a few words from the Victorian and the Queensland health ministers to overturn this ban. I respectfully suggest that they utter those few words.

I think Australians would be forgiven for believing that with the minister for health in charge of our health system the best hope they have got is a Bible! I can understand why they would come to that conclusion, but the problem here is that the minister for health has got the matter entirely wrong. There is no Bible ban in Victorian hospitals or in Queensland hospitals and on the quickest of researches the minister for health would be able to ascertain that fact.

Mr Hockey interjecting—

Ms GILLARD—I am defending the truth. I would have thought there was some interest in that from the Howard government. But now I have made the statement it seems to me a very absurd one: of course there is no interest by the Howard government in defending the truth. The Queensland Minister for Health has responded to letters of concern about this matter. He has made it absolutely clear that there is no Bible ban.

The Victorian hospital system has also made it absolutely clear that there is no Bible ban. On the basis of the federal minister for health’s interest in the Bible, I would remind him that one of the 10 commandments is ‘You shall not give false evidence’. When I was learning my 10 commandments we used to say ‘You shall not bear false witness’—obviously we were studying a version of the Bible different from this one—but, whichever version one studies, clearly one of the injunctions of the 10 commandments is that one ought to tell the truth, and the minister for health ought to be telling the truth on this matter.

Australians might be wondering to themselves why the minister would be spending two lots of parliamentary time dealing with this issue when we do not hear from him at all on the fact that today in Australia there would have been people who wanted to see a GP but could not get in to see one because of the medical workforce shortage. There will be people tonight who have a sick child, a child in pain, and who would like to see a GP overnight or have a GP come to their home who will not be able to get that GP appointment and will rush to an emergency department of a hospital instead. There are people around this country on hospital waiting lists while the Howard government’s hospital funding rate of growth is less than the rate of growth of health inflation. At the same time there are hundreds of thousands of Australians on dental care waiting lists while this government does nothing. I would have thought the minister for health could spend some time on those issues rather than simply on the issue that he has raised today and yesterday.

Mr Speaker, I would like to take you to a specific issue that the minister for health should be dealing with: the question of the future of our Pharmaceutical Benefits Scheme. Last week the minister attempted to

ingratiate himself with the Treasurer, and big-note himself as a policy wonk, by suggesting he had an overhaul of the PBS that would cut another \$1 billion from the scheme. This is at a time when the cost of the PBS is not growing at all in real terms and when PBS savings are expected to be hundreds of millions of dollars higher than the original budget estimates. This attempt was quickly withdrawn. He quickly conceded that he was not going to go forward with this reform attempt in the face of opposition from doctors and pharmacists. But there is one thing that this minister should do: he should respond today to the letter from Heart Research Institute Australia, signed by 16 eminent doctors, to the Howard government, which has been sitting for two years on a positive Pharmaceutical Benefits Advisory Committee recommendation to list lipid-lowering drugs, cholesterol-lowering drugs, on the PBS. These doctors are making it absolutely clear that this is important for managing disease—cardiovascular disease, diabetes, renal disease—and, particularly, Aboriginal and Torres Strait Islander health. After two years this still remains undone. (*Time expired*)

Wakefield Electorate: Roads

Mr FAWCETT (Wakefield) (4.35 pm)—I rise to address the issue of cooperation between the Australian government and local government. People in Wakefield have told me frequently that they are fed up with cost shifting and blame between different levels of government. Following the recent budget, I have received overwhelming feedback from people, particularly those in local government, as to their gratitude for the direct partnership and cooperation of the Australian government in dealing with them on road funding, and I refer specifically to the AusLink program and the Roads to Recovery program.

There are many council areas in South Australia, and in Wakefield there are councils such as Mallala District Council, who have a large road base but a very small population and therefore a small rates base upon which to raise revenue. I have been to a number of meetings, for example, with people from Thompsons Beach and I have tabled petitions on their behalf over things like Ruskins Road, and last year Mallala council put its entire Roads to Recovery allocation towards Ruskins Road, to make a start on this road that is the sole point of access by residents to schools, shops and other places. In wet weather it is a quite dangerous road.

I have had similar feedback from other councils that the Roads to Recovery program is welcome because it provides funding from the federal government directly to the councils so they can allocate it to the roads and infrastructure that are important to their communities. Importantly, this budget not only continued this scheme but also doubled an extraordinary amount—it doubled the amount that was given to councils under Roads to Recovery. So councils in Wakefield have received over \$3 million extra this year that they can put towards local roads for the people of Wakefield.

Many people complain about the fact that politics is an area where things seem to be done in three-year cycles without a vision for the future. I believe it is one of the strong points of the AusLink program that this is a genuine attempt to engage local government, state government and the Australian government, along with users of infrastructure, to plan toward the future, to make sure that our investments address the highest areas of need and the highest priorities and to get corridors of transport for people.

I am pleased to be able to report that the feedback from local government in the electorate of Wakefield—from the Playford

Council, the Salisbury Council, Mallala, the Clare and Gilbert Valleys, the town of Gawler, the Light regional council and the Wakefield regional council—has been very positive. I encourage them to consider the numerous applications, that have come in via my office and other offices and directly to them, for specific works that people have identified as requiring attention to improve their lives, their businesses and the safety of them and their families in the electorate of Wakefield.

This is a budget that does have a vision for the future. The AusLink program has a future and a vision for the future. I welcome the feedback and the cooperation of the local governments who see the value in it.

Mr John Marsden

Mr HAYES (Werriwa) (4.38 pm)—I rise this evening to acknowledge the contribution of one of my constituents who made a difference to civil liberties, freedom from discrimination and access to justice. This evening I would like to recognise the contribution made by Mr John Marsden, who passed away in Turkey last week. Passionate, persuasive, polarising, flamboyant and controversial are all adjectives that have been used to describe the character of John Marsden.

From humble beginnings in Lismore, John's list of achievements is considerable. In 1978 he became a councillor of the New South Wales Council for Civil Liberties and later became their president. He was a member of the New South Wales Anti-Discrimination Board, President of the Law Society of New South Wales and was appointed to the Legal Aid Review Committee and later the Justice Act Review Committee. He served as a director of Odyssey House and as a member of the New South Wales Police Board.

However, not all his efforts were focused on such high level positions. Locally, John

was known for his deep commitment to Campbelltown. In fact, John always maintained that there were only two great cities in the world—Rome and Campbelltown. Whenever someone tried to cast slurs on Campbelltown, he fiercely railed against them and defended Campbelltown. He was proud to be a resident of Campbelltown, and I am sure that he would have been very disappointed at some recent newspaper reports following his death suggesting that a man of his wealth could have lived almost anywhere.

His commitment to improving the local area remained right to the end. After hearing that John had passed away last Thursday morning, I was not surprised to open a letter later that day from John. It was dated just prior to his leaving for Turkey, but showed that, despite his illness, he was still thinking of how to make one of the two great cities even better.

John's letter was an invitation to me to meet with him on his return to discuss some of the ideas he had about improving our local area—in other words, improving Campbelltown. I further understand that, just prior to that, John had also written to every Campbelltown councillor, regardless of politics, in an effort to persuade them to take seriously the protection of a particular heritage building.

His great love of Campbelltown naturally resulted in his involvement in a great number of local groups. John was involved in the Liverpool Apex Club, the Campbelltown Swimming Club, the Campbelltown Arts Centre, Wests Leagues Club, Campbelltown Main Street Committee and St Gregory's College Art Show—to name just a few. His love of art and the arts generally was not only reflected in his involvement with the Arts Centre and local arts shows but also characterised in his home. As one person

recently put to me, you could hardly put a pin between the artworks that adorned the walls of John's house.

There is no doubt that John divided the community at large but, at the same time, his passion for Campbelltown was reflected in the respect that John had within the Campbelltown community. As former Campbelltown MP Michael Knight recently said, 'Whether people loved him or hated him it was impossible to ignore John Marsden.'

Whether you liked or disliked John, his legacy in advancing civil liberties, social justice, equity in the law, the arts and, of course, Campbelltown itself, would be very difficult to overlook. I think I can say with some confidence that Campbelltown will not see a resident or a supporter quite like John for some considerable time to come.

To his brother Jim, to John's immediate family and to the partners and staff of Marsdens solicitors, I offer my condolences and, I am sure, the condolences of many in this House.

Hasluck Electorate: Brickworks

Mr HENRY (Hasluck) (4.43 pm)—I wish to speak on the proposal to build a brickworks at the Perth Airport. Along with many thousands of Hasluck constituents and residents of surrounding areas, I am fundamentally opposed to this development. My constituents do not see that a heavy and noxious industry, such as a brickworks, is in any way consistent with appropriate development on airport land.

On reviewing the Perth Airport Master Plan, we find, in section 2.2 'Development objectives', under the heading 'Environmental compatibility' it is stated:

The airport will adopt a good neighbour philosophy and consult adjacent communities in its planning process.

Section 6.3 'Commercial development' states:

The approved 1999 Master Plan defined general types of development which are comparable with the airport operations and with land uses of the adjacent communities.

A brickworks is very clearly not comparable with airport operations but is a heavy industry producing noxious emissions. A brickworks is also not comparable with 'land uses of the adjacent communities'. Land use in the surrounding communities is largely residential, light industrial, warehousing, distribution and transport centres.

Section 13.2 'Objectives' states that the plan 'respects and supports current regional and local planning principles and concerns and 'respects and supports the planning efforts of airport neighbours such as the City of Swan, the City of Belmont, and the Shire of Kalamunda'.

Section 13.3 'Development opportunities' and section 13.4 'Development strategy' refer to business centres, corporate headquarters, education centres, high technology R&D and manufacturing complexes, entertainment centres and logistics hubs, and compatibility with surrounding communities. There is no mention of heavy industry or brickworks.

In section 13.4, under the heading 'Land use categories', several land use categories are defined. In clause 6 'industrial uses' is defined as follows:

These uses are activities which may involve manufacturing, distribution and assembly.

Throughout the master plan, Westralia Airports Corporation consistently restates its commitment to appropriate land use, compatible with airport operations, acceptable to adjacent communities and with consideration of state and local government planning objectives.

Westralia Airports Corporation does not reflect this commitment. The proposed brickworks are clearly in contravention of these key objectives. They are not compatible with development in surrounding communities and they do not respect local planning decisions. Indeed, all three local governments—the City of Belmont, City of Swan and Shire of Kalamunda—are strongly opposed to this development.

Letters from concerned constituents with aviation expertise indicate their concern at the aviation risk posed by the brickworks being placed at the end of runway 24/06, directly under the approach path of runway 24 and the departure envelope for runway 06. Given the occurrence of atmospheric inversions and the possibility that the resultant trapped brickworks emissions may occlude the vision of pilots, surely this is a safety risk?

Indeed it would appear that there is some tacit recognition of that—as reported in the *Weekend Australian*, in an article by Paddy Manning headed ‘Developers take off’. The article said:

... but WAC’s proposal acknowledges the plant could be closed occasionally if fog got too bad.

How do you close down a kiln burning at 1,100 degrees Celsius? According to the same article the former CEO of WAC stated:

... for anyone to suggest we would allow a development that would affect aviation safety is just so ridiculous it doesn’t even warrant comment.

I have been informed that windshear, which causes difficulties at Perth Airport from time to time, may be exacerbated by the operation of a kiln at 1,100 degrees Celsius directly under the approach and departure flight path. The people of Hasluck need a proper explanation of the level of risk. Finally, section 4.1 of the master plan states:

The site for Perth’s premier aerodrome was selected in 1938 as the location of the major airport for the Perth region.

At that time, Perth’s airport was located at Maylands, which by the late 1930s had become inadequate because of its restricted size and the presence of flight path obstructions, mainly brickwork chimneys. I and the other residents of Hasluck trust that Westralia Airports Corporation is willing to learn from the past.

Workplace Relations

Ms HALL (Shortland) (4.47 pm)—The Work Choices legislation will deliver no choice to many Australian workers. Today we have heard about Annette Harris, who will receive \$90 a week less if she signs the Spotlight AWA. And we have heard the Prime Minister’s response: everyone has to make sacrifices for the economy. I say that is not good enough. Nor was the attempt by Wyong Shire Council to use the Work Choices legislation to deliver lower wages and diminish conditions to the Wyong Shire Council waste service workers.

Let me background the House on the issue. Wyong Shire Council provided waste services for Wyong Shire Council residents. Gosford City Council provided waste services for Gosford residents. It was determined—and a very good decision it was—that a company should be given the contract to provide waste management services to the whole of the Central Coast. The tender document that went out had in it wages and conditions that were far below those that the workers currently receive. Currently staff are paid at approximately \$22 a hour. Under the new federal Work Choices legislation, this has the potential to become \$12.75 per hour. These workers will lose their job security and will have to reapply for their jobs under the contract.

Mr Hockey—Rubbish!

Ms HALL—If the minister had listened, he would know what I was talking about. The staff at Wyong Shire Council advised one of the councillors, in representing the views of the workforce—he was talking to them about the views of the workers—that in light of the new federal IR legislation—this is council management, Wyong Shire Council management—it could be potentially illegal to include clauses that would circumvent this legislation and that would prescribe conditions and entitlements that are more stringent than the federal government's IR legislation. That may be legal. To the rescue came Councillor Warren Welham. Last night in Wyong Shire Council he moved:

1. That Council notes that an experienced, well trained workforce is essential to the delivery of high-quality waste services to the residents of Wyong Shire Council.

That is something that every member of this House would agree with. The motion continued:

2. That Council postpone the closing date of Tenders for the collection of waste and recoverable resources for Gosford City Council and/or the collection of waste and recoverable resources for Wyong Shire Council to allow council to explore ways in which it can protect the job security, entitlements, wages and working conditions of the existing workforce.

It was lucky for the workers who are currently employed by SM Services and who will be applying for their positions under the new contract that will cover the Central Coast that they had Councillor Warren Welham, an ALP councillor; Councillor Kath Forster, an ALP councillor; Councillor Neil Rose, an ALP councillor; and the mayor, Councillor Graham, who saw the light. Councillor Graham has previously been a member of parties on the other side—never a member of the ALP—but is a person who saw that this is outrageous, that workers do not deserve to have their conditions dimin-

ished. Those people voted for this motion along with Councillor Veugen, who became confused and accidentally voted for it. But I will tell the House that every Liberal councillor of Wyong Shire Council voted for poorer conditions for the workers of Wyong Shire Council waste services. Every single Liberal Party councillor voted to have poorer conditions delivered to those workers who were employed to deliver waste services to the people of the Central Coast. (*Time expired*)

Australian Technical Colleges

Mr BAKER (Braddon) (4.52 pm)—I rise tonight to speak about the Australian Technical Colleges and the establishment of a campus at Burnie, on the north-west coast of Tasmania. Earlier this month I had the privilege of launching this campus. It was a significant step forward in delivering skills based training.

The establishment of the Cradle Coast campus, as it will be known, of the Australian Technical College Northern Tasmania really does make a mockery of the Leader of the Opposition's criticism that the government is not doing enough with regard to skills based training. I am proud to say that we will be delivering new and unique training opportunities for our young people in north-west Tasmania, because this is all about taking industry to education, not education to industry. It is a unique step forward and one that this government is rightly proud of.

I fought for this campus in north-west Tasmania because the region is one of Tasmania's major industry hubs. I would like to remind the House that we have great companies that deliver expertise all over Australia and internationally. Some are assemblers of underground mining equipment that supply the whole of the Australian mining industry and also South-East Asia. We have hydrau-

lics engineering. We have building companies that fit out hotels and motels, not only in Tasmania but also in Victoria, New South Wales, Malaysia and South-East Asia.

Our region has a strong industry base, as I said, and our employers have been demanding more locally based training opportunities. The Australian technical college will provide another pathway for young people across Northern Tasmania to achieve trade training through school based new apprenticeships targeted to respond to the local skills needs. In addition to completing their years 11 and 12 school studies, students at the college will learn a trade. So it is a double success story, with higher education preparing them for tertiary education and at the same time preparing them for an industry career.

The college will initially focus on two industries—building and construction, and metals and engineering. It will expand to offer programs in the automotive, commercial cookery, electrotechnology and rural industry areas by 2008. Like its sister campus in Launceston, the Burnie campus will operate from an interim site during 2006 and 2007 pending the establishment of permanent facilities. A permanent purpose-built campus is to be established by 2008.

The establishment of such a college has been warmly welcomed by the local community, businesses and industry. The college is a fantastic opportunity for both the students involved and the local business community, whose involvement will also ensure that the skills based training is relevant to the region.

I would like to take this opportunity to congratulate all those involved in the development of the Australian technical college in Northern Tasmania, especially the board members from my electorate, who are all industry based people. They are industry

leaders in this state and leaders in years 11 and 12 education in Launceston. This is a great example of how we are bringing together education and industry in a situation where previously career advisers developed the philosophy that, unless you had a university or tertiary degree, you somehow failed your education.

This is a huge step forward, not only for the betterment of north-west Tasmania but for Australia in general. Those on this side of the House encapsulate what it is all about to produce the future generation of skills based industry training in the country, not like those on the other side, who seem to be caught in a time warp where they do not seem to be able to relate not only to education but also to the industry leaders of this great nation.

Workplace Relations

Mr HAYES (Werriva) (4.57 pm)—I sought the call earlier in the MPI debate dealing with Spotlight. There is a Spotlight store in Campbelltown in a very prominent location, and my wife regularly shops there. It has been a feature of Campbelltown for a long while, and I was taken aback when I heard what the company had decided to do.

What people are railing against is summed up by the member for Deakin's speech in the MPI debate. He said, 'They don't have to take the contract; they don't have to take the job.' This is where this legislation is going. In defence of that, the general manager of marketing at Spotlight said: 'We're not writing the legislation. We're just doing what we're permitted to do under the new federal laws.' Spotlight's defence for eliminating overtime, penalty rates and leave loading is that this federal act says that they can now do it. He is using the same defence as the owners and managers of the Cowra abattoir. As you may recall, they also pointed the finger at this government and said: 'You people

made the legislation. We're simply following the lead that our legislators have given us.' It is also interesting that the chief executive of the National Retail Association, far from defending what has occurred at Spotlight, has come out today and said that they applaud what is occurring at Spotlight because that is giving the lead to what other retailers could be doing in this industry.

We have heard all this claptrap that there are going to be more jobs and more flexibility. What there is not going to be is flexibility for people to be able to negotiate these contracts because, as the member for Deakin said, they either accept the terms or do not take the job. In Spotlight's case, you can find the actual template of the contract on Spotlight's website, and there is no negotiation. If you are a young person or a woman seeking work, either you put your name on that contract and accept the terms in that contract or you do not take the job.

House adjourned at 5.00 pm

NOTICES

The following notices were given:

Ms Roxon to move:

That this House:

- (1) notes that 11 July 2006 marks the 15th anniversary of the entry into force of the United Nations' Second Optional Protocol to the International Covenant on Civil and Political Rights aiming at the abolition of the death penalty;
- (2) notes that 57 countries have signed and ratified the Second Optional Protocol, including Australia;
- (3) notes that, while Australia has ratified the Second Optional Protocol, this Parliament has not yet adopted the Protocol into domestic law;
- (4) reaffirms its opposition to capital punishment; and
- (5) on a bipartisan level, calls for the Australian Government, this Parliament and the Parliaments of the States and Territories to work

together to adopt the Second Optional Protocol into domestic law with binding force over the Commonwealth, the States and all the Territories.

Mr Snowdon to move:

That this House, recognising the extreme level of poverty and disadvantage experienced by many indigenous Australians and that there are in some indigenous communities unacceptable levels of social dysfunction and violence, calls on the Government to:

- (1) consult with Indigenous Australians to urgently develop and implement policies to alleviate this poverty and disadvantage; and
- (2) ensure that these matters are given urgent attention at the next meeting of Council of Australian Governments (COAG) meeting.

Ms Burke to move:

That this House:

- (1) notes that it is estimated that anaphylaxis affects up to 380 000 Australians who experience a food allergy, 5-8 per cent of whom are children;
- (2) recognises that tragically, three Australian students died between March 2002 and April 2003 during school hours as a result of an anaphylactic reaction;
- (3) acknowledges that a simple medical treatment is all that is needed to treat an anaphylactic reaction, prevent loss of life and provide the necessary time to transport the victim to hospital for further medical treatment; and
- (4) asks that the Government introduces legislation, devised in a COAG capacity, to ensure all preschools, primary and secondary schools:
 - (a) have necessary policies and procedures to provide effective response to a student who experiences an anaphylactic reaction;
 - (b) include policies that reduce the exposure to causative agents in the classroom environment;

- (c) ensure staff members are appropriately trained to support life in the event of an anaphylactic reaction; and
- (d) develop an individual action plan for each student that has an anaphylactic allergy that comprises treatment plans from the student's physician.

Thursday, 25 May 2006

The **DEPUTY SPEAKER (Hon. IR Causley)** took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Mr Roger de Robillard

Mr MURPHY (Lowe) (9.30 am)—I rise today to make a statement to the parliament about assertions I have previously made about individuals who have most improperly used family law and bankruptcy to avoid paying their fair share of tax. Members may be aware of statements I made during a public hearing of the Standing Committee on Legal and Constitutional Affairs on 5 July 2004 concerning cases of barristers, including Mr Roger de Robillard, who, on the information available to me, were taxation debtors at that time.

I have since been advised by Mr de Robillard that during 1998 or 1999 he was fined \$1,500 by the Australia Taxation Office for having failed to lodge two tax returns in the mid-1990s. I have been further advised by Mr de Robillard that, although he failed to lodge his tax returns in the mid-1990s, he was incommunicado at that time and therefore unable to fulfil his obligations under revenue law. I accept in good faith Mr de Robillard's statements that he has since lodged his taxation returns and that the Australian Taxation Office is not a creditor. I further accept his assertion that his temporary incarceration in a Vanuatu prison provided a unique set of circumstances that gave rise to his failure to lodge tax returns in accordance with taxation laws.

Nonetheless, I do not resile from assertions that I have previously made concerning other barristers who have been engaged in outrageous tax avoidance. We must remain vigilant to ensure that the outrageous circumstances where people are able to transfer all of their assets to their spouse and then go belly up so that, when the creditors arrive, they have not got a cent to their name whilst continuing to bask in a lavish lifestyle are avoided at all costs. These dishonest individuals should be caught, prosecuted and punished using the full force of the law. I trust that members understand that, following Mr de Robillard's statements to me, I do not consider him to be one such individual.

Nuclear Energy

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.32 am)—I want to respond to a report by the Australia Institute which was promulgated in the last few days with regard to sites for possible nuclear reactors. The Australia Institute's report was obviously set up as a provocative hoax. It set out the most unlikely and most provocative sites intentionally. In many ways, I think it has backfired. I want to lay down principles and then deal with myths in the report.

The principles are these. With regard to the concept of nuclear energy more generally globally and more specifically in Australia, I clearly and fully support that concept. I believe it will have an important role over the coming century in acting as a bridge to fully renewable technologies. There are numerous examples of reactors around the world operating safely, and the move to fourth-generation reactors, which consume almost the entire fuel waste themselves and are built in a way which makes them compact and modular, is an extremely important step. But what are the principles for applying them? If it were to happen in Australia, (1) you would need an area which is geologically stable; (2) you would need a situation which

was economically viable; and (3) you would of course have to have community support. It would be unthinkable to try to impose something such as this.

Let us see how this applies in the context of the Australia Institute's report. There are three great myths in the report. First, the institute set out to identify those places which will be least likely to receive community support. They did it as an act of provocation and as a hoax, not as a sensible proposal, in that they have of course included the Hastings-Westernport region on the Mornington Peninsula. The reason they did that, of course, is that as it is on the doorstep of Melbourne it would create outrage and response. There is a simple answer here. This institute is a group of people who are not scientists but have put on the white coats and pretended to be scientists. They have ignored the fact that this region has the Selwyn fault, the Tyabb fault and the Lang Lang fault. It is one of the most geologically unstable areas in Australia. It was done intentionally to pick a site which is most unsuitable.

On the other hand, the second myth is that they claim to have knowledge that you require massive amounts of water. The fourth generation reactors today, as outlined by Professor Leslie Kemeny, do not require massive amounts of water. This fact opens up the field and leads to the question of community support. There is an assertion that you would never get community support. Yet, today we see that 19 mayors from around Australia have already indicated that they would be interested in such a thing. So there are possibilities; there are people who are interested. Let's look over a long period at what is feasible and let's have no more hoaxes. *(Time expired)*

Indigenous Communities

Ms HALL (Shortland) (9.35 am)—I currently have a social work student, Katherine, on placement in my office. She is an exceptional young woman who embodies all the qualities one would expect in a social worker. Social work is a profession dedicated to the respect of human dignity and worth, to the pursuit of social justice and to providing a competent service to humanity, delivered with integrity. This describes Katherine. The words that I am now going to read are words that have been put together by her—and I obviously agree with them. She says that the situation in Wadeye has been of great concern to her. Having an understanding of the issues that this community faces such as intergenerational poverty, lack of education, poor housing, domestic violence and sexual abuse, Katherine finds it hard to see how law enforcement could be utilised as an effective intervention in response to this crisis.

She has expressed concerns that these issues are complex and require long-term commitment. Katherine's fellow student is currently on placement in Alice Springs and experiencing these situations first-hand. Her fellow student has explained to her the complexities of the issue in Wadeye. Katherine's fellow student told her that there have been 15 murders in Wadeye—14 of these were committed against people from the particular Indigenous population. She feels that this reflects the racism that they experience.

The current media images of the situation in Wadeye, alongside the existing racism, leave Aboriginal men in particular with the stigma of the colour of their skin, of having no education, of being violent and of being sexual abusers. For the victim, it is also about establishing their self-esteem, gaining a sense of control back and knowledge about the cyclic nature of domestic violence. Katherine feels that this brings a large amount of shame to the community, which will only exacerbate the existing issues.

Katherine commented to me on the current intervention, which consists of extra policing around Wadeye. She says, 'If you have a cyst, would you go to the doctor and check out what the cause was or would you put a bandaid on it?' I obviously said I would go to the doctor, and she said, 'Yes, well, of course.' To get any change, you need to identify the cause and identify what the body's strengths are in order to start the treatment. Katherine said that, in relation to Wadeye, enforcing the law is not an intervention that will contribute to the re-establishment of a safe and cohesive community. The values are ingrained and intergenerational.

Community development is needed to change the mentality. The people of Wadeye need opportunity, safety and hope in order to create a society in which they can achieve and contribute positively to the wider community. Law enforcement will simply relocate the issue and leave the victims to cope with their trauma, not knowing what the future holds. Community development will instil some pride and hope back into the lives of the people of Wadeye. *(Time expired)*

Nuclear Energy

Mr SLIPPER (Fisher) (9.38 am)—Yesterday there were reports that the Sunshine Coast is to be the location of a nuclear power plant, and I want to place on the record my complete opposition to any suggestion that this wonderful holiday area should be the host of a nuclear power plant. I believe that we need a debate in Australia over the future of nuclear energy, but I consider that the inclusion of the Sunshine Coast along with other premium holiday areas in the suggestions by the Australia Institute could only be a sick joke which someone is seeking to perpetrate on these particular areas.

It is an absolutely crazy suggestion that the Sunshine Coast should host a nuclear power plant. There is absolutely no way that the people of the Sunshine Coast or I as the local member would accept any such project in the region. I am totally opposed to such an idea. Lots of Sunshine Coast residents would have got indigestion as they consumed their breakfast during the TV talk show *Sunrise*. *Sunrise* has been entirely irresponsible. It is very important to make it clear that, while there ought to be a debate about nuclear power—and I consider that nuclear power will have a role in energy production in Australia in the future—it is irresponsible and inappropriate that completely unsuitable areas should be talked about as possible locations for a nuclear power plant.

The suggestion that the Sunshine Coast would host such a power plant is reckless and has caused confusion and fear. There is no doubt that the disaster at Chernobyl in 1986, which was caused by poor reactor design, has helped to generate common concern about nuclear power plants and nuclear power more generally. Officials from the Australia Institute claimed that it will be necessary to locate such a plant close to a large supply of water, yet, as was made clear by Leslie Kemeny in today's *Financial Review*, the nuclear power station would be a generation IV factory assembly line built meltdown and terrorist proof unit requiring very little water in its operation.

There is no doubt that the Sunshine Coast is an entirely inappropriate location for a nuclear power plant. I think it is inappropriate that the people of the Sunshine Coast should be subjected to such threats. Not only is the area the wrong place for a power plant to be positioned but it could well hurt our local economy because it could create the perception that the Sun-

shine Coast is not a safe place to visit. This is a crazy proposal and I reject it completely. *(Time expired)*

Supermarket Pharmacies

Parliament House: Airconditioning

Mr SAWFORD (Port Adelaide) (9.42 am)—I understand that behind the scenes considerable pressure is being exerted on government to allow supermarkets to have pharmacies incorporated into their businesses. This pressure should be strongly resisted by all members of this parliament as there are no or extremely minimal benefits for consumers. Of the top eight brands sold in supermarkets, six are cigarettes. The top eight brands are a story in themselves: Coca-Cola, \$750 million-plus; Longreach cigarettes, \$750 million-plus; Winfield cigarettes, \$750 million-plus; Peter Jackson, up to \$750 million; Horizon cigarettes, up to \$750 million; Benson and Hedges cigarettes, up to \$500 million; Huggies disposable nappies, up to \$500 million; and Holiday cigarettes, up to \$500 million. Pharmacists would argue, rightly I believe, that pharmacies located in supermarkets where cigarettes, tobacco and alcohol are being sold is not sensible, not compatible, and would send exactly the wrong message to the community at large, particularly our young.

During 2005, the large supermarket chains were giving every indication that they wanted to be involved in pharmacies. Is this a good thing? What are the risks? Will consumers be better off or not? These were questions I put to local pharmacists Paul Drury of Largs North and Nick Tsamaidis of Mawson Lakes in my electorate of Port Adelaide. Paul and Nick argue that up to 70 per cent of drugs dispensed are subsidised by the Pharmaceutical Benefits Scheme controlled by the Commonwealth government. On these items there can be no price competition whatsoever, because the price is set and the introduction of pharmacies in supermarkets would not change that. There are no cost benefits whatsoever to consumers.

Pharmacists would also argue—there are more than 5,000 in Australia—that local pharmacies do more than just dispense medicine. They give free advice estimated to be up to 80 million consultations each year. They provide home delivery services, asthma care, baby clinics, wound care and much more. Around 40,000 pharmacists and pharmacy assistants are on hand to help with the medicine needs of the community. Local pharmacies are key assets in every community and they are much too good to lose. Supermarkets already sell around 20 per cent of the products found in pharmacies. Arguments that supermarkets will provide savings appear to be illusory.

As I indicated at the beginning of my speech, supermarkets are the biggest sellers of cigarettes. They are also the biggest sellers of alcohol. How appropriate is it then for supermarkets to sell regulated medicines? Pharmacists are bound by a code of ethics, and one of them is a duty of care to patients. How important would that be to supermarkets, especially the big chains? I do not believe governments should be swayed by the large supermarket chains, and I will watch with interest their responses to the challenge and risk of our community pharmacies. In the minute remaining, I have to say that the air in Parliament House is just so devoid of moisture it is a health hazard. *(Time expired)*

Green Corps

Mr TOLLNER (Solomon) (9.45 am)—Greening Australia has delivered the Green Corps program in Darwin since 2003 and the projects have provided a wonderful opportunity for

young people to get motivated and help the environment at the same time. In the Top End, Lisa Peters manages the program for Greening Australia and has had up to six teams of young Territorians working at any one time. The teams work on practical environmental projects for six months, during which time they also undertake accredited training and gain qualifications. Many agencies and community groups have been involved in all the projects.

Last week I launched the latest project at Hidden Valley Raceway, where Jeff Roberts has been providing such wonderful support to the project. The participants are inspirational young Territorians who are prepared to get up and have a go at something new and rewarding. Alex Arnold, Jamie Templer, Caitlin Krohn, Jordie Kaddatz, Joel Stone, Michael and Patrick Hunter, Rodney Gunn and Jerrica Brown are part of that team. Territory Motor Sports, a Northern Territory major events company, run by Paul Cattermole, the general manager, have given the Green Corps full support. In particular, I would like to mention Leslie Arnold from the Rapid Creek Catchment Advisory Committee and Peter O'Hagan from the Rapid Creek Landcare Group. These people are to be commended on their enthusiasm and professional support towards the project.

I would also like to thank Dan Richards and Ian Kew from Darwin International Airport, as well as Dave Perry and Brett Shearer from Darwin City Council and Palmerston City Council. At Rapid Creek, Green Corps will implement the Yankee Pools management strategy and revegetation works in the rural blocks corridor. In the Darwin CBD they will prepare the newly established Dashwood Place Landcare site for future revegetation works with the National Trust Landcare group. I would like to thank Gavin Perry and Sharon Yvelton for their support. I would also like to commend the work of Leonie Williams and Bill Cumberland from the Northern Territory Department of Natural Resources, Environment and the Arts who will be providing on-the-ground support and planning.

Finally, these projects cannot get under way without the help of Chantel Bramley, the team leader; Dave Cash and Liza Schenkel, who provide the technical assistance; Lisa Peters from NT Green Corps, Coordinator for Greening Australia, who I previously mentioned; Mike Clark, CEO, Greening Australia; and Dave Calland from Stringybark Training, the training provider. The Territorians I have mentioned deserve recognition. I congratulate them on the good work they are doing throughout Darwin, especially in the northern suburbs and the Palmerston and Berrimah areas. (*Time expired*)

Western Australia: Education

Mr QUICK (Franklin) (9.48 am)—Today, the headline in the *Australian* is 'Dum-Dum-Dum Down'. As a former teacher, I am appalled at what is happening in the education system in Western Australia. 'Dum-Dum-Dum Down' is about Western Australia's new music curriculum. This music curriculum is being overseen by a drama teacher who does not play a musical instrument and believes turntables and computers are musical instruments. The article states:

Music education is the latest casualty of Western Australia's misguided foray into the world of outcomes-based education. The state's new music curriculum will no longer require students to learn to play an instrument, and rap songs backed by downloaded music will be considered perfectly acceptable come exam time.

Quite rightly, music teachers are absolutely aghast, wondering what the heck is going on. To me, the whole issue of outcome based education, where failure is not part of an education

process, is totally incomprehensible—where people are able to achieve at their own pace, there is no examination and failure is not an option. As a teacher of 23 years, it is totally beyond me. The introduction to the music curriculum, which is being designed, states:

Music plays an important part in the life of people the world over. It brings people together through a natural form of communication by providing a means of expressing ideas and emotion. It combines words, sounds and movements which enhance the meaning of life in world cultures. Music has unique aspects which give expression to human experiences and understandings that cross cultural and societal boundaries.

What the hell does that mean? It is absolute claptrap. We are now having courses designed by curriculum departments, which, to me, are absolutely useless. The article goes on to say:

Under the proposed new curriculum, physics students will be asked to debate the ethics airbags, while chemistry students will discuss the cosmetic industry.

We are talking about skills shortages in Australia. We are importing people from overseas, yet the minister for education in Western Australia was totally unaware that students in the new course could pass without playing a musical instrument. What sort of education ministers have we got in this country, and where the hell is our education system going?

Road Funding

Mr McARTHUR (Corangamite) (9.51 am)—I rise to present an argument about the condition of the Princess Highway from Geelong to Colac and the strong community sentiments supporting the duplication of this stretch of road. Last week I was pleased to host the Hon. Jim Lloyd, Minister for Local Government, Territories and Roads, on a visit to Corangamite. The minister met with the Colac Otway and Surf Coast shires. Both shires raised with the minister the importance of the Princess Highway duplication for their communities.

Mr Gavan O'Connor—A good shire.

Mr McARTHUR—The Princess Highway from Colac—the former town of the honourable member for Corio—to Geelong is currently a state government road. It is clear to all levels of government who has responsibility for the upkeep of the road: when the road deteriorates and potholes are created, people look to the state government, not the Commonwealth, to fix those potholes.

In 1999, the former Victorian government committed to duplicate this stretch of road. When the Bracks Labor government was elected, the money to upgrade the Princess Highway was redirected to other projects of greater priority to the Victorian Labor Party. Since 1999, there has been no real plan by the Bracks government to upgrade this road.

Labor is playing political football with the road and the community. The Bracks government is avoiding its responsibility and is trying to crudely shift the blame to the Commonwealth when it is not prepared to prioritise and fund the road.

Everyone across Australia has a road that they want built or upgraded—that is only natural—but there is a limited amount of money. The Commonwealth is providing huge funding for AusLink network road projects in Victoria and generous funding to councils for local roads. It is time the Bracks government adequately funded upgrades for their own state roads.

The federal government have played their part with \$186 million for the Geelong bypass and an additional \$300 million for local government roads in the budget, including \$3.9 million for local roads in Corangamite. The Bracks government has money to duplicate the Prin-

cess Highway if it wanted to. The budget shows that next year Victoria will receive a \$298 million GST windfall. This is almost enough to duplicate the Princess Highway two times over between Colac and Geelong.

They have the money, but do Labor have the will to fix this road? Next week the Bracks government will hand down their state budget, and I call on them to provide for the duplication of this road in that budget.

Corio Electorate

Mr GAVAN O'CONNOR (Corio) (9.53 am)—On Anzac Day, I had the great pleasure to join with veterans from the north side of my electorate at the Norlane RSL for their annual commemoration and celebration of this very important day to all Australians. I congratulate the Norlane RSL veterans from all conflicts, emergency service personnel, community support organisations, youth and scouting groups and members of the north side community for their participation, once again, on a commemorative day that means so much to us all.

Working men and women from Norlane and Corio and other northern suburbs served with great distinction in World War I and World War II and in other conflicts. We as a community are eternally grateful for the sacrifices they and their families have made in defence of the nation. I was particularly pleased to see the involvement of many young people in the events of the day and commend them for their interest and participation in what has become a significant day in honouring the service and spirit of our Australian service men and women.

Each Anzac Day the Norlane RSL makes an award to a local citizen who has a consistent record of commitment and service to communities on the north side of my electorate. This year the deserving recipient of this Anzac award was Mr Terry Crooke, who is a member of the Norlane RSL and has worked tirelessly in a range of other organisations for his community. I first met Terry several years ago and admired his contribution to the Corio Football Club in keeping it afloat in the face of severe financial difficulties. The improved financial and public standing of the club enabled it to approach the City of Greater Geelong for funds for other amenities, including a netball court which is now operational and providing working families with the opportunity for recreation in the one location each Saturday.

Terry is an important founding member of the northern community consultative group, which has successfully lobbied for more resources from council for projects on the north side. He has single-handedly guided the development of a proposal to create a children's park in the Corio Oval precinct which is about to come to fruition if some remaining obstacles can be overcome. In his spare time he has delivered bread and other material support to veterans, war widows and veterans' families on the north side. I congratulate Terry on receipt of this award as it is well deserved, and I congratulate the Norlane RSL on their sponsorship of it.

Water Management

Mrs GASH (Gilmore) (9.56 am)—Water conservation is a contentious issue in the electorate of Gilmore. On one hand, the Sydney Catchment Authority is pumping water out of the Shoalhaven River to supplement Sydney's supply, and on the other hand they are tiptoeing around making hard choices to conserve the metropolitan water supply for the future. They have shelved their notorious plan to construct an energy hungry desalination plant in Sydney because their own constituents were saying it was a crazy idea. Now they are looking at drawing yet more water from an underground aquifer in the Southern Highlands that will only

yield about two weeks supply of Sydney's daily consumption at best. This is another of their crazy plans, all driven by political imperatives rather than good sense. These are the same people who say they have embraced the ideology of ecoconservation and have used that ideology to win over the green vote. Yet when you embrace the cold hard facts they are as conscious of the environment as Attila the Hun was of the promotion of peace in Asia Minor.

I am really at a loss to identify a water conservation strategy being pursued by the Iemma government that has any meaning. Certainly there are all the noises and expressions of concern, thanks to the publicity machine they have developed over the years, but when it comes to doing something meaningful there is a bit of a void. How many times do we have to read about the leaks from the water pipeline network that crisscrosses the Sydney catchment going unattended for long periods of time and the subsequent loss of huge amounts of water? Instead, we get a form of mea culpa from the state government and things just go on as if nothing is happening.

At least in the federal sphere we are taking some deliberate steps to educate people on the need for conservation. We are actually doing more than hiring a bunch of water police to monitor the use of sprinklers. I am delighted to report that the Gilmore electorate has been the recipient of a number of grants from the federal government's Community Water Grants program. The recipients have come from diverse backgrounds and I can say that, apart from the obvious value to each group in conserving or recycling their waste water, each project serves to act as an educational tool as to the direction we ought to be taking. Might I add that there will be no need to police these projects because they are factual and have substance.

For instance, the Illaroo Road Public School will use their funds to install rainwater tanks on the school premises at north Nowra. The collected water will be used to irrigate the school oval, flush toilets and contribute to the school's newly created wetlands. They expect to save about half a million litres of water each year. As well, the students will be able to see an actual working example of recycling water which will reinforce the concept of water recycling in their minds. There are a number of schools that have obtained similar funding, including Nowra High School, Sanctuary Point Public School, St George's Basin Public School, St John the Evangelist Catholic High School and the Tudor House School in Moss Vale. As well, the Sussex Inlet Golf Club will be irrigating their golf course with recycled water, saving the club an astonishing five million litres of water each year.

These are examples of where we should be going. We should be not just concentrating on restricting about two per cent of water consumption in Sydney but funding initiatives that will make a difference for the future. More and more I am fielding complaints of how the best that Sydneysiders can do is draw water from the people who are trying to make a meaningful difference in their approach to conserving our scarcest commodity. Shame on the state government, Mr Iemma.

The DEPUTY SPEAKER (Hon. IR Causley)—In accordance with sessional order 193 the time for members' statements has concluded.

APPROPRIATION BILL (No. 1) 2006-2007

Cognate bills:

APPROPRIATION BILL (No. 2) 2006-2007**APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2006-2007****APPROPRIATION BILL (No. 5) 2005-2006****APPROPRIATION BILL (No. 6) 2005-2006****Second Reading**

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

That this bill be now read a second time.

upon which **Mr Swan** moved by way of amendment:

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

- (1) despite record high commodity prices and rising levels of taxation the Government has failed to secure Australia’s long term economic fundamentals and that it should be condemned for its failure to:
 - (a) stem the widening current account deficit and trade deficits;
 - (b) reverse the reduction in public education and training investment;
 - (c) provide national leadership in infrastructure including high speed broadband for the whole country;
 - (d) further reduce effective marginal tax rates to meet the intergenerational challenge of greater workforce participation;
 - (e) provide accessible and affordable long-day childcare for working families;
 - (f) fundamentally reform our health system to equip it for a future focused on prevention, early intervention and an ageing population;
 - (g) expand and encourage research and development to move Australian industry and exports up the value-chain;
 - (h) provide for the economic, social and environmental sustainability for our region, and
 - (i) address falling levels of workplace productivity; and that
- (2) the Government’s extreme industrial relations laws will lower wages and conditions for many workers and do nothing to enhance productivity, participation or economic growth; and that
- (3) the Government’s Budget documents fail the test of transparency and accountability”.

Dr EMERSON (Rankin) (10.00 am)—Last night when I was speaking on the appropriation bills, I covered taxation issues and foreshadowed that I would then move on to wages. The truth of the matter is that this government has presided over an acute skills shortage and, as a consequence, it is very worried, as is the Reserve Bank, about the prospect of wage rises that would create a wage-price inflationary spiral. The government’s Work Choices legislation is much better understood not only as an attack on unions and, through unions, an attack on the Australian Labor Party but also as an attempt to suppress wages and therefore avert an interest rate rise. The problem the government has is that, with these acute skills shortages, employers in some sectors, especially the mining sector and related sectors, are needing to offer large wage increases in order to attract and retain skilled employees. Therefore, the gov-

ernment wants to suppress wages at the bottom end. We know that is the case through the creation of its so-called Fair Pay Commission. The authority to establish the minimum wage is taken away from the Industrial Relations Commission and given to the much tamer outfit of the so-called Fair Pay Commission.

The government wants to suppress the minimum wage—we know that. A consequence already of its delays in establishing this Fair Pay Commission has been a wage freeze in the order of 15 months. We have a government that wants to keep the minimum wage low, but the government also has indicated publicly that it is prepared to intervene in state jurisdictions when, for a selected number of employees, the states's industrial relations commissions are hearing the case for minimum wage rises. One report on this in the *Australian Financial Review* on 16 May is headed:

Andrews to block union pay push.

The subheading is:

Challenge to state powers. Concern over wage inflation.

That is confirmation that, as much as anything, the Work Choices legislation is being used as a device to suppress wage increases for average earners and vulnerable workers in order to achieve the government's desired overall economic objective—to avoid an interest rate rise. How has the government managed to get itself into this situation? Why has it not foreseen the emergence of skills shortages in this country that then creates these sorts of pressures? The Treasurer and the Prime Minister say this legislation is all about choice, freedom and flexibility—it is not. It is about smashing unions and keeping downward pressure on the wages of the most vulnerable because the government cannot keep downward pressure on the wages of executives and is certainly not interested in doing that. Nor can the government keep downward pressure on the wages of highly skilled workers in the mining sector and other booming parts of the Australian economy.

I now move to the issue of superannuation. The government's changes have been regarded as sweeping and as a massive simplification. On that score, it is true that removing all taxes effectively on superannuation payouts does simplify the system. By the way, so would removing income tax altogether. That would make for a marvellously simple income tax system; you just would not have one.

I want to draw the attention of the House to a few considerations. The government's changes, as foreshadowed but not absolutely determined because they are set out in the discussion paper, would appear to have the effect that in the future all people over the age of 60 will not pay income tax. Some may choose to pay income tax, but effectively income tax would be a voluntary tax for people over the age of 60. Why do I say that? The answer is that people over the age of 60 can take their superannuation, continue working if they so choose and put the superannuation into a preferred vehicle that is going to be designed by the government; and any income arising out of that investment vehicle will also be tax free. So any returns on superannuation beyond the age of 60 will be tax free, and any other income that the person over the age of 60 earns will be subject, through the senior Australian tax offset, to a tax-free threshold of around \$20,000 for a single person and \$40,000 for a couple.

I want to make it perfectly clear that I am not complaining about this. I am not objecting to this, but I am drawing the attention of this parliament to the reality that under the govern-

ment's changes people over the age of 60 will no longer need to pay income tax. A lot of people would say, 'Isn't that a marvellous thing?' A lot more people would say, 'Wouldn't it be marvellous if no-one had to pay income tax?' With the time remaining I want to explore from where the pressure will emerge if in the future a large proportion of the population will not be paying income tax—and it will be a large proportion. In 2002 the government released the *Intergenerational Report* that reminded us that there is a massive problem of population ageing in this country. Having a look at the Australian Bureau of Statistics official projections we see that now, in 2006, about 18 per cent of the population is over the age of 60. But by 2041 that will be around 31 per cent. That is a massive increase—from 18 per cent to 31 per cent. The implications of that are surely profound. A much larger proportion of the population will be income tax exempt as the population continues to age.

That can be remedied by any one of three ways. The first possibility is that income tax rates on those who are working will have to go up dramatically in order to provide the revenue to fund the services for working age, older and younger people. The second possibility is that the services that are currently provided to people over the age of 60 will no longer be affordable in the future—that is, an age pension may not be affordable in the future. Aged-care and health-care services may not be affordable in the future because of this dramatic narrowing of the income tax base. The third possibility is that the government of the day, if it were a conservative government, will say, 'That GST at 10 per cent is just not doing the job anymore; we will increase the GST rate in order to compensate for the fact that we are losing so much of the income tax base.' We know that the GST is a very regressive tax, and the implications of increasing the GST rate on the poor and the vulnerable would be horrendous. The other possibility is removing the exemption for food. So when the government finalises its consideration of superannuation, it needs to tell the Australian people which of those options it favours for the future. Either withdrawal of services for older people, much higher income tax rates and work disincentives for working age people, or an increase in the GST rate: something has to give.

It all sounds marvellous, it all sounds simple, but the truth of the matter is the chickens will have to come home to roost at some time in the future. It is all very well for a government to say, 'Isn't this terrific; aren't we great,' and then leave a huge problem for the future. I look forward to the government explaining which of those remedies it would employ to compensate for this massive loss in the income tax base.

Mr HARDGRAVE (Moreton—Minister for Vocational and Technical Education and Minister Assisting the Prime Minister) (10.10 am)—The appropriation bills before the parliament each year are a report to the nation on the conduct of the government's affairs and the priorities it sets on behalf of the people of Australia. In that context, I take the opportunity to speak on the Appropriation Bill (No. 1) 2006-2007 and cognate bills as a way of reporting to the parliament about the conduct of government programs in the federal electorate of Moreton.

Last Saturday I went to Runcorn State School—my old school where I went to in the seventies. The school is 105 years old this month. We celebrated with a fantastic bush dance and we were able to watch the kids enjoying that. I was also able to officially launch the results of the Australian government's sponsorship of that school through the Investing in our Schools program. The P&C had sought money for the rejuvenation and top dressing of the school oval and also the installation of sprinklers. If only we had enough water in Queensland for those

sprinklers to actually work! The dedication of \$38,552 to Runcorn State School, which we celebrated last Saturday night, was fantastic.

All up in the federal electorate of Moreton there is some \$532,000 in project funding so far under Investing in our Schools. ICT at Algester State School has been upgraded. The music facilities at Calamvale Community College, to which I will refer in a moment, have been refurbished. The special school at Calamvale got an undercover walkway and a multimedia room. MacGregor State School got \$50,000 to refurbish the senior students' toilets. Nyanda State School got shade structures and open learning spaces. These big schools received assistance. Rocklea State School, a small school which is a bit like a bush school in the city, received in the order of \$29,000 to deal with the school oval and also the installation of airconditioning in some of the classrooms. Only 60 or 70 kids go to that school and there is no way the parent body has the capacity to raise those funds.

This underscores how the government's program Investing in our Schools has made an enormous difference to support the work of parents in fundraising for schools. It is disappointing that things such as the refurbishment of toilets are not undertaken by the owners of the schools—the state governments. The P&Cs, frustrated by a lack of progress by state authorities, have been able to get the funds directly from the feds.

The government trusts local communities and local schools to understand their needs very clearly and we pay the funds directly to the schools without losing the 25 per cent that state governments tend to take off the top. When we pass grants to the states for school projects, they take about 25c in every dollar to administer the rest of the grant. We think this direct investment gets more bang for the buck and real results that count for the schools involved.

Last week we officially opened the marvellous new sports hall at Calamvale Community College—a \$4 million project with \$1 million coming directly from the Commonwealth, \$1.3 million from the Brisbane City Council and about \$1.8 million from the Queensland government. This place is going to have a terrific community flavour about it. The local community are going to have an opportunity to use this great school facility which has been funded in part by this government and will be used by the entire school.

Another good school that I want to mention briefly in this address, which received funding under our direct investment in non-government schools, is the Southside Christian College. Graham Johnston and his teaching team are expanding the school and growing new opportunities for more students. The school has grown in leaps and bounds over the term of this government. We have now invested another \$360,000 to build six secondary general learning areas, computer labs, storerooms, two verandas—unenclosed travel—an undercover area and a covered link and for the conversion of a locker room into a new secondary, general learning area. This is a \$1.5 million project funded mainly by the parents and partially funded by us. But, in the end, our commitment to the non-government schools sector takes a lot of pressure off the government schools sector because, as parents dig deeper, pay taxes through the income tax system and then support the education choices they make for their students, we back those choices with programs, which will be further invested in through the budget this year.

Recently, Anzac Day gave me an opportunity as the local member to refocus on how significant this day is in the hearts and minds of most Australians. It is not a day to glorify war. It is an extraordinary day, though, on which the community has an even greater sense of obligation to those, some who are long gone in many cases and some who have more recently de-

parted, who have served this country to create a circumstance where we can claim today to be the sixth oldest continuous democracy in the world. If it had not been for those who served we would not have all that we do have in this nation. We would not stand in this building and debate these bills and freely express our views.

I know that Sunnybank RSL in particular is very concerned about passing that sense of heritage on to the next generation of kids. Last year we began a process, and this year we enhanced the process further, whereby Sunnybank RSL, dealing with more than 20 schools in and around the electorate of Moreton, has been able to say to the senior students of those schools: 'Here is an Australian flag, the symbol of our nation. You now have as a school leader of today and a community leader of tomorrow an obligation to carry on this tradition of thanks for service of many years past.' Through the Department of Veterans' Affairs program Their Service Our Heritage, we have seen the creation of Anzac Day oriented but school based memorials. I was able to go to Eight Mile Plains State School. I saw the member for Rankin in the Main Committee chamber a moment ago, and he and I were both there that day to dedicate the memorial, just days before Anzac Day.

More importantly, perhaps, is that students from schools like St Thomas More College, at Sunnybank, and Runcorn State High School—featured this week in the *Courier-Mail* in an excellent article, which I recommend to all members—have started dealing with local RSL Care homes. They are working one day a week with veterans. They have been going to Cazna Gardens, at Sunnybank Hills, and to the Carrington Home, at Parkinson, to understand all about the lives that these veterans have lived; indeed, in some cases in the last year students have dealt also with the passing of veterans that they had cared for and got to know. So I want to congratulate the students who have been involved in this program. I want to congratulate particularly the Sunnybank RSL, but of course all RSLs, in the electorate of Moreton. I want to congratulate the residents of those two homes, Cazna Gardens and Carrington, on the way they have embraced the youth of today and understood them very clearly, and the kids of today have understood the oldies as well. It has been a wonderful journey to watch these students evolve as human beings.

I must also note for the record that the government's investment directly into aged care has continued in the electorate of Moreton. This Saturday the Minister for Ageing and I will open the Plains Retirement Village, off Underwood Road, at Kuraby, and we are looking forward to that event this Saturday morning.

I want to turn now to the important question of infrastructure. The opposition in their address-in-reply talked a lot about infrastructure. We are used to hearing the Labor Party talk about infrastructure and not much about action. We have only to look at the Queensland government to see a great example. Just yesterday they released yet another glossy document, entitled the *South-East Queensland infrastructure plan and program*. It is in fact almost a duplicate of the document released one year ago. Methinks there must be a state election about to be called. I have to say that if the Queensland government could build infrastructure as fast as they produce glossy documents we would not have half the problems we have in the south-east corner of Queensland. Let me tell you: the whole thing is revealed on page 6, where it says:

What's new in this Infrastructure Plan

... ..

MAIN COMMITTEE

Project costs have been updated to reflect costs in 2006 dollars.

So what was a \$55 billion plan last year is now a \$66 billion plan this year. The minister for roads, Mr Lloyd, and I were talking about this earlier. He said, 'Don't forget the cost blow-outs.' So lack of action on a plan from a year ago has created a higher cost regime, according to this particular document, and they have reflected that as being some sort of virtue. In fact, it is a confession of complete failure. They have a real ability to produce documents but no real ability to produce outcomes. In fact, what is also particularly interesting for this parliament is that part of that \$66 billion, as it now is, includes about \$30 billion of federal funds that they are likely to get between now and, wait for it, 2026. This is a program which talks about what they might do if they could—and, heaven help us, if only they would—over the next 20 years.

So the Queensland government are again trying to confuse the people of Queensland by re-announcing federal money—money they have already announced. Worse still for the people in my electorate and in the electorate of Bonner, they have again said quite plainly that the Brisbane urban corridor, which I have raised in this parliament about 15 or 20 times, is going to be protected as the freight corridor through the southern suburbs of Brisbane. Let me spell that out even more clearly. Over the next 20 years, the Queensland government claim that in 2006 dollars they will spend \$66 billion on infrastructure projects. But, according to this document, they still want to keep alive the idea of B-double trucks running along suburban roads, running past people's letterboxes in Wishart, Robertson and Coopers Plains, and running across people's back fences in Salisbury and people's front gates in Rocklea.

At the end of it, \$66 billion could have gone a long way to making better use of the Gateway Arterial and Logan motorways, which the Queensland government own, and they should recommend to the Australian government they become part of the national road freight corridor. It is not good enough for Queensland to continue to hide behind the fact that in the early nineties the then Goss Labor government worked with the then Keating Labor government to stitch up a deal that the suburban road would become the national highway and all funding and infrastructure costs along that route would therefore be the feds' problem. They cannot say, 'This is a federal road,' because the road in fact is the Queensland government's road, which the feds have an obligation to assist in funding.

Also, in this particular infrastructure plan is the ambition to build an overpass at Kessels Road and Mains Road. It is an ambition which we are currently funding a study into. It is an ambition that was talked about in the early nineties by the Goss Labor government, but again nothing happened. It really does underscore my earlier contention that, when it comes to infrastructure, Labor talk a lot and produce lots of glossy documents, but even when they have the chance to do something they do not. People in my electorate are basically fed up with the jurisdictional buck-passing. I certainly am. We need a government in Queensland that, when they say, 'These are Queensland government responsibilities, and we are delivering a planning document'—and that is what they have done with this document—actually deliver a planning document that realises that spending \$66 billion, including about \$30 billion of Australian government money, on infrastructure and still putting B-double trucks past people's letterboxes is not a plan; it is a total folly. We need this state government to go.

On top of that, in this document they have also announced yet again more federal funds. This time it is \$25 million for the long overdue rail overpass at Acacia Ridge. We have a state owned railway line which leaves the national rail freight yard—it is the Brisbane-Sydney rail

line, which is owned by the Queensland government—and crosses a state owned road. Queensland have said, ‘We won’t build an overpass,’ no matter how many people in Drewvale, Calamvale, Parkinson, Stretton, Sunnybank Hills and Acacia Ridge are impacted upon. ‘No,’ they have said, ‘We want the feds to fund half.’ All right; we have decided in the interests of the national rail equation that we will fund half of that.

We put the money down on the table 200 days ago and, despite the fact that two years ago the Labor federal opposition said that they would build it if they were elected and the state government said they would build it if federal Labor were elected—they were not elected—the state government have held onto the money, have not done anything and have not processed any of the plans. Frankly, as the federal member for the area, I find it very poor that state members in the area are not demanding progress of their state government.

The bottom line is the good news: the \$25 million along with the \$25 million from the state means a \$50 million solution. But can we actually get something built? When the Beattie government came to power in 1998, they cancelled the Borbidge-Sheldon government’s plans to deal with the infrastructure planning on this particular location. The first thing they knocked out in their 1998 budget was the commitment to plan for this infrastructure. Here we are, almost 10 years later, still banging on about it. Can we just get some progress? The feds, through this budget, are playing their part. Now all we need is the Beattie government to actually produce some results.

I also note for the record how pleased I am to see that the Brisbane City Council has received the single largest vote of funds under the Roads to Recovery program—a program which federal Labor would cancel and which has produced real road results in local authorities right around this country. Brisbane is the single biggest local authority in Australia and has seen a doubling of our contribution directly to them without losing 25 per cent off the top to the state government. Brisbane now gets another \$7 million. That is a \$14 million vote from us directly to Brisbane City Council. I hope that the Lord Mayor of Brisbane will make good use of that, and I know that his council roads and major infrastructure project chairman, Graham Quirk, will obviously look very closely at road projects in and around the electorate of Moreton for good use of those funds.

In the minutes left for my contribution, I also want to pay particular attention to a number of child-care based projects which are occurring in my electorate. The Southside Education Centre, which operates out of Lister Street at Sunnybank—giving second chances to young ladies with some difficult backgrounds, realising that in order for some of them to get education and training opportunities they need child care—has been making very good use of the family and community services department Jobs, Education and Training program funding. The JET child-care project, which has been applied through the Baptist church at Sunnybank, has made an enormous amount of difference to the people in that particular school. Young ladies with very small babies are able to access education opportunities as a result of the \$140,000 worth of work we have put through a number of JET programs.

I also know that schools in and around Moreton, including Wellers Hill State School, have been able to learn about healthy living and build their scientific literacy through the healthier, happier kids program. Some \$60,000 is going to this program, which I think will do a lot to return healthier and happier children. It is also important to state for the record the uncapping of child-care places that we are making possible through our budget initiatives contained in

this bill. Reliant, of course, on planning permission from state governments and local councils are the child-care centres that will come to be built. On the most recent figures, in 2003-04, almost \$13 million in child-care benefits was paid to families in Moreton, and I have no doubt that it will be much greater once the more recent figures come out.

A lot is talked about in this budget about the River Murray project—the half a billion dollars to deal with the healthy rivers needs of Australia—but, under the Community Water Grants program in the Australian government's water fund guaranteed by this budget, some very sensible projects have been invested in in the electorate of Moreton. I was recently able to visit with the Friends of Oxley Creek Common and open the Pelican Lagoon Restoration of Water Quality and Wetland Ecology project. This project was worth some \$29,353, and I know that Angela Wardell-Johnson and her team put that to very good work.

Griffith University's Laser Lab Water Cooling Refurbishment project received almost \$50,000, Runcorn State High School's Harvesting Stormwater to Regenerate Environmental Centre and Three Sporting Fields project received almost \$50,000 and Warrigal Road State School's 'Reduce—Water Efficiency Initiatives' project received another \$50,000.

Back that up by going to a school like Algester where you would see that they have the old dump-and-flush urinal systems. The state government maintains a water system where the water fills up in the boys' toilets and then dumps automatically, 24 hours a day, seven days a week, and the school has to turn to us for funding to try and retrieve that position. You should now start to understand that, even though we are spending a lot of money and we have a trillion-dollar economy, and that this Australian government focuses on the big pictures and the big international initiatives, we are also focused enough on listening to the needs of local communities that we are able to deliver on projects that make a huge difference to individuals and indeed schools and other organisations in my electorate. I am very proud of this budget and I commend it to the House.

Mr GIBBONS (Bendigo) (10.30 am)—I am pleased the previous speaker referred to the Murray River and the need for a decent water policy. All I can say is that at least under the Hawke and Keating governments we had some rain occasionally. This budget is yet another budget of wasted opportunity. In spite of the \$36.7 billion in tax cuts over four years, there are cuts at both ends of the scale but, as usual, the cuts favour high-income groups. With the \$1.4 billion extra assistance for families and the projected surplus of \$10.8 billion, we will still have over two million Australians living in, on or below the poverty line. We will still have over 800,000 Australian kids growing up in households where no-one is employed. We will still have dental waiting lists recorded in calendar years rather than weeks or months. We will still have Australian motorists being bled dry at the petrol bowser, while the Prime Minister and the Treasurer engage in the sickening self-congratulations we have witnessed recently.

This budget is yet another Treasurer Costello budget of wasted opportunity. The budget fails to plan for Australia's future; in fact, it mortgages our future, as our leader Kim Beazley has said. It has no ability to take the pressure off interest rates. If interest rates rise again, all Australians will know who to blame: this Prime Minister and this Treasurer. The budget's failure to fix the skills crisis, demonstrate national leadership and turn around the current account deficit may force interest rates up yet again. All Australians will know who to blame: the Prime Minister and the Treasurer.

As the Leader of the Opposition said in his address on the Thursday after the budget was handed down, this budget contains no initiatives to free Australia from being held hostage to the Middle Eastern oil prices, no plan to develop new Australian fuels, no plan to fix the nation's infrastructure—we have clogged roads, slow internet connection, near empty dams and overburdened ports—no plan to stop kids from being turned away from TAFE colleges or, if they get into university, ending up with a debt the size of a home mortgage, no plan to tackle the growing crisis in kids' health and no plan for child care.

The miserable tax relief announced in the 2006 budget has been assisted by the massive revenue base the Howard government has achieved by ripping off ordinary Australian taxpayers at a level unprecedented in Australia's history. The record 15 years of strong economic growth is based on the major reforms put in place by the previous Hawke and Keating governments and a massive tax rip-off by the Howard government. The Howard government constantly beats its chest, bragging about its economic management achievements when, in reality, all it has done is become the highest taxing Australian government in history. The 2006 budget tax cuts are really just paying back a tiny fraction of the massive tax rip-off that the Howard and Costello government have been slugging Australians with over the past 10 years.

What is the purpose of the Howard government's so-called strong economy if millions of Australians are struggling to provide just the basics for themselves and their families? If the Prime Minister and the Treasurer are the economic management geniuses they pretend to be then why are Australians being slugged with crippling petrol prices, rising interest rates and dramatically increasing levels of personal debt? Under the Howard government, the strong economy only benefits those at the top end of town and leaves the no-income groups and the low- to middle-income groups struggling to survive.

Labor is committed to a strong economy with a purpose—that is, a strong economy that benefits all Australians, not just the top end of town. The Treasurer in his budget speech highlighted the fact that the so-called government debt had been abolished, but what he did not say on the day he nominated as Australia's debt-free day was that on that day Australia's foreign debt reached a staggering half a trillion dollars. That means Bendigo, along with the rest of Australia, is now burdened with \$24,276 of foreign debt for every man, woman and child. Bendigo has one of the lowest median family weekly incomes in Australia at just \$736 per week. I doubt that there are too many people in central Victoria who celebrated the Treasurer's debt-free day.

Foreign debt has now risen by more in the last 3½ years than it did during the entire 13 years of the last federal Labor government. In the last two years alone, the Treasurer stood by and watched Australia's foreign debt jump by more than \$100 billion. In 1995 the Treasurer himself drew the link between high levels of foreign debt and the risks of high interest rates when he said, 'A high level of foreign debt makes Australia more vulnerable and increasingly at the mercy of international financial markets because Australia has a current account problem that puts premium on Australian borrowings that flows through and every Australian pays for the consequences.' Foreign debt is now more than \$300 billion higher than it was when the member for Higgins became Treasurer.

The Treasurer has claimed this astounding level of foreign debt does not matter because it is private debt rather than public debt. However, foreign lenders, who influence the level of the interest rates we pay, do not distinguish between public and private debt. Rather than di-

verting attention away from the many factors currently damaging the government's standing in the community, the Treasurer should have used the strong economic climate he largely inherited to put in place initiatives to tackle and reduce poverty. Then the Treasurer would have something worth while to brag about.

Labor's plan for child-care centres located at schools will suit parents who have kids in child care and kids at school. To assist this initiative a federal Labor government will provide \$200 million to establish 260 new child-care centres on primary school grounds or other community land. Labor will ensure that these places go to the areas in our suburbs or regional towns where there are child-care shortages. Labor will ensure the new places go to where they are needed most so that parents can work knowing their kids are getting an educational experience that will set them up for life. Labor's child-care initiatives will meet the Australian economy's pressing need for more skilled workers. A Labor government will do its bit by giving parents the incentive to work without killing family life.

When Australians want to learn a traditional trade to become one of the skilled workers this country so desperately needs, they should not have to pay. A future Labor government will abolish TAFE fees for traditional trades. This will benefit around 60,000 traditional apprentices who start training each year. Labor's priority is to train Australians first and train Australians now. A federal Labor government will set up skills accounts to help Australian families save for training and skills. Labor will make an initial deposit of \$800 per year for up to four years in an apprentice skills account to get rid of the up-front TAFE fees. That is \$800 a year for kids who want to train to be plumbers, panel beaters, electricians, welders, motor mechanics, chefs, hairdressers et cetera. To help solve Australia's massive shortage of child-care workers, Labor will extend its skills account plan to get rid of TAFE fees for the thousands of Australian trainee child-care carers who start courses each year. A federal Labor government will get rid of TAFE fees for eligible child-care courses by making an initial deposit of \$1,200 per year for up to two years in a trainee skills account. Young people training to teach and care for the nation's kids can use this to pay up-front fees at a TAFE or other eligible provider, or they can use it for materials and resources charges.

Labor will give every Australian student the opportunity to study at a specialised trade school. It will give younger students the chance to try their hands at a trade with a trade taster program. For older students, there will be more school based apprenticeships. Labor will invest in real apprenticeship schemes, not the fake apprenticeship schemes that use our kids as cheap labour and give them no skills. Labor will give them \$2,000 as a trade completion bonus to encourage kids to finish their courses, and this will produce an extra 10,000 tradespeople—the plumbers, the builders, the child-care workers and all of those tradespeople that we so desperately need now.

Two hundred and seventy thousand extra skilled workers have entered this country over the last 10 years while 300,000 young Australians have been turned away from TAFE. We are seeing Australians laid off while foreign workers take their places on conditions that no-one should have put up with. The Howard government is allowing foreign apprentices to come to Australia and take apprenticeship places, and in fact it is providing incentives for businesses to take them on. These foreign apprentices are located in regional areas where youth unemployment is already too high and wages too low. To get their visas, foreign apprentices must accept whatever wages and conditions are on offer, and young Aussies have to compete with

them. If they do not like it, they lose their visas and they are out. Over time, this will ruin the job prospects of young Australians. To deal with this, a federal Labor government will abolish the foreign apprenticeship visas. Labor will train our kids first before we train anyone else's.

A federal Labor government will invest in a joint venture with telecommunications companies to build a superfast computer network. Labor will draw on the \$757 million Broadband Connect program as well as providing an equity injection from the \$2 billion earmarked for the Communications Fund to deliver the public funding on this in partnership with the private sector. This will deliver broadband that can instantly download documentaries, educational software and digital books; broadband that can host a digital classroom where children can have videoconferences all around Australia—a digital School of the Air for all. Plus, Labor will offer a clean feed for parents who want to make sure their kids are learning on the internet and not being exposed to pornography and violence. This is an investment in national infrastructure that equips our kids for the future.

Part of Labor's plan is to rebuild Australia's crumbling roads, rail, ports, electricity and communications networks. Labor will take the politics out of infrastructure spending with an independent expert body called Infrastructure Australia. It will make it easier for super funds to invest in infrastructure. We will set up a Building Australia fund to invest in a productive infrastructure of the future. When Australians want to compete in the world, Labor will make sure they have the 21st century infrastructure to take on the world's best and win.

Nothing in this budget will help the 40 employees of the Kyneton firm John Brown Hosiery, who were informed on Monday, 15 May, that the company had been placed in voluntary liquidation. The company had been a major employer in Kyneton since the 1960s and many employees have been with the company for many years, some for as many as 30 years. This is a severe blow to the Kyneton district and follows the closure of the Frew Meatworks in 2004. This company enjoyed a good relationship with its employees and the Kyneton community, and its loss will adversely affect the whole region.

One of the problems that affected just some of the Frew employees, earlier, was the timing of the actual terminations, which was toward the end of that financial year, resulting in some employees who had young families and were on family payment benefits being penalised by being slugged by Centrelink for underestimating their annual income. I fear that some John Brown employees may find themselves in similar circumstances. Frew Meatworks and John Brown Hosiery employees with families had no way of knowing that they would be made redundant when they estimated their annual incomes for the next financial year, so any termination, redundancy or entitlement payment in that financial year would not have been declared and therefore will attract a penalty. This was raised with several government departments after the Frew example, but the Howard government refused to provide any worthwhile assistance other than arranging a long-term method of payment of the penalty. These people had lost their jobs through no fault of their own and were dealt with by the Howard government with all of the compassion of the Third Reich. I fear the same situation will arise for the John Brown Hosiery employees with young families. I will be more than happy to pursue this matter again on their behalf.

I said earlier that this budget is yet another example of wasted opportunity, but there is always one opportunity that the Howard-Costello government never fails to take advantage of—the opportunity to help itself to vast sums of taxpayer dollars to pay for what is allegedly

government advertising but in reality is just Liberal-National Party political advertising designed to spin Australians into thinking that its harsh and unfair policies are in their interests. If the coalition policies are so good and are in the national interest, you would think there would be no need to squander the almost \$1.5 billion of taxpayers' dollars on shonky party political advertising.

Yesterday's Senate estimates committee hearings have shown that the federal government is preparing to take advantage of around \$380 million of hard-earned taxpayers' dollars over four years in blatant party political advertising, with much of the money to be spent prior to next year's federal election. At least \$250 million has been allocated in the 2006-07 budget for 13 campaigns, including: \$52.1 million for the private health insurance campaign, which it is claimed will 'increase consumer awareness of the incentives and benefits associated with private health insurance'; \$47.3 million for a smartcard awareness campaign—if it is such a smart card, why spend all that money?—which it is claimed will 'ensure all Australians are aware of the processes for registering for the card'; \$36.1 million for the child support reforms to 'increase awareness of the reforms'; \$15 million for the independent contractors and AWA communications campaign; and a massive Medicare mail-out for April 2007.

The \$250 million is on top of a \$130 million advertising placement spend for the current financial year, making a combined total amount of advertising, as revealed in yesterday's estimates committee hearing, of \$380 million. Budget papers show that much of the money will be spent in the lead-up to the federal election due to be held about October 2007. The spending is in addition to extra cash for a national education campaign for families, a Connect Australia campaign, a possible child-care benefits rebate campaign, a 'smartraveller' information campaign, a citizenship campaign and a Living in Harmony initiative.

It is also on top of \$55 million already spent on the government's Work Choices campaign promoting its new, unfair industrial relations regime. In fact, the Howard government had already misappropriated over \$1 billion of taxpayers' money since 1996 on this blatant abuse of public funds under this outrageous and so-called government advertising—a rip-off. As my colleague the member for Wills so eloquently put it, never before in the history of Australian advertising have so many taxpayer dollars been hosed up against a wall by so few, affecting so many, in so short a time.

Five days of meetings with authorities in the Northern Territory and Queensland fishing industry and marine environment have confirmed to me that illegal fishing continues to run out of control in Northern Australia. The failure of the Howard government to deal effectively with illegal fishing has seen incursions skyrocket. The budget spin suggests that the Howard government is addressing the issue but, as usual, the spin does not match the reality. Illegal fishermen landing on Australian soil is, I believe, the main security risk facing Australia today—without a doubt. Last year there were over 13,000 sightings of suspected illegal fishing boats off Northern Australia. That means thousands of people entered Australian territory illegally in 2005, presenting a significant health and quarantine risk, not to mention the possible threats to our security.

Even after all of the spin surrounding the budget, the government's goal is to catch about 400 illegal boats next year. That will leave about 12,600 free to come and go as they please. The Australian Fisheries Management Authority has admitted that this budget will enable an average of two illegal boats to be captured per day. Again, with over 13,000 illegal vessels

sighted last year, that leaves 33 illegal boats per day plundering our waters. This represents a potential catastrophe for all Australians, as the illegal fishermen are landing on mainland Australian soil, storing caches of food and water, which is often contaminated, and bringing with them various live birds and other animals for food and for pets. The boats are usually infested with rats and other vermin and the few that are confiscated have to be burnt. The fishermen come from Asian nations which have foot-and-mouth disease, rabies and a range of other diseases. It would be disastrous if those diseases were to spread throughout Australia.

I believe that illegal fishing represents a far greater threat to Australia than any asylum seekers, yet the Howard government is obsessed with tough action for illegal migrants but is doing very little to deal with this potentially devastating problem. All of the authorities and industry groups we met with have confirmed the need for better coordination of effort at a national level, and that means a coastguard. Australia desperately needs additional patrol boats to detain the thousands of illegal boats that enter our territorial waters each year. Instead, the government is inappropriately diverting just two highly specialised minehunter vessels for what should be patrol boat tasks. Minehunters have a unique design with specialised low-speed propulsion systems and are made from special non-magnetic materials. They were never designed to act as patrol boats. The Navy is now paying the price for the government's mismanagement of border security. Instead of diverting minehunters from their normal activities, the government should commit to more patrol boats and a coastguard.

On a positive note, I welcome the budget initiative of more recognition and resources for the northern sea rangers, who are providing a superb level of Australian maritime surveillance. Labor welcomes the Howard government's budget announcement that finally gives recognition to the northern sea rangers. For two years Labor has praised rangers like the Maningrida sea rangers, with whom I had the privilege of meeting with a few weeks ago. Indigenous sea rangers serve the important role of monitoring incursions and irregular movements in some of our most isolated areas. Indigenous sea rangers are able to spot things that non-Indigenous people would never see, because of their unique affinity with the land and the sea. Sea rangers can now play a far greater role in monitoring and reporting foreign incursions, and it is simply scandalous that the Howard government continues to deny the appropriate resources to effectively deal with the information that sea rangers are capable of delivering. This is a growing crisis that needs immediate and substantial action by the Howard government rather than the ad hoc and stopgap measures outlined in this budget.

Mrs MAY (McPherson) (10.49 am)—There is no doubt that the Appropriation Bill (No. 1) 2006-2007 and the associated bills presented to the parliament by the Treasurer recently clearly demonstrate the strong economic growth and unprecedented wealth this country has enjoyed over the past 10 years. Ten years of discipline, focus, vision and sound economic and fiscal management have seen this country and its people prosper—and they have prospered under a coalition government.

The Treasurer has delivered his 11th budget and his ninth surplus—a staggering achievement when you consider where this country was 10 years ago. The coalition came to government with a \$96 million Labor government debt to pay off. That was the legacy left by the opposition—a debt we became responsible for. This debt was costing billions in annual interest payments and has now been paid off. This is an extraordinary achievement by this government and one that clearly demonstrates the competence and capability of this government:

no government debt and a saving of \$8 billion in interest payments. Australia has zero debt, is no longer making interest payments and has more funding for Aussie families and for Australia's future.

By retiring that government debt, maintaining economic growth at an average of 3.5 per cent per annum, sustaining budget surpluses, keeping interest rates low, maintaining moderate inflation and keeping unemployment to 30-year lows, this country can expect strong economic growth well into the future that will see higher living standards for all and a \$1 trillion economy in 2006-07, when Australia's GDP is expected to reach that figure for the first time.

This budget spells out just how Australia and Australians can be optimistic about the future. The strong economic management of this government will deliver benefits for all Australians, and this budget introduces measures to ensure that future. There is a plan to simplify and streamline Australia's superannuation system through personal tax relief worth \$36.7 billion over the next four years, an extra \$1.5 billion in extra assistance to families, enhancements to tax depreciation arrangements worth \$3.7 billion to improve business efficiency and competitiveness, an additional \$2.3 billion to accelerate major projects in road and rail infrastructure, a \$1.9 billion investment over five years in mental health services, \$241 million to train more doctors and nurses, and \$905 million to boost health and medical research. This is a great budget for the future prosperity of this country.

I would like to take the opportunity today to outline in more detail some of the budget measures that will specifically assist the Gold Coast city and its residents. Over the past week I have received many calls and letters praising the coalition government on the measures in the budget, in particular from families, retirees and small business owners. All will benefit from the measures outlined by the Treasurer on budget night. How do these measures assist the Gold Coast and the people of McPherson? First, they assist through tax cuts delivered via a new comprehensive tax plan—a plan that is about continuing tax reform in this country and reducing the tax burden on all Australians while still funding services that Australians deserve and have come to expect from government, decent services that provide for all members of our communities.

Since 2000 this government has reduced the marginal tax rates at the lower end of the income scale. From 1 July 2006, the government will reduce the marginal tax rates at the upper end of the tax scale. Australia is a low tax country, despite what the opposition may say. We are the eighth lowest taxing of the developed countries. These changes will ensure our taxation system is more competitive and bring Australia's upper income tax rates into line with OECD averages. This budget will reduce the 47c and 42c rates to 45c and 40c respectively and give Australia just four marginal tax rates, of 15c, 30c, 40c and 45c. Along with these tax cuts there will be an increase in the thresholds so that the 15c rate will apply for incomes up to \$25,000, the 30c rate for incomes up to \$75,000, the 40c rate for incomes up to \$150,000 and the 45c rate for incomes above that. What this means is that 80 per cent of Australians will have a top marginal rate of only 30c and taxpayers will not reach the highest marginal rate until they earn more than three times average weekly earnings.

This measure has been very welcome in the electorate of McPherson. Tax reform was high on the wish list of Australian families in my electorate. The lower tax rates and the higher thresholds help the majority of my families. And the help for families does not stop with these measures. Helping families has been one of the highest priorities of this government over the

last 10 years, and it will continue to be a priority. Since coming to office, we have doubled assistance to families through the family tax benefit system. The Treasurer announced in the budget package further enhancements to family tax benefit part A. Families will receive from 1 July 2006 the maximum amount if they earn less than \$40,000—an increase from \$33,361, which is the current level for eligibility. This is very generous. In fact, the measure will provide additional assistance to almost half a million Australian families at a cost of \$993 million over four years.

The large family supplement will also increase to include those families with three children. That increase will also take effect from 1 July 2006. Child-care places will also increase. This government believes in choice with regard to child care. Options should be available for the care of children and, to that end, the limit on the number of subsidised outside school hours care and family day care places will be uncapped, which means eligible providers will be funded. This means more choices for more Aussie mums.

Tax reform did not just assist our families. The Treasurer announced measures to assist and support senior Australians, self-funded retirees and carers. Each one of these groups of people has also benefited from the comprehensive tax plan. Those senior Australians eligible for the senior Australians tax offset will pay no tax on an annual income up to \$24,867 for singles and up to \$41,360 for couples. The Gold Coast is home to many self-funded retirees, and the feedback on these increases is very welcome from those very special people who have worked hard and provided for their retirement. A senior's concession allowance will be introduced for certain self-funded retirees who do not get pensioner concessions. And those eligible self-funded retirees will also receive a \$102.80 one-off utilities payment.

Carers in our community make a special contribution to our society. I had the pleasure recently of officially opening a carers forum, which was convened on the Gold Coast by the Commonwealth Carer Respite Centre to enable carers to come together, to listen to speakers from government and service providers, to share the difficulties they face each day in the role they undertake—a role that often sees these people shut away from their communities with very little social interaction and very little time for themselves because of the very demanding 24-hour a day service they undertake in caring for a loved one at home. These people deserve special recognition. They need to be supported and assisted with services and respite to ensure they do not suffer themselves. So often, I hear of carers whose own health and wellbeing has deteriorated because of the constant, selfless tasks they undertake daily.

The Treasurer announced an additional \$1,000 to be paid this financial year to eligible carers in recognition of the tireless work they undertake. More than 100,000 Australians will receive this payment. The \$1,000 bonus will also be extended to the 25,000 people who receive either the wife pension or the veterans' affairs partner service pension and are carers. That measure has been particularly welcomed in McPherson by the wives of veterans who are carers. And to those people in receipt of the carer allowance, there will be an additional payment of \$600 this financial year. These payments, more importantly, are tax free. All these measures—measures to assist families and senior Australians—are very welcome. But of course they can be delivered and provided only because of the responsible economic management of the coalition government—that should not be forgotten. We are not running a budget deficit. We are in the black and introducing policies that will continue to build the economic strength of this country for all Australians.

There are a number of Gold Coast projects that were successful in securing funding through this budget, and I would like to briefly touch on some of those projects and what part they will play in building on the strengths of the Gold Coast city and its communities. Bond University has received a \$4.5 million capital funding grant for the health sciences and medicine building that is training tomorrow's medical practitioners. The undergraduate medical program is quickly gaining an outstanding reputation amongst the medical community, both nationally and internationally, and has attracted some very talented students who will become the medical leaders of the future. The medical program has been an exceptional success for Bond University. The federal government grant represents a landmark for Bond as it is the first time in the history of the university that government at any level has provided such significant funding.

I am proud to be a member of the Bond medical faculty advisory board and delighted that the federal government recognised the contribution Bond was making to education, particularly in the area of medicine. We all know this country needs doctors, particularly in Queensland, and Bond stepped up to the plate by investing in this very specialised area. It is to be congratulated on making the enormous commitment to training doctors and thus making an enduring contribution to the health and wellbeing of this country.

Of great assistance to Bond and other tertiary institutions around the country is the commitment by this government to increase the general FEE-HELP loan limit from \$50,950 to \$80,000 and increase the FEE-HELP loan limit for medicine, dentistry and veterinary science to \$100,000, commencing on 1 January 2007. There is no doubt this government's commitment to increasing the FEE-HELP loan scheme for domestic students will give Australian students far greater freedom when choosing their higher education provider. It will also improve the affordability of private education for Aussie students; it will make it more accessible. This initiative will certainly assist students choosing to study at Bond. The higher loan limit means the majority of students will now be able to fund their degree wholly through FEE-HELP rather than having to enter into expensive commercial loans.

Another project that received additional funding in the budget was the Kids Alive Do the Five program. This has been a highly successful program developed by Laurie Lawrence, a man who is committed to teaching youngsters how to swim. Even though Laurie is widely recognised and has some impressive achievements to his name, he has told me that nothing satisfies him more than saving toddlers' lives. In 2004-05, toddler drownings in this country fell from 40 to 28, and there is no doubt Laurie's program has played a big part in saving those young lives. The project has received an additional \$330,000, which means the show will be on the road for another 12 months. The roadshow involves a crew of five travelling in two vehicles: a five-tonne truck that carries the stage equipment and a care van that carries the crew's luggage. The show has been seen by over 45,000 kids in 109 towns around Australia, from the southern Gold Coast to Aurukun, Ayers Rock, Coober Pedy, Perth and right down to Hobart and Devonport. With this new allocation of funding, thousands more kids will learn how to 'do the five'.

As I said earlier, this government is committed to families, and to enhance that commitment Centacare has received an allocation of \$1.425 million to establish an early intervention service on the Gold Coast for families, couples and individuals to teach them the skills and the knowledge they need to help maintain a healthy family environment and assist with rela-

tionships. I have no doubt Centacare will do an excellent job in delivering these much needed services to the Gold Coast city.

The Gold Coast Drug Council received a \$50,000 grant for drug and alcohol treatment services. These services are vital on the Gold Coast and the dedicated team led by Mary Alcorn at Mirakai that deliver these services are to be congratulated for their continued efforts in combating the drug and alcohol problems that affect young people on the Gold Coast.

Aged care facilities and services are vital for the Gold Coast community. To ensure the facilities are delivering and maintaining standards of care that we expect, the government has allocated funding for increased spot checks of residential aged care homes. Under this initiative each residential aged care home will have at least one unannounced site visit annually. This initiative will give peace of mind to families of loved ones who are living in an aged care home.

It is a fact that Australia does not have enough organ donors to meet the needs of Australians who require transplants. As a country we continue to lag behind other OECD countries in our rate of organ donation. The coalition government has allocated \$28.4 million over four years to increase the rate of organ and tissue donation by raising awareness and streamlining the processes. This is a great step forward for an initiative that will be supported very much in my community.

The Gold Coast is the tourism capital of Australia. Some would disagree with me but I think we still maintain that crown. Tourism is a \$75 billion industry that has created more than 13½ thousand jobs in this country over the last financial year. I know that many of those jobs are on the Gold Coast. It is an industry that earns Australia more than \$18 billion in exports, and the funding in this budget is a further commitment by this government to the industry. Key areas of the government's support for the industry include funding for Tourism Australia, \$15.4 million to be invested under the Australian Tourism Development Program and the roll-out of the new international tourism campaign. The campaign is already having an impact. With the government's support, this industry will continue to grow and provide many jobs in regional and rural Australia.

There are two further areas of government investment that I would like to comment on. They are two areas of investment which are often raised with me and which, in my view, we should continue to invest in wisely for the future growth and prosperity of our country. They are: economic infrastructure and physical health infrastructure. Improvements in the health of all Australians rests on quality research and funding for the National Health and Medical Research Council. That funding has been increased again in this budget, and it will take the base funding to over \$700 million per annum by 2009-10. To value add to that funding the federal government has announced new funding of \$235 million for the physical infrastructure—the laboratories and equipment—that our researchers need to do their work. Medical technology is helping people to live longer and to have better quality of life. Technology will continue to advance, but with that technological advance will come escalating costs.

Australians also have a part to play. Obesity is a huge problem in this country, particularly in the young. We have seen a huge increase in diabetes, a disease that can be prevented by individuals taking responsibility for the choices they make about their lifestyles. Advances in medical technology are wonderful, and certainly saves lives, but as a country we must start

developing lifestyle related choices that will also enhance our quality of life and our longevity.

Finally, I want to turn to economic infrastructure, particularly roads. I know that the member for Blair, who is sitting in the chamber today, supports me in lobbying extremely hard for that funding for our road infrastructure in this country. I applaud the government for its commitment of an additional \$2.3 billion for AusLink. This funding will assist with major road infrastructure through to 2009. There is of course the Roads to Recovery program, which is another important program that delivers much needed funding to local councils to fix local problems. This funding has been doubled. The Gold Coast City Council will receive double their previous funding, more than \$7 million, which will certainly help to alleviate some of the bottlenecks we are experiencing in our city.

There is no doubt that this budget has delivered. There is so much more that one could comment on, such as funding for mental health, maintaining our commitment to defence, strengthening our national security and combating illegal fishing. I commend the bills to the House. (*Time expired*)

Mr LAURIE FERGUSON (Reid) (11.09 am)—I was recently reading the two-volume monumental work by David Clune and Ken Turner on the premiers of New South Wales. Some of the premiers were ephemeral and some of those who were more contemporary are still remembered. Some of them were great contributors to the state and others are best forgotten. This made me think of the appropriation bills and the budget that are before us today in the context of the Prime Minister's long-term image.

On an international front, he will not go down in history as someone of any great moment. The war in Iraq is obviously turning into an almighty mess and a number of countries are reducing their forces in that country. There is a misunderstanding of what would be necessary if and when the allied forces are victorious, and a misunderstanding of the internal forces in Iraq.

In Timor, thousands of people were murdered as this government prevaricated and denied questions about it from the then shadow foreign minister, the member for Kingsford Smith. As he daily questioned the government about the need for action, he was ridiculed and, as I said, thousands of people were killed in the interim period.

The Menzies governments and later Labor governments were respected in international forums for Australia's strong position on human rights. Certainly on those fronts the image of the Howard government will not be a very rewarding one in the decades to come. Electorally, few would quibble with the success of the Prime Minister, although there might be some questions about the nature of the victory on the *Tampa* issue.

This budget presented an opportunity for the government on many fronts—economic, national infrastructure and productivity—to build Australia for the future. I am sad to say that the government missed this opportunity. It represented an opportunity for the Prime Minister to go down in history on a national building front. This economic success is based less on management by the Treasurer and the government than on minerals and commodities. The Treasury Macroeconomic Division, in their spring 2005 round-up, clearly stated where this success was due. They stated:

Mining commodity prices have risen strongly recently. This appears more than a fluctuation around a long-term downward trend. Rather it reflects the strong state of world demand, and in particular the rapid industrialisation of China.

However, they cautioned:

As more productive capacity comes into operation around the world, commodity prices will slow or fall back somewhat.

Earlier in the article, they noted:

Australia's mineral resources are an important source of national income. The mining sector accounted for around \$43 billion, or 5 per cent, of Australia's GDP in 2004-05. This share is rising following the large price rises for some of our key resource exports. As mining is a capital-intensive sector, its share of national employment is significantly lower at around 1 per cent.

That must be borne in mind with regard to the wage repression that the government is trying to engineer in this country. The government often cites the wages in the mining sector, but mining is capital intensive, few are employed in it and it is short term in certain localities. So no less a source than Treasury cites the importance of mining in contributing to our current situation.

It is also interesting to note in ABARE's latest statistics for the March quarter of 2006 that mineral resources, which were 35 per cent as a proportion of exports of goods and services in 2000-01, climbed to 41 per cent in 2004-05. ABARE cite similar statistics with regard to the direction of exports of minerals. In 1994-95, China represented three per cent; it now represents 17 per cent. India represented one per cent; it now represents 10 per cent. So we should not get too carried away with pronouncements about how our economic success is related to government policies. A clear ingredient in that is the minerals sector, and the government's contribution to that success is very questionable. This is not exactly a government that goes out actively promoting exports. In fact, its philosophy is more one of hands-off and inaction.

Whilst this is a fairly merry economic picture from the government's point of view, I note the cautionary comment by Treasury that I quoted. I also want to refer to another body, the OECD, which is often cited by this government. In an article on Wednesday, 24 May, the OECD's latest assessment of the world economy concluded:

... inflation in Australia should remain subdued—provided the Government resists the temptation to spend any unexpected revenue gains.

This relates not only to the latest budget but also to the time of the last election when the government was spending \$1 million a day. One questionable decision in this budget is to put a few million dollars into the Cronulla rugby league club in Sydney on the basis not of the national interest but that the Treasurer is the No. 2 ticket holder of the club. That is the kind of money that is being thrown away in this latest budget. The OECD has questioned the amount of money being thrown around at the moment in the context of the resources boom, which, as has been noted, will not continue in the long term.

If people are not content with the comments of ABARE, the OECD or the Treasury, I turn to the Treasurer's view on the major ingredient of the success. Speaking to Laurie Oakes on *Nightline*, he said:

... strong company profits is the area that has increased and that is largely led by banks and mining companies. Mining companies and banks are extremely profitable at the moment, they are paying more in company tax.

I think he is quite correct. The successes have come from those sectors—in some instances, well beyond government control. The profitability of the banks has been driven by this government's inaction on fees and charges as well as the explosion of personal debt and the growth in housing prices. Only last week we saw the St George Bank bring down further charges on people.

With so much money around, it would have been in the national interest for more emphasis to be placed on national infrastructure and building. We constantly talk about the roads in members' electorates, and no doubt everyone would be happy about having roads and streets in their electorate upgraded. However, in the context of IT infrastructure—and there are major question marks there—ports, rail infrastructure et cetera, and most particularly the training of human beings in skills acquisition, one would have to say that opportunities have been lost.

In fact, a few training schemes disappeared in this budget. Assistance to help regional employers to hire locals and a scheme to put women into non-traditional occupations were both scrapped. This is in the context of this government bringing 97,000 to 100,000 migrants to Australia a year. This government was supposedly going to solve the problem by creating a series of TAFE colleges, most of which have not got off the ground—one-third of the money has not been expended at this stage, a number of the prospectuses for the colleges have been abandoned and sites have been forgotten about. With so much money in this budget, there were opportunities, but the government chose not to go down that path.

The opposition welcomes the tax relief measures. However, it is worth noting the disparity in outcomes. Those earning up to \$70,000 a year will receive tax cuts of only \$7 to \$10 a week on top of the minimal gains in the last two budgets. In contrast, the people who will be protected by recent changes to our electoral laws when they make donations to the government parties—the people whose donations will be concealed through the Greenfields Foundation and other entities—have come out of this quite well. The richest Australians—high-income earners on \$200,000 a year—will get a \$90 a week tax cut in the budget on top of the \$110 tax cuts they gained in the last two budgets. Since 1996, the top five per cent of taxpayers have received 25 per cent of the Howard government's tax cuts. So whilst there was some tax relief for the average person in middle Australia, the vast preponderance of the tax cuts went to the big end of town.

The minimal gains for low-income earners are being eroded through increases in the price of oil, which shows no sign of abating, and the government is looking at wage suppression. This government constantly talks about the movement in real wages while it has been in power, in comparison to the movement in real wages under the previous government, and says it has been the government of higher wages. The government is trying to destroy the conciliation and arbitration process in this country to suppress wages. In each national wage case, the government opposed the increases. The government glories in the fact that its views were rejected by the conciliation and arbitration commission. The government associates the rejection of its views as a victory, but we know that this government is driving wage suppression in this country. This is at a time when the movement of wages in this country is extremely inequitable.

I refer to the work of John Shields in the *Journal of Australian Political Economy*, No. 56, with regard to the Business Council of Australia, which has driven, more than any other organisation, the need to repress wages and reduce people's rights and conditions. That was a

very interesting survey of movements of executive salaries in this country. For instance, on page 310, it states:

As the table ... discloses, the average termination payment for CEOs departing prior to 2000 was \$2.3 million, while for those leaving between 2001 and 2005 the average payout was just under \$3.3 million.

Furthermore, it notes:

... the blow-out in CEO pay levels is difficult to reconcile with the BCA CEO's persistent advocacy of a more competitive labour cost structure for the Australian economy ... Over the past 16 years, their average total cash earnings has risen at an average compound annual growth rate of 13.5 percent (or 10.7 percent in inflation-adjusted terms), compared to just 4.2 percent (or approximately 1.4 percent in real terms) for other employees generally. The gross cash earnings gap between the two groups has widened from 18:1 to 63:1.

We have a government driven by BCA material. We had a nice little comment from the Treasurer last week that he cannot understand how one individual could earn so much, and that is supposed to solve the long-term overall national trend. As I say, these increases in minor tax relief to the average Australian are at a time when they are eaten up by petrol price movements, the severe attempt to repress their wages and the movement in interest rates.

With regard to training, the government has really dropped the ball very badly. We are one of the few advanced Western countries in the OECD where there has been a retreat of government expenditure on tertiary education, whether it be in university or TAFE areas—

Government members interjecting—

Mr LAURIE FERGUSON—People might shake their head, but the facts are in the statistics which the OECD puts out and which this government is well aware of. Not only has there been a retreat of government expenditure with regard to tertiary expenditure but also research and development—another area where the government believes that the hands-off, inactive approach is the way to success.

Mr Laming—What's the total education funding? Give us the total figure.

Mr LAURIE FERGUSON—We are talking about the percentage of GDP. An amount of \$182 million of training gestures in the context of \$37 billion tax cuts really puts this in context. I want to cite Heather Ridout from the Australian Industry Group:

We've been seeking additional incentive arrangements that encourages existing workers to upskill and younger people to achieve higher skill levels outcomes.

... ..

This would require payment of incentives in addition to those announced in the Budget.

We are 15th in OECD R&D, just for the information of some of the other parties. That position, of course, is accompanied by the severe situation with regard to the current account deficit. However, Anna Lavelle, in the *Australian Financial Review* of 16 May, whilst talking about the government's decision to put some money into venture capital—a praiseworthy action by the government—further commented:

One of the biggest threats to the industry is the growing skills shortage in science and engineering.

... ..

But the need for a long-term strategy to attract secondary and tertiary students ... and to encourage re-training and upgrading of skills ... is fundamental ...

The article also referred to the need for business and management skills. Hundreds of thousands of people have been turned away from the TAFE sector over the last few years. They have been balanced by virtually an equal number of people coming in as skilled workers. The government tries to paint those people concerned about this pattern as xenophobic and racist et cetera. That comes from a party which used question time yesterday to essentially denigrate Indigenous Australians and tried to make into a massive national issue the fact that one or two people might have received lighter sentences because of custodial law and totally ignored their human condition with regard to housing, dislocation and family problems.

As I have referred to previously, training in this country is a fundamental issue. Labor in its budget alternative talks about the disappearance of TAFE fees for people in traditional trades and, importantly, in child care—an area where, despite the promise of more places, article after article has talked about the fact that there is geographic imbalance, that there are large numbers of people who are not at work using these resources at the moment and that other people cannot get access so that they will be able to work. It is a question not only of access but also of people's ability to afford those rights.

This budget, as I have stressed throughout, is a budget which again gives higher tax assistance to those on higher incomes. The picture in Australia is very complex; it is not a uniform country. When the national unemployment rate was 5.3 per cent, we had teenagers at 15.2 per cent, Indigenous Australians at 20.3 per cent, single parents at 12 per cent, North African and Middle Eastern people—who predominate in my electorate—at 12.1 per cent, Australians with Vietnamese backgrounds at 11 per cent and recently arrived people at 10.9 per cent. The central western region of Sydney, at a time when the national unemployment rate went down by 0.1 per cent, surged by 1.4 per cent to 5.8 per cent. Whilst it might be comforting that the big end of town has significant tax relief, that does not affect broad middle Australia.

In research note No. 53, you see the disparity between electorates. In the electorate of Reid, 14.3 per cent of people depend on government cash benefits compared to 2.8 per cent of people in the electorate of Wentworth, where the alternative Treasurer resides. Similarly, 24 per cent of Wentworth residents rely on investments, contrasting with three per cent in my electorate. That is reflected in Deakin University's Australian Unity Study, which talks about the level of contentment and happiness of electorates around this country. It was no surprise that Reid, with a poverty rate of 11 per cent and ranked 109th with regard to incomes, was amongst those with the highest level of discontent about their circumstances. It was a situation where 13,850 people were regarded as being impoverished.

Labor's alternative to this budget stresses national skills acquisition. It talks about making sure that people gain access to TAFE colleges. It makes sure that there is more availability of child care, that child-care places are in suburbs where there is a need and that it is not just a slogan about how many places are released or how big ABC is becoming as a corporation. It looks at child-care availability in schools, where parents can drop a number of children at the same site so that people are not going around to a variety of sites to drop off children and the children can have the support of their elder brothers and sisters. If that is not available, it looks at community centres.

Labor's alternative also talks about broadband access for education. It stresses that Australia must now decide to do something about the future. It must build the infrastructure; it must build the training; it must not rely on the short-term option of importing about 100,000 skilled

migrants a year. I remember the period of the Keating government when Australia was importing 25,000 skilled migrants a year. The same people who now say it is xenophobic to oppose this are the people who then decried the level of 25,000: it was too high; there were too many coming; we were relying too much on this. Which employers are going to train people if they have the easy way out of being able to bring people in from overseas at the drop of a hat?

Mr Laming—Establishing a shortage; no locals available.

Mr LAURIE FERGUSON—There are no locals available in certain trades because the training has not been undertaken, and it is not going to happen if employers do not have any incentive to do it. That is the reality.

I am glad to see that the government is reacting seven years after the 1999 report about the need for action with regard to illegal workers in this country. We know that the government's new legislation will not catch many employers, because of the requirement that the employer is reckless in the hiring of these people or did not know. However, we are pleased that despite claims of xenophobia the government actually does understand that there is an issue of illegal workers in the country. The situation is that the government is determined to repress people's wages further over the next few years, to take away their rights and to drive down wages despite the 'sloganising' about the real income changes over the last decade.

Mr LAMING (Bowman) (11.29 am)—I begin in what is essentially a discussion of Australia's welfare system and the work that this government is doing to improve the interface between welfare and work by highlighting the announcement just yesterday by the Australian Bureau of Statistics in which their headline measures were, in the main, extremely complimentary about the improvements that Australia has achieved over the last decade. The member for Reid, who spoke just prior to me, provided a number of statistics. It is always difficult to respond to every single percentage, and that is why it is often incumbent upon us speaking here in this chamber to use headline statistics—that is, an overall figure that incorporates a whole range of these lesser statistics that are often grasped at by the opposition and held up as if they are completely watertight. The headline statistics that came to us just yesterday from the Bureau of Statistics show that national wealth, net income and the levels of education and the number of Australians of working age who have non-school degrees have climbed considerably over the last 10 years. Those figures are available this morning. They are a resounding acknowledgment of the work done by this government to get Australians participating and working in the economy and doing so more productively.

The member for Reid discussed disparity between federal electorates and then compared average wages versus CEO wages. These figures make fascinating reading for some, but in the end we need to remember that in a globalised economy every OECD country is fighting just these same battles. The point is that Australia is doing it exceptionally well. The ABS just yesterday showed that equivalised disposable household income has increased in real terms over and above inflation by 22 per cent for the lowest income earners, the lowest income quintiles, and also for middle-earning Australia. Australia is one of the few countries where that gap has not been widening. I point out that that equivalised income is an adjustment made by the ABS to allow for people living in different sized households, who have different levels of expense, to obtain the same level of wellbeing. That has been taken care of by that ABS analysis.

One always feels that, whenever we get on to the subject of the economy and have a discussion with the other side of the chamber, it is like being whipped around the head with a kleenex. They take one figure and, as soon as we seek to explain that figure in the overall context, they simply choose another. Essentially, what we had today was a criticism using OECD figures of Australia's R&D. We may well be 15th in the OECD on one figure; we are fifth on another and 10th on another. Barlow just last week released a fascinating book on Australia's R&D. As I think any reasonable Australian would expect, Australia punches around its weight, according to the size of its economy and the level of its population. We are a small economy, a medium political sized power and fairly influential within the region, and our R&D reflects that. It is no great surprise. We often like to talk of Australia as being extremely self-reliant and looking out for the underdog, but when you strip all that away and the selection of percentages that suit the opposition, in essence, Australia is doing reasonably well compared to other OECD countries.

There are areas where we do well and there are areas where we could do better. One area where we lag—and there is no argument about this—is the proportion of Australians aged between 25 and 64 years who are on a disability pension. I have said before that I am not about to make any judgment on any individual Australians, but, when we have close to double the proportion of people on disability pensions of some other OECD economies, it is incumbent upon the government to ask, just as a century ago Beveridge raised that very same issue, about the integrity of a welfare system that is partially reliant on the middle class. Those who pay into the system should see some benefits in the form of participation, mutual responsibility and social cohesion. To me that is just a very simple tenet of welfare.

Another tenet of welfare, of course, is that welfare must be available to those who need it—not a cent more and not a cent less—at precisely the time they need it, and it must be available in a form they can use. This brings me to the key area I want to touch on today, which is: should welfare be one large, almost impenetrable, monolith or should it be something that responds to the individual needs of a person who enters a Centrelink office? The answer is somewhere in between. The answer is that we can do better than we have done. The key strategy that came up in the budget just gone was, over the forward estimates, the billion dollar investment into an access card.

Government is employing a range of strategies to improve the way we engage individual citizens. Examples do abound. There is Job Network and Australians Working Together, where those seeking work are directly linked to job providers. There are the health management plans being developed by the health minister and the increase in conditionality in welfare payments. Even the recent discussion on Indigenous affairs shows that we cannot allow antisocial behaviour to sink beneath some miasma of cultural acceptability, that we need to pierce through that and hold individuals accountable for their actions but still remember that there are causal determinants and that only by their being addressed will we be provided with a long-term solution. There is a range of these areas: even the growth of the independent school sector is an indication that this government is saying, 'This is not just about one size fits all.' I would like to devote a couple of minutes to this topic.

We know that globally we have an increasing level of interconnection and access to information flows. But at the same time we are seeing a generational shift—which interests me greatly—that is, for the first time we have people aged 18 to 30 who have been, for their en-

tire life, completely connected by information technology. They have their mobile phone and their laptop computer. These people insist they are completely encultured with access to information flows. They will be asking the very same questions: how do I remain connected to the sources of information that I wish to be connected to, and how do I cut off those in which I am not interested? That is why a one-size-fits-all welfare system will begin to struggle under the expectations of the community. It is also why I predict that the welcome for the access card will be considerably warmer than it was two decades ago, and I am going to outline some of the reasons.

Before I do, I want to quote Jonathan Levitt, who asked a fascinating question in one of his most recent books on economics: why do most drug dealers live at home with mum? It is a provocative question that asks why what is perceived to be an enormous sector of the black economy actually leaves most people still living at home with their parents. I would like to ask a similarly provocative question, not at all related to the illicit drug trade: if education is such a touchstone issue in Australia, so important for the early development of our children, why are P&Cs almost completely depopulated in some of the areas where I have been? Those of us in this chamber have often been to 20 or 30 different P&Cs, and half of them have single-figure turnouts at their meetings. Either everyone is completely happy with education and outcomes or they feel that being a member of a P&C makes no difference. But I put to you that there is a real sense that we are still not able to have a great deal of input into and control of the welfare system that is laid out for us as Australians. That is why I am predicting that over time there will be increasing tailoring of services. That may well start with an access card.

Social assistance is absolutely essential for those who are in the lower income quintiles in particular. What surprises me, when I look at how many concession cards there are, is that 80 per cent of all prescriptions in this country are written on PBS discounts. Clearly people are using concession cards to which they are not entitled. As long as this fraudulent activity persists and we have no way of identifying people and their access to services, those who fund the services can expect that there will be that sense of water running out of the leaking bucket. What the access card is going to offer—in relation to the \$92 billion that is dispersed every year, those 250,000 face-to-face meetings, the half a million people who go to Centrelink offices each year and have to turn around and go home because they did not have the right form, the 100,000 letters that are sent out every day by Centrelink, and the 150,000 phone calls received every day—is that we are not going to be spending the first three minutes of the average 15-minute phone call trying to verify the identity of the person on the other end of the phone.

This is a \$4 billion identity fraud sector, at best estimates, that stands to be reduced slowly with the use of an access card. Until we can do basic verification, technology will certainly be working on the other side to make things easier for those who are going to abuse the system. Isn't it time we started to fight back?

I would like to pitch it to you in a slightly different way. There is concern out there about privacy, and a lot of work has been done with the Privacy Commissioner and privacy experts. But in the end the way we are viewing information should not be so much, 'Are they collecting information on me?' but remembering, 'I've already given that information over in a

completely consensual way. Every time I open my wallet and use my credit card I am giving my financial information to an entity—not a trusted government entity either, I add.

So the information has already, with my approval, been provided to a third party. The issue here of access to the information is that I want it back. I want to know what information they hold about me, and I want to control, to the best of my ability, who accesses it. With a chip on an access card with a PIN-restricted secure area, that battle can begin to be fought, with an individual having some awareness—even if not complete control—of the information that is held about them. That is the objective of the access card.

These cards are going to be enormously expensive to roll out, but we need to remember that over the forward estimates, with \$1 trillion being disbursed, one only needs a fraction of one per cent to be tightened up in the performance of Australia's welfare system and we are looking at multibillion-dollar savings. That is welfare; we have not even begun to talk about health benefits. I think the great sleeper in this debate is the health benefits of a recall system in health. This is not yet part of government policy, but I see that there will be a time when health follow-up and health maintenance will become part of an access card. That may be a reminder to come back for a diabetes check or a way of supporting individuals with complex diseases. Advanced work is already being done overseas to set up support systems for people as reminders—'Have you taken your tablet this morning?'—in households where there is not a loved one who can help with that. It may be a phone call to say, 'Have you checked your blood pressure at home?' or, 'Have you come in for your monthly check?' without having to rely on a very busy medical receptionist.

The access card will make life easy for those who are using government services because there will only be the need to register once. There will be access to multiple agencies, so every time you change details that information is passed to all agencies with which you have a relationship. A fantastic illustration of the potential for an access card is when all services go down in an area of disaster, like a cyclone. There is a possibility there for instant card readers on the back of a Woolworths truck, full of food. Where banks are not working and where cash is not available, the ability to instantly transfer funds for needy families is a significant additional benefit of having an access card.

Let us not confuse that with an ID card. This is not a card with an address or date of birth on it. We are not talking about a card that people present to establish their identity. This is a card that allows them to access the services that they deserve, and as I said in my first couple of sentences: not a penny more and not a penny less, but exactly what they deserve. You cannot ask for anything fairer than that. On the card would be a photographic verification and a name, but the rest of it would be encoded in a chip—not an easy-to-access magnetic strip but a chip that can hold 30,000 to 60,000 pages of information, which is added to that card with the consent of the individual, who can add a whole range of additional information and determine its level of security.

So areas that are highly sensitive would remain in a password-protected area that can only be read, for instance, at a medical practitioner's office, in the room with the PIN being inserted by the patient. That information is there. You do not have to go to too many hospitals to see the reams and reams of paper records of blood tests and X-rays that sit in dusty rooms in the backs of hospitals and are lost forever. There is potential for that information to be on a card: the follow-up of the chest X-ray that demonstrates the lung cancer; the early photo-

graphs of an evolving suspicious spot that turns out to be a melanoma. These benefits are yet to even be considered in the great equation of an access card.

Obtaining an access card would be relatively easy. We have a minister who is doing everything to reduce the amount of paperwork involved, and there is no need for the card to change any benefits. In fact it is quite likely to make people aware of benefits of which they have not been told before. If the card gets lost, it is easy to cancel over the phone, across the counter or over the internet so we do not have the current situation of people using other people's benefit cards. The card can be used as proof of ID, if people insist, in certain other offices, but as I said it does not hold obvious date of birth or address and other personal details. There will be three mandatory fields, but they are not necessarily shown on the front of the card. I think it is very important to finish that section of my speech by saying that this card is not one that you have to present compulsorily as proof of age. This is not a card that is used to obtain vital ID details from other people. It is purely to establish your eligibility for Centrelink services.

That interconnectedness that I talked about and the potential to use an access card also delivers people's desire to keep information from others. What we are seeing with younger people, who are showing less and less inclination to get involved in community groups in some cases, less and less desire to lock into long-term services and more demand for services now—more real-time consumption—may well be a generational change. It may well just be that younger people have always been slightly more technologically minded than those who are a generation older. But, in the end, what I am witnessing in Bowman is a fall away in the engagement with non-profit groups and the community sector. This is a great concern for me and I believe that as long as we have the one-size-fits-all information system, as I have talked about before, we cannot begin to access and unlock some of the people who wish to help in the community sector.

Some will say that the desire to volunteer is inversely proportional to your ability to earn a wage doing something else. It is time that that changed and that people who genuinely care about the community have a way to do it. If I were about to have children attending kindergarten, I am sure I would be galvanised to help set up my community kindergarten. But then that interest wanes very quickly, that conditional social capital where I will help the group, I will help my own congregation and those nearest to me.

How can government help to unlock that potential assistance, the human capacity to help organisations most in need? I would put to groups like Volunteering Australia that we have still not yet unlocked that potential. One way to do it, of course, is to tailor the services by being able to identify exactly what a community group needs and match it, using the internet, to precisely what, for example, my colleague here the member for Lindsay is prepared to offer. She might well say, 'In my spare time, I'd like to give my legal skills to an animal rights non-profit organisation, and I'm only available on Thursday nights.' You would be flat out finding an animal rights non-profit organisation in the west of Sydney that needs legal advice—certainly the legal advice of someone who has not been in the law for some time—from the member for Lindsay. But with the power of the internet that connection could well be achieved across the country, because the member for Lindsay might be able to help a group in Western Australia who could never have hoped to have found her without an internet matching system.

You simply need five fields: what your skill is, where you would like to offer it, to what type of group, when you can offer it and some additional comments and information that will assist with the match. I do not for a moment want to say that the member for Lindsay is going to be the perfect fit for that non-profit organisation, but remember that, at the moment, the non-profit organisation lodges a request with Volunteering Australia and waits for a phone call, hoping that someone's New Year's resolution is to help an animal support group in Western Sydney. What we need is real-time assistance, and that is where the tailoring of services can really help, where using access to information can make an enormous advance.

My view is that eventually there would be a bank of skills, a bank of people, be they retired or otherwise—perhaps in the workforce—with additional time and a desire to help the non-profit community. Why should we not have a system that brings them together? That is something I will be launching in my electorate in the next two months, with the interest of Volunteering Queensland but not yet with them as a partner. There are concerns about information security, obviously. There are concerns about whether we will have enough people to volunteer and whether we will have the confidence of and the capacity in the non-profit sector to lodge all of their needs on the internet.

Can we be sure that, when you bring people together over the internet, there is actually a perfect match? As we know from the explosion of dating agencies that we see on the net, of course we cannot. But, when a volunteer knocks on the door of a non-profit organisation, walks in and offers their help, that agency has the capacity to work out whether that person has the skills they need. This is only bringing people together, but at the moment that is the limiting factor for volunteering in many communities. So the objective here with the service called Red-e-vol is to bring together the non-profit sector with the skills that they so desperately need. It is an example of tailoring services for the community. The access card is another good example of that, and I would urge both sides of this chamber to engage in that debate and not use the fears of the past but talk about the potential for the future.

Dr LAWRENCE (Fremantle) (11.49 am)—One of the first acts of the Howard government was to cut some \$30 million allocated to the modest but promising family violence prevention programs for Indigenous people. The money was lost as a result of the massive cuts to ATSIIC's budget in 1996-97. In the last few days we have seen the spectacle of the minister responsible for Indigenous affairs railing against widespread violence against Aboriginal women and children in Indigenous communities—and indeed he should be alarmed. But Minister Brough, who expresses such surprise at violence in Indigenous communities, has been in this parliament for the whole decade that the Howard government has been in office and responsible for Indigenous affairs. And, although he has been on the planet, too, for 45 years, he appears to have remained ignorant of the dire conditions in many Indigenous communities. That is particularly surprising given that he was the minister responsible for employment services for some of that period. I think he must have had his eyes firmly closed and his ears stuffed with cloth—and now he is out there arrogantly proffering instant solutions to the problems that he appears to have so belatedly discovered. What is more, he appears to be in the process now of misdiagnosing the problems and avoiding responsibility.

As my mother would have said, and it applies in spades to this minister, a little knowledge is a dangerous thing. I offer some free advice to the minister: a little humility goes a long way in this very difficult portfolio. At least he should speak to his own members who represent

electorates where Indigenous people live and to the many Indigenous leaders who have been working and pleading for sustained government action to prevent and deal with violence and abuse. Professor Larissa Behrendt, from the Jumbunna Indigenous House of Learning, said on *Lateline* last week, 'We have to be very careful about making knee-jerk reactions.' After roundtables and COAG meetings and audits and reports and a decade in office, at the very least one of the three ministers who preceded the current minister should have some idea about what should be done. Maybe Minister Brough should talk to them as well. Ministerial thrashing around is not a pretty sight and not at all reassuring.

Nor should he seek to shift the blame. This is front and centre a Commonwealth responsibility—shared with the states, it is true, but constitutionally and unavoidably it is a Commonwealth responsibility. It is simply not good enough for the minister to seek to absolve himself as he did on Tuesday, saying:

... law and order and the criminal justice system have always been the responsibility of the states and territories.

Yes, they have and they are. And those governments should ensure proper policing in Indigenous communities and that the full force of the law falls on those who inflict violence and abuse children. Indigenous communities indeed have a right to enjoy the same peace and good order as any other in our nation. But he surely understands that preventing violence and abuse in the first place has to be a key objective of his government—that seriously tackling these problems needs more than just more police and more arrests. Dealing with abuse and violence needs a long-term strategy, as the minister was advised by his own steering committee for the review of government services in the *Overcoming Indigenous disadvantage* report of last year. It bluntly said:

Many Indigenous families and communities live under severe social strain due to a range of socioeconomic factors. Alcohol and substance misuse, and overcrowded living conditions are just some of the factors which can lead to child abuse and violence.

Further, it makes the commonsense point—a point that no sensible person would dispute—that crime is strongly related to socioeconomic disadvantage.

In Australia, of all countries, knowing as we do the historical basis of European settlement, we must acknowledge that, if people are condemned to live lives of entrenched disadvantage, then social breakdown, crime and violence will result. Is the answer really as simple as law enforcement, as the Treasurer and Acting Prime Minister insisted yesterday? Is this really the measure of the government's policy sophistication? The report I referred to—out of the Productivity Commission, it has to be said—described its focus as being:

... on those areas in which governments have the greatest capacity to change things for the better in the short and long term.

It took as its fundamental premise:

... prevention is a far better strategy for reducing disadvantage than 'fixing up'.

We certainly need an appropriate law response, but we also need that preventive strategy. That comes from the review of the Commonwealth government's own service provision in this area. It is not just about law enforcement, although that must be done, but about dealing with the root causes which produce the elevated rates of crime and violence in the first place. I know this is a difficult area, Minister, but spare us the posturing. Go and do some homework

before you open your mouth again. From listening to the minister's public statements, it is a fair bet that what he knows about Indigenous law and culture could be written on the back of a postage stamp.

Let me say it clearly for you, Minister, if you are listening, and for the Prime Minister and Treasurer as well: Indigenous law and culture do not condone sexual abuse of children or family violence. That it occurs is a reflection of dysfunction and disorder in toxic communities, as one of the many reports described them—places where traditional authority has broken down, where mental illness and alcohol and substance abuse are rife and where people are exposed to violent and pornographic videos, as has been shown in some recent reports.

The offensive and racist assumption that child abuse and violence are in some way culturally sanctioned cannot be tolerated and should be challenged. Violence cannot be explained away or excused as being the Aboriginal way. As Larissa Behrendt said so clearly:

I grew up in an Aboriginal community and the values that were instilled as part of my culture were values that very much emphasise community, reciprocity, respect for country, respect for kinship and respect for elders.

She went on to say that there was nothing in these values that condoned violence towards Aboriginal women and children.

The fact that some lawyers and defendants have attempted to use caricatures of Indigenous customary law as a defence in cases of rape or assault and the fact that some judges have in their ignorance accepted these pleas do not mean that Indigenous law and culture actually do permit such brutality. In reality, the fact that such views have been endorsed says more about our prejudice than it does about Indigenous law. In 1980, one judge in a Northern Territory case infamously expressed the view that:

Rape is not considered as seriously in Aboriginal communities as it is in the white community.

And further that:

The chastity of women is not as importantly regarded as it is in the white community.

This from the judge! On the contrary, the comprehensive Australian Law Commission report of 1987 on the subject of traditional law identified the major transgressions to Aboriginal law, which notably include homicide, incest, cohabitation with certain kin, abduction or enticement of women, adultery with certain kin, adultery with potential spouses and unauthorised physical assault. Their research also indicated that:

Acts of family violence and child neglect were unacceptable under traditional law.

The problem is not traditional law but the breakdown of traditional law.

I say to the minister: where have you been? Why has your government not followed up on the many promises it has held out to Indigenous Australians to reduce the level of violence and sexual abuse in their communities? We all agree, or at least I hope we do, that after decades of turning a blind eye to violence in Indigenous communities this violence can no longer be tolerated. We have to place the same value on the lives and security of Indigenous women, children and men as we do on those in the rest of the community. But the responses have to be carefully thought through and carefully designed. They must engage Indigenous communities. They cannot be imposed. They must be based on evidence of what works. They must be sustained and not a reflex response borne of the next shocked minister's panic.

And we do not need any more reports. There have already been so many they could wallpaper the House of Representatives chamber and still have some left for the Senate. Even a brief search through reports to government over the last 15 years turned up 42 reports—30 of them since this government has been in office—and they either dealt wholly or in part with the issue of violence in Indigenous communities. We do not need more reports.

The Howard government has organised at least three major initiatives on family violence in Indigenous communities, each conceived in a similar climate of moral panic: 1999, a roundtable as part of a national strategy under Minister Herron; 2002, a national audit of Indigenous family violence programs and services—never completed, it turns out—under Minister Ruddock; and 2003, a national roundtable on Indigenous family violence and the establishment of a working group to advise the Prime Minister on ways to address family violence. That last one seems to have disappeared without a trace, although there was a down payment, as it was described, of \$20 million to address the consequences of violence in Indigenous communities—not a lot given the scale of the problem. It was followed up with some \$74 million, which was earmarked in the 2004 budget for the following four years. It would appear, though it is difficult to establish, that no additional funds were appropriated last year or this year despite the scale of the problem. Since the abolition of ATSIC, it is very difficult to trace the movement of funds. We actually have no idea what this money has been spent on, let alone with what effect, except that the government's own analysis of key indicators suggests that we are going backwards.

I referred earlier to the Productivity Commission's Steering Committee for the Review of Government Service Provision. Its chairman, Gary Banks, commenting on the analysis of the federal government's progress in improving key indicators on Indigenous disadvantage, said the results confirmed the pervasiveness of Indigenous disadvantage. He said:

It is distressingly apparent that ... in some important respects, the circumstances of Indigenous people appear to have deteriorated or regressed. Worse than that, outcomes in the strategic areas identified as critical to overcoming disadvantage in the long term remain well short of what is needed.

This is the Productivity Commission reporting to this government. Amongst the areas where outcomes have deteriorated, Minister, are victim rates for crime, substantiated child protection notifications and imprisonment rates for both men and women. The committee also reported that many of the indicators have shown little or no movement and that there is now an even larger gap between Indigenous people and the rest of the population on all headline indicators.

If any progress is going to be made in reducing violence and abuse in affected communities—and it is by no means all of them—then it is vital that there be a proper understanding of the causes of such violence. Minister, Prime Minister and Treasurer: to understand is not to excuse. To understand is to arm yourself with the necessary tools to intervene successfully. One suggested framework adopted by many of those who have reported to government is, firstly, to examine the immediate precipitating causes; secondly, to examine situational factors such as alcohol and substance abuse, unemployment and welfare dependency; and, finally, to understand the underlying factors, including the historical circumstances of the Indigenous communities.

After years of silence and shame about acknowledging the problem, Indigenous leaders decided more than a decade ago that the only way to begin the process of reducing violence was to confront it directly, although they were fearful that public scrutiny of the issue might rein-

force the existing negative stereotypes that many people held about Indigenous people—and, sadly, I think some of that fear has been realised. This shift in sentiment was driven largely by women speaking out and refusing to countenance the now devastating levels of abuse experienced in many communities. Reports suggest that, no matter who initiates such violence, women are more likely to be injured or suffer more severe injury than men. Women's shelters, where they exist, are often full to overflowing at the end of the week, when drinking binges occur.

As was made clear in 1999 by the Queensland Aboriginal and Torres Strait Islander Women's Task Force on Violence, Indigenous women want the violence to stop and do not accept that it is part of everyday life. The task force described the situation then as having reached crisis point—and it is much worse now—a view that is reinforced by the official statistics on violent assaults, murders and serious injuries. Dealing with such violence is made more difficult, as the authors of that report pointed out, because many non-Indigenous people do not encounter such violence in their own lives and find the current level of violence in Indigenous communities difficult to comprehend. I suspect that this includes policy makers and politicians, who are still not showing the necessary sense of urgency in working to ameliorate such violence. By the way, panic is not synonymous with such determination.

In 1991, Maryanne Sam reported that family violence is widespread in Indigenous communities. It has been drawn to the attention of government for that long. She said:

In fact, it is one of the major causes of family breakdown, along with drugs and alcohol. Our women are suffering serious injuries and are fleeing to refuges and shelters in order to get away from the violence. Outfits are running away from home, often turning to crime, drugs and alcohol, as well as other substance abuse. Our men are drinking more and more, turning to drugs and gambling as a way of coping with the loss of their families and the deterioration of the traditional roles.

This is not, sadly, news. There is abundant evidence that in many communities the situation has deteriorated substantially since Maryanne Sam made those observations. For example, both Sutton and Noel Pearson report that, in many communities, violence has spiralled out of control, reaching what they describe as epidemic proportions. In assessing the causes and cures for such violence, Indigenous leaders have rightly insisted that we have to understand the role played by dispossession, relocation of whole communities and the forced separation of family members in generating the sense of hopelessness which is still palpable in many communities. As the women's task force argued, 'the impact of history cannot be isolated in any discussion of its origins and the consequences of such violence in the lives of Indigenous peoples'.

The wilful denial of the importance of such history by the current federal government—we saw it again yesterday—and its repeated refusal to acknowledge the impact of dispossession, cultural fragmentation and marginalisation means the solutions it proposes under the rhetoric of practical reconciliation are unlikely to solve the problem. And the government has conspicuously not solved the problem, because it has been going backwards.

Failure to analyse accurately the causes and contributing factors of violence will mean that the solutions proffered will be at best partial. The contribution of associated social problems—including high unemployment, poor mental health, poverty and low educational attainment—must also be incorporated into the development of strategies and programs. As the women's task force report illustrated, there are factors present in Indigenous communities that

are not present in non-Indigenous communities, particularly dispossession of land and culture, the separation of children from parents over successive generations and the failure of governments to enforce sanctions against violence, to name but a few. For some, the sexual assault of Indigenous children and young people began with white settlement and included the practice of abducting women for sexual exploitation. This means that the intervention strategies must be tailored to the experiences and circumstances of Indigenous communities in all their variety and complexity. One size will not fit all.

In addressing this so-called family violence, it is important always to be aware that it is closely correlated with child abuse. Some surveys indicate that as many as 60 per cent of children of abused mothers are themselves abused by the perpetrator. Children are often the silent victims of family violence, even when they are not themselves the primary victims, as they sometimes are, including of sexual assault. In many communities, they have no choice but to witness the violence and endure the disruption and mental trauma that result. In turn, they do not make very good parents themselves. Poor attendance at school, reduced employment prospects, depression and despair make such children future players in the destructive cycle of abuse and violence. Attention to the special needs of children obviously should feature prominently in violence reduction strategies.

It is obvious to me, and I think to many people who have paid attention, that solutions have to be devised to deal urgently with violence wherever and whenever it occurs. We all agree about that. Different standards of response to violence should not be applied to Indigenous communities. And violence should not be accepted as normal or inevitable just because it occurs between Indigenous people. In addition, the cycle of disadvantage, reinforced as it is with alcohol and substance abuse, has to be broken. Approaches to solving these problems need to encompass measures to help prevent future violence, not just the law and order issues, as well as the rehabilitation of those damaged by violence and assistance for their families and communities. It is complex, not simple.

Critical to the successful design and implementation of such solutions is a sustained commitment from governments—I cannot emphasise that enough. Few programs delivered to Aboriginal communities in this area, or indeed in any others, have enjoyed the focused attention and commitment from governments that are necessary to deliver successful outcomes. The \$30 million I mentioned that was cut in 1996 was lost as a result of those massive cuts. Too often resources are short lived or delivered as part of a narrowly conceived pilot, which rarely develops into a fully-fledged program. Bizarrely, given their experimental character, these pilots are often not evaluated at all, so it is difficult to get any idea of whether they have actually been useful. Support for staff is often inadequate and there is, as a result, high turnover. And, of course, there is still a desperate need for greater clarification of Commonwealth-state funding arrangements and responsibilities.

Given the severity and the pervasiveness of violence in Indigenous communities, a high level of coordination between agencies and programs is also essential—health, substance abuse, education, child protection and law enforcement agencies all have to be involved, starting at the top. Sadly, despite the government's boasts of a quiet revolution, this has not been achieved—just look at Wadeye—and instead duplication, poor coordination and failure to think beyond departmental and jurisdictional boundaries still characterise many of the programs delivered to Indigenous communities. Piecemeal funding decisions—and we are about

to see some more, I think—complex accountability requirements and conflicting objectives all contribute to frequent failure and escalate the sense of hopelessness which is all too palpable in many communities. In any case, much of the money ends up in the hands of administrators and consultants, not in the community. Conversely, successes are not disseminated for wider adoption and good practice goes unrecognised and unrewarded.

Perhaps the most important prerequisite to producing sustained improvements in violence levels is the involvement of Indigenous people in decision making at all levels. This depends on effective support for community development and so-called capacity building, including the provision of funds for training Indigenous leaders and staff. It cannot be done without the involvement of Indigenous people. Partnerships between government agencies and Indigenous communities should also be developed, committing all parties to specific actions and responsibilities with agreed and measurable outcomes and performance benchmarks. We need serious efforts from this government, not the shocked response of an apparently naive minister. It is time that we all got involved in solving these problems and stopped trying to shirk responsibility.

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (12.09 pm)—Mr Deputy Speaker Quick, I acknowledge your deep interest in the Somme and hope that that moving experience this year will nourish that interest. Thank you for your support for the veterans community. I rise today to commend the Treasurer for a terrific budget and for his terrific economic helmsmanship over the last 10 years. A strong economy and therefore a healthy budget position provide opportunities to do things. There is often a misunderstanding that the wealth that a nation needs to generate will just be there and that it is a matter of how one then shares that wealth and opportunity amongst the citizens. We know it to be true that in many years under the former Labor government there were people in desperate search for opportunity. Budget challenges, including the one that the Howard government inherited with the budget deficit back in 1996, show that having the resources available to make choices to support the community and share opportunity and wealth are not things you can just wish for. They take a lot of hard work, and I commend the Treasurer for being the economic helmsman of what will be recognised as a golden era in the Australian nation and the Australian economy by those who will write about it as a piece of history in years to come. We hope to extend this era of good fortune—the budget aims to do that—and to carry forward the opportunities that it has generated and that are being shared by the people in the Dunkley community, whom I represent.

The most direct evidence can be seen by looking at what is actually in the budget. If you see how that good fortune and the resources that it has generated are being applied in a targeted way, you will also see that the budget caters for all sections of our community. It can be rightly labelled as a pro-family, pro-business and pro-health budget. It is a budget that rewards hard work, and that is something we should always keep sight of. It offers substantial tax cuts and it offers strong incentives for people to invest and prepare for their own retirements. It puts resources into building the capacity of the country, and it is funding some of the current strategic challenges we face as well as investing in research and development for the future. So it is a very good and balanced budget, sharing the good fortune that our nation has earned for itself and that has been nurtured by the economic stewardship of the Treasurer and the Howard government.

A compelling example, and one that I have been sharing with school principals in recent days, is the investment in our schools program. What a wonderful initiative that is. It has been a real honour to collaborate with school communities right across the Dunkley electorate: to see things that the school communities themselves have wanted to do but have not been able to do through the traditional state and federal funding arrangements, and see that nearly \$2½ million has been shared in the Dunkley electorate from the two rounds that I have been able to announce thus far. That is 16 school communities in the most recent \$1.733 million funding round on top of the 13 Dunkley schools that benefited last October from \$887,000. Quite simply, this program is a gift. It is a godsend to the school communities, many of which are working in areas of ageing demographics. They are battling to grow their enrolments—which is probably something you see in your own electorate, Mr Deputy Speaker Quick, where the schools have been established for quite some time and were part of a neighbourhood of young families many years ago. In many of those young neighbourhood families, the students have now moved to other parts of our community or gone further, and therefore the demographics in those areas are changing.

You are faced then with a school community with a diminishing population but an increasing need to work to attract students to it. It is almost a vicious cycle in some respects. Victoria's capital funding process is actually a disincentive to those very schools. Because population numbers are declining, a rigid and raw formula of student to floor space can see schools being told, 'You've got more space than you need because of your student numbers.' And they are saying, 'But hang on, we need to make our facilities contemporary to have the technology and learning environment to best support our students and maybe attract more.' But they are told, 'No, on our formula you've got more space than you need now.' That is an incredibly demoralising policy posture that the state of Victoria and the education department enforces. It can be incredibly demoralising to the dedicated teachers, the volunteers who selflessly give their time to school communities and the students. They might go past a growth area in my electorate and see a spunky, spankingly attractive brand new school with all the mod cons you could possibly imagine, and yet they are in another community—maybe a more established community—and are not able to have that learning environment.

This Investing in Our Schools program is an antidote to that. It remedies the structural hardship that is forced on areas where the demography is changing the availability of students. For communities such as Dunkley, where we have areas of rapid population growth as well as long-established areas, this program has been wonderfully well received. There are schools that, frankly, have suffered under the Bracks Labor government. They have been arguing to get toilets and amenities of that kind improved. For the school principals I have rung, who have almost squealed with delight that they can get \$150,000 to fix the boys and girls toilets that have been crying out for renovation for many years, it is a terrific day. Dare I say it: some of these schools are flushed with cash. They are very happy to be able to renovate those facilities.

Let me share with you some examples of those facilities. Frankston Heights Primary School is looking at a new performing arts centre, and there is a \$150,000 Investing in Our Schools grant there. Mornington Secondary College is getting the toilet renovation I just spoke about—just under \$150,000 to remedy what is an older section of the school, part of the old Mornington Technical School, where the facilities have been crying out for a renovation

and an update in the name of a decent learning environment and decent amenities for the student population. Mount Eliza North Primary School can construct new learning spaces with their grant. I was speaking with the principal of Derinya Primary School last night, and a new multipurpose room there will be able to become a reality because of the Howard government's \$137,000 grant. Mount Erin Secondary College is another example where the basic amenities—in this case, again, the toilet facilities—which are crying out for some attention, will get that much needed renovation with \$95,000-plus being made available. My old school, Monterey Secondary College, will be able to upgrade its multimedia equipment, so I am thrilled about that. Karingal Heights Primary School can upgrade its oval and play equipment with its grant.

Elisabeth Murdoch College in Langwarrin can refurbish its classrooms and its music facilities and upgrade its computer equipment with a \$140,000 grant to Jeff Davis and the team. The school, which needed to focus on its reputation, can point to the results that, in the coming year, there are about 400 year 7 students going to that college because of the outstanding work of Jeff, his leadership team and the teachers, and the generous support of Dame Elisabeth Murdoch. Jeff and Dame Elisabeth are an impressive collaboration doing great work. Benton Junior College is an interesting example. This was a new school for which the majority of the funding was provided by the Commonwealth—

A division having been called in the House of Representatives—

Sitting suspended from 12.19 pm to 12.57 pm

Mr BILLSON—I seek leave to continue my remarks at a later date.

Leave granted; debate adjourned.

ADJOURNMENT

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (12.57 pm)—I move:

That the Main Committee do now adjourn.

Road Funding

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (12.57 pm)—In the few moments available to me to speak in the adjournment debate, I would like to point to some of the exciting road projects that are very much a part of the evolution of the Dunkley community. You have seen our community suffer in relation to the tolls decision on EastLink. A matter of great chagrin to our community is that, unlike other communities right down the EastLink corridor where there have been compensatory projects, there has not been such a project in the south in the Dunkley community. In the north we have seen the ring-road connecting the Eastern Freeway to the EastLink become toll free. We have seen an extension of rail around the Box Hill area towards Knox. We have seen the ring-road in the Dandenong—

The DEPUTY SPEAKER (Hon. BK Bishop)—I ask the minister to resume his seat. A division has been called in the House of Representatives and, rather than suspend proceedings, I suggest we adjourn.

Question agreed to.

Main Committee adjourned at 12.59 pm

QUESTIONS IN WRITING**Child Care****(Question No. 2622)**

Ms Plibersek asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 10 November 2005:

- (1) Has Ernst and Young been engaged to analyse the finances of and make recommendations to child care services affected by operational funding changes; if so, (a) how many child care providers has Ernst and Young been engaged to review, (b) what are the terms of the Ernst and Young review of centres, (c) what is Ernst and Young looking at, (d) which providers are eligible to have an Ernst and Young review, (d) what quality assessment is the Minister's department doing of the Ernst and Young contract, (e) have there been any complaints about the quality of the Ernst and Young work from any child care centres or individuals, (e) what sum has the Government agreed to pay, and (f) what sum has been paid to date.
- (2) Have any other firms been engaged for this work.
- (3) Was the contract for this work put out to tender; if not why not.
- (4) On what financial basis has Ernst and Young been engaged (eg fee for service per child care provider, time taken overall, time taken at each individual centre, global contract for total number of centres) and what is the average cost of the review for each child care centre.
- (5) How many child care providers (a) have lost funding since the operational funding changes were made and (b) will lose funding before 1 May 2005.
- (6) What is the (a) highest and (b) average loss suffered by child care providers subject to the operational funding cuts.

Mr Brough—The answer to the honourable member's question is as follows:

Ernst and Young were contracted, via an open tender process, to provide business and financial viability assessment reports to child care services that may receive reduced funding as a result of the changes to the Community Support Program in 2005-06. This service is provided at no cost to the child care services.

Services that have complaints or concerns with Ernst & Young or the assessment process can contact the Department of Family and Community Services and Indigenous Affairs. In each situation to date Ernst and Young have been found to be compliant with the terms and requirements of their contract.

As indicated in the 2004-05 Annual Report the total value of the contract is \$1.2 million (exclusive of GST). Ernst and Young was paid in accordance with the terms of the contract.

No child care provider lost funding before 1 May 2005.

Child Care**(Question No. 2796)**

Ms Plibersek asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 7 December 2005:

For (a) 2001-2002, (b) 2002-2003, (c) 2003-2004, and (d) 2004-2005, for how many children in each State and Territory was Child Care Benefit paid for (i) long day care, (ii) family day care, (iii) before school care, (iv) after school care, and (v) occasional care.

Mr Brough—The answer to the honourable member's question is as follows:

- (a) (i) (ii) (iii) (iv) and (v) In 2001-02, the number of children⁽¹⁾ in each State and Territory for whom Child Care Benefit was paid was:

State	Long Day Care	Family Day Care	Outside School Hours Care ⁽²⁾	Occasional Care
New South Wales	182,100	48,800	52,400	7,800
Victoria	110,900	41,000	60,800	6,100
Queensland	161,500	33,700	56,600	3,300
South Australia	34,400	18,200	29,500	700
Western Australia	51,900	13,400	11,000	2,400
Tasmania	10,100	8,200	5,000	500
Northern Territory	4,400	1,800	2,500	0
Australian Capital Territory	7,900	3,600	6,100	700

⁽¹⁾ Children will be counted once for each State/Service Type combination they used in the financial year. Table rows and columns cannot be added to obtain national totals as children may use more than one service type, or use care in more than one State/Territory, within a year.

⁽²⁾ It is not possible to separately count children attending After (ASC) and Before School (BSC) Hours Care in the Centrelink administrative data, as many ASC and BSC services are combined on the Centrelink administrative system.

Source: Centrelink administrative data

- (b) (i) (ii) (iii) (iv) and (v) In 2002-03, the number of children⁽¹⁾ in each State and Territory for whom Child Care Benefit was paid was:

State	Long Day Care	Family Day Care	Outside School Hours Care ⁽²⁾	Occasional Care
New South Wales	189,000	52,400	57,100	7,700
Victoria	111,300	41,000	66,600	5,800
Queensland	168,600	33,900	62,600	3,200
South Australia	34,600	17,700	32,100	700
Western Australia	52,700	12,900	12,000	2,500
Tasmania	10,100	8,300	5,200	500
Northern Territory	4,400	1,600	2,600	0
Australian Capital Territory	9,100	3,300	6,700	600

⁽¹⁾ Children will be counted once for each State/Service Type combination they used in the financial year. Table rows and columns cannot be added to obtain national totals as children may use more than one service type, or use care in more than one State/Territory, within a year.

⁽²⁾ It is not possible to separately count children attending After (ASC) and Before School (BSC) Hours Care in the Centrelink administrative data, as many ASC and BSC services are combined on the Centrelink administrative system.

Source: Centrelink administrative data

- (c) (i) (ii) (iii) (iv) and (v) In 2003-04, the number of children⁽¹⁾ in each State and Territory for whom Child Care Benefit was paid was:

State	Long Day Care	Family Day Care	Outside School Hours Care ⁽²⁾	Occasional Care
New South Wales	191,200	50,500	56,100	6,800
Victoria	110,100	39,300	68,400	5,500

State	Long Day Care	Family Day Care	Outside School Hours Care ⁽²⁾	Occasional Care
Queensland	173,300	33,400	66,100	3,000
South Australia	34,800	16,000	32,300	600
Western Australia	54,400	12,400	11,600	2,100
Tasmania	10,600	8,400	5,700	500
Northern Territory	4,700	1,600	2,700	0
Australian Capital Territory	9,200	3,000	6,500	400

⁽¹⁾ Children will be counted once for each State/Service Type combination they used in the financial year. Table rows and columns cannot be added to obtain national totals as children may use more than one service type, or use care in more than one State/Territory, within a year.

⁽²⁾ It is not possible to separately count children attending After (ASC) and Before School (BSC) Hours Care in the Centrelink administrative data, as many ASC and BSC services are combined on the Centrelink administrative system.

Source: Centrelink administrative data

- (d) (i) (ii) (iii) (iv) and (v) In 2004-05, the number of children⁽¹⁾ in each State and Territory for whom Child Care Benefit was paid was:

State	Long Day Care	Family Day Care	Outside School Hours Care ⁽²⁾	Occasional Care
New South Wales	196,400	49,900	58,300	6,400
Victoria	111,800	37,700	71,400	5,200
Queensland	177,400	32,800	69,500	2,600
South Australia	35,600	13,900	33,700	500
Western Australia	58,100	11,900	11,800	2,000
Tasmania	12,000	8,100	5,900	400
Northern Territory	4,900	1,400	2,900	0
Australian Capital Territory	9,200	2,800	6,700	300

⁽¹⁾ Children will be counted once for each State/Service Type combination they used in the financial year. Table rows and columns cannot be added to obtain national totals as children may use more than one service type, or use care in more than one State/Territory, within a year.

⁽²⁾ It is not possible to separately count children attending After (ASC) and Before School (BSC) Hours Care in the Centrelink administrative data, as many ASC and BSC services are combined on the Centrelink administrative system.

Source: Centrelink administrative data

Child Care

(Question No. 2797)

Ms Plibersek asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 7 December 2005:

- (1) For each State and Territory, what is the (a) highest, (b) lowest, and (c) average fee charged per day for (i) long day care, (ii) family day care, (iii) before school care, (iv) after school care, (v) occasional, and (vi) vacation care.
- (2) For 2003-2004 and 2004-2005, how many long day care centres in each State and Territory charged fees for infants 0-2 years of age that are higher than the fees for children 3-4 years of age.

- (3) Has the Government done any research, modelling or policy work on the reasons for child care fees increasing at a higher rate than the consumer price index over recent years; if not, are there any plans to do so in 2006.

Mr Brough—The answer to the honourable member's question is as follows:

- (1) (a), (b), (c) Of the child care services that charge a daily fee, the highest, lowest and average fee charged per day for each State and Territory is as follows:

(i) Long Day Care

	(a)Highest	(b)Lowest	(c)Average
NSW	\$90.00	\$27.00	\$44.95
VIC	\$83.00	\$30.00	\$48.31
QLD	\$61.00	\$26.00	\$40.73
SA	\$50.51	\$30.00	\$42.10
WA	\$65.92	\$33.00	\$44.93
TAS	\$52.00	\$24.49	\$42.97
NT	\$51.00	\$33.00	\$41.33
ACT	\$61.12	\$25.90	\$50.11

Note: This is based on 3698 centres out of a total population of 3812.

Source: 2004 Australian Government Census of Child Care Services.

- (ii) (iii) (iv) The Department does not hold information on the daily fees for family day care, before school care and after school care.

(v) Occasional Care

	(a)Highest	(b)Lowest	(c)Average
NSW	\$54.00	\$30.00	\$41.00
VIC	\$50.00	\$30.00	\$38.00
QLD	\$49.00	\$34.00	\$39.00
SA	\$38.00	\$38.00	\$38.00
WA	\$48.00	\$35.00	\$41.00
TAS	\$45.00	\$42.00	\$44.00
NT	\$43.00	\$43.00	\$43.00
ACT*	-	-	-

*No occasional care services in the ACT reported a daily fee.

Note: This is based on 41 services out of a total population of 101.

Source: 2004 Australian Government Census of Child Care Services.

(vi) Vacation Care

	(a)Highest	(b)Lowest	(c)Average
NSW	\$47.00	\$16.00	\$27.00
VIC	\$55.00	\$18.00	\$29.00
QLD	\$48.00	\$15.00	\$27.00
SA	\$43.00	\$18.00	\$28.00
WA	\$47.00	\$25.00	\$32.00
TAS	\$38.00	\$21.00	\$29.00
NT	\$45.00	\$24.00	\$34.00
ACT	\$38.00	\$22.00	\$32.00

Note: This is based on 1323 services out of a total population of 1340.

Source: 2004 Australian Government Census of Child Care Services.

- (2) In 2004, the number of long day care centres in each State and Territory that charged fees for infants 0-2 years of age that were higher than the fees for children 3-4 years of age is as follows:

	Number of services
NSW	602
VIC	88
QLD	587
SA	15
WA	189
TAS	6
NT	21
ACT	16

Note: This is based on the weekly fee (50 hours of care) for 12, 24 and 36 month old children.

Source: 2004 Australian Government Census of Child Care Services.

The Department does not hold the required information on long day care centre fees for 2003.

- (3) Child care services set fees, not the Australian Government. The Government has not done any research, modelling or policy work on the reasons for child care fees increasing at a higher rate than the consumer price index over recent years, and there are no plans to conduct any research in 2006.

Legal Services

(Question No. 3107)

Mr Fitzgibbon asked the Treasurer, in writing, on 27 February 2006:

- (1) What sum is the High Court hearing involving Mr Michael McKinnon expected to cost the Commonwealth.
- (2) Has his department considered paying the expenses of the applicant.
- (3) In respect of conclusive certificates generally, has his department considered paying the expenses of bona fide applicants.
- (4) Does his department have guidelines on when conclusive certificates will and will not be used; if so, will he make them available.
- (5) Have conclusive certificates ever been issued on the basis that release of the documents would cause embarrassment to the Government.

Mr Costello—The answer to the honourable member's question is as follows:

- (1) The information sought by the honourable member's question can not be precisely ascertained. The Australian Government Solicitor has estimated that the Commonwealth's legal fees for the substantive High Court appeal will be at least \$100,000. This is in addition to approximately \$90,000 in legal fees that Treasury incurred for the special leave application.
- (2) No. Mr McKinnon has sought costs in the matter which the department will be required to pay if awarded by the High Court.
- (3) No. Applicants can seek costs which the department will be required to pay if awarded by the Court under current law.
- (4) Decisions on the issue of conclusive certificates are not based on guidelines, but are taken consistently with the provisions of the Freedom of Information Act 1982, as well as relevant decisions of the Administrative Appeals Tribunal, the Federal Court of Australia and the High Court of Australia.
- (5) No.

South Park**(Question No. 3255)**

Mr Murphy asked the Attorney-General, in writing, on 28 March 2006:

- (1) Is he aware of reports that SBS is planning to broadcast an edition of *South Park* which depicts the Blessed Virgin Mary, a person held Sacred and Venerable to the vast majority of Christian adherents, menstruating before His Holiness Pope Benedict XVI.
- (2) Has he read the article in Volume 4307 of the *Catholic Weekly* on 26 March 2006 titled 'Ridicule sparks call for blasphemy law review' in which it is reported that soul music veteran, Isaac Hayes, the voice of the character Chef on the satiric TV cartoon, *South Park*, has recently left the show citing its inappropriate ridicule of religion, and in particular, Christianity.
- (3) Has the Office of Film and Literature Classification classified the episode of *South Park*; if so, what classification did it receive; if not, when will it be classified.
- (4) Will he act to ensure that the episode of *South Park* is not broadcast and is refused classification on the grounds that such depictions are highly offensive to a significant proportion of Australians; if so, when; if not, why not.

Mr Ruddock—The answer to the honourable member's question is as follows:

- (1) I am aware of reports that SBS was planning to broadcast an episode of the US animated series *South Park* entitled Bloody Mary. The episode was due to be screened on 6 March 2006 but was withdrawn. I am not aware of any plans to broadcast this episode as this is a matter for SBS.
- (2) Yes.
- (3) The Office of Film and Literature Classification (OFLC) does not classify material – that is the responsibility of the Classification Board and the Classification Review Board. The classification of television content falls outside the scope of the National Classification Scheme. As at 20 April 2006 the episode has not been submitted on DVD as a sale/hire application for classification by the Classification Board.
- (4) As mentioned above, the Boards do not classify television content. It is, therefore, not within my jurisdiction to prevent the broadcast of this program. The honourable member may wish to raise his concerns with SBS directly. Complainants who are not satisfied with the response provided by SBS may refer the matter to ACMA for review.