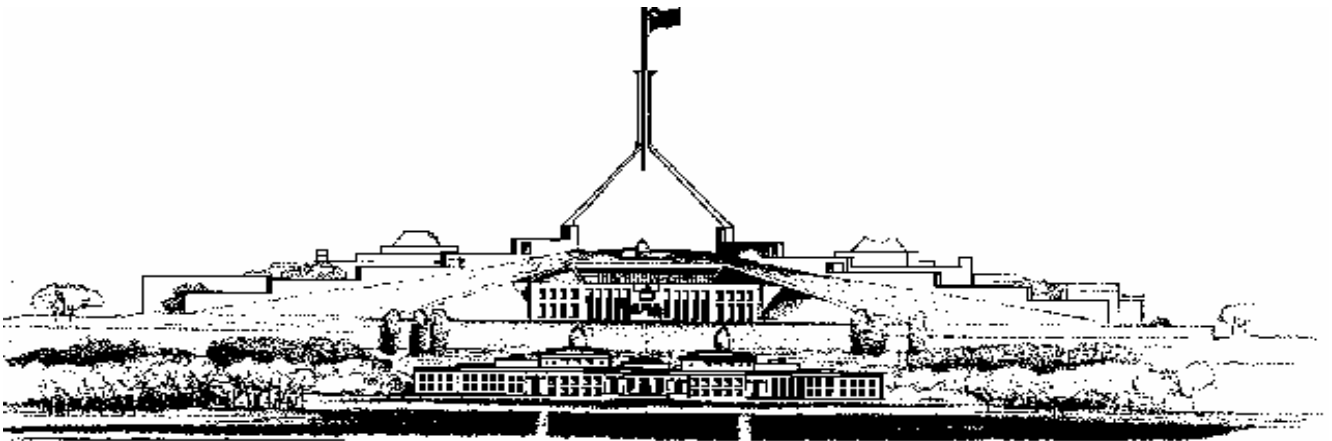




COMMONWEALTH OF AUSTRALIA

**PARLIAMENTARY DEBATES**



# House of Representatives

## Official Hansard

**No. 10, 2005**

**Thursday, 2 June 2005**

FORTY-FIRST PARLIAMENT  
FIRST SESSION—THIRD PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES



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### SITTING DAYS—2005

Month	Date
February	8, 9, 10, 14, 15, 16, 17
March	7, 8, 9, 10, 14, 15, 16, 17
May	10, 11, 12, 23, 24, 25, 26, 30, 31
June	1, 2, 14, 15, 16, 20, 21, 22, 23
August	9, 10, 11, 15, 16, 17, 18
September	5, 6, 7, 8, 12, 13, 14, 15
October	4, 5, 6, 10, 11, 12, 13, 31
November	1, 2, 3, 28, 29, 30
December	1, 5, 6, 7, 8

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**FORTY-FIRST PARLIAMENT  
FIRST SESSION—THIRD 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 Harry Alfred Jenkins MP

*Members of the Speaker's Panel*—The Hon. Dick Godfrey Harry Adams, Mr Robert Charles  
Baldwin, 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 Kimberley 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. John Duncan Anderson MP

*Deputy Leader*—The Hon. Mark Anthony James Vaile MP

*Whip*—Mr John Alexander Forrest MP

*Assistant 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 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, 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, 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, Harry 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, Andrew John	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, 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, Kimberley 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 Transport and Regional Services and Deputy Prime Minister	The Hon. John Duncan Anderson MP
Treasurer	The Hon. Peter Howard Costello MP
Minister for Trade	The Hon. Mark Anthony James Vaile MP
Minister for Defence and Leader of the Government in the Senate	Senator the Hon. Robert Murray Hill
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, Deputy 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	The Hon. Warren Errol Truss MP
Minister for Immigration and Multicultural and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs	Senator the Hon. Amanda Eloise Vanstone
Minister for Education, Science and Training	The Hon. Dr Brendan John Nelson MP
Minister for Family and Community Services and Minister Assisting the Prime Minister for Women's Issues	Senator the Hon. Kay Christine Lesley Patterson
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	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. Ian Douglas Macdonald
Minister for the Arts and Sport	Senator the Hon. Charles Roderick Kemp
Minister for Human Services	The Hon. Joseph Benedict Hockey MP
Minister for Citizenship and Multicultural Affairs and Deputy Leader of the House	The Hon. Peter John McGauran MP
Minister for Revenue and Assistant Treasurer	The Hon. Malcolm Thomas Brough MP
Special Minister of State	Senator the Hon. Eric Abetz
Minister for Vocational and Technical Education and Minister Assisting the Prime Minister	The Hon. Gary Douglas Hardgrave MP
Minister for Ageing	The Hon. Julie Isabel Bishop MP
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. De-Anne Margaret Kelly MP
Minister for Workforce Participation	The Hon. Peter Craig Dutton MP
Parliamentary Secretary to the Minister for Finance and Administration	The Hon. Dr Sharman Nancy Stone MP
Parliamentary Secretary to the Minister for Industry, Tourism and Resources	The Hon. Warren George Entsch MP
Parliamentary Secretary to the Minister for Health and Ageing	The Hon. Christopher Maurice Pyne MP
Parliamentary Secretary to the Minister for Defence	The Hon. Teresa Gambaro MP
Parliamentary Secretary (Foreign Affairs and Trade)	The Hon. Bruce Fredrick Billson MP
Parliamentary Secretary to the Prime Minister	The Hon. Gary Roy Nairn MP
Parliamentary Secretary to the Treasurer	The Hon. Christopher John Pearce MP
Parliamentary Secretary to the Minister for Transport and Regional Services	The Hon. John Kenneth Cobb MP
Parliamentary Secretary to the Minister for the Environment and Heritage	The Hon. Gregory Andrew Hunt MP
Parliamentary Secretary (Children and Youth Affairs)	The Hon. Sussan Penelope Ley MP
Parliamentary Secretary to the Minister for Education, Science and Training	The Hon. Patrick Francis Farmer MP
Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry	Senator the Hon. Richard Mansell Colbeck

## 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 and Shadow Minister for Social Security	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 Minister for Industry, Infrastructure and Industrial Relations	Stephen Francis Smith MP
Shadow Minister for Foreign Affairs and International Security	Kevin Michael Rudd MP
Shadow Minister for Defence and Homeland Security	Robert Bruce McClelland MP
Shadow Minister for Trade	The Hon. Simon Findlay Crean MP
Shadow Minister for Primary Industries, Resources and Tourism	Martin John Ferguson MP
Shadow Minister for Environment and Heritage and Deputy Manager of Opposition Business in the House	Anthony Norman Albanese MP
Shadow Minister for Public Administration and Open Government, Shadow Minister for Indigenous Affairs and Reconciliation and Shadow Minister for the Arts	Senator Kim John Carr
Shadow Minister for Regional Development and Roads and Shadow Minister for Housing and Urban Development	Kelvin John Thomson MP
Shadow Minister for Finance and Superannuation	Senator the Hon. Nicholas John Sherry
Shadow Minister for Work, Family and Community, Shadow Minister for Youth and Early Childhood Education and Shadow Minister Assisting the Leader on the Status of Women	Tanya Joan Plibersek MP
Shadow Minister for Employment and Workplace 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 Immigration	Laurence 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 Banking and Financial Services	Joel Andrew Fitzgibbon MP
Shadow Attorney-General	Nicola Louise Roxon MP
Shadow Minister for Regional Services, Local Government and Territories	Senator Kerry Williams Kelso O'Brien
Shadow Minister for Manufacturing and Shadow Minister for Consumer Affairs	Senator Kate Alexandra Lundy
Shadow Minister for Defence Planning, Procurement and Personnel and Shadow Minister Assisting the Shadow Minister for Industrial Relations	The Hon. Archibald Ronald Bevis MP
Shadow Minister for Sport and Recreation	Alan Peter Griffin MP
Shadow Minister for Veterans' Affairs	Senator Thomas Mark Bishop
Shadow Minister for Small Business	Tony Burke MP
Shadow Minister for Ageing, Disabilities and Carers	Senator Jan Elizabeth McLucas
Shadow Minister for Justice and Customs, Shadow Minister for Citizenship and Multicultural Affairs and Manager of Opposition Business in the Senate	Senator Joseph William Ludwig
Shadow Minister for Pacific Islands	Robert Charles Grant Sercombe MP
Shadow Parliamentary Secretary to the Leader of the Opposition	John Paul Murphy MP
Shadow Parliamentary Secretary for Defence	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 Infrastructure	Bernard Fernando Ripoll MP
Shadow Parliamentary Secretary for Health	Ann Kathleen Corcoran MP
Shadow Parliamentary Secretary for Regional Development (House)	Catherine Fiona King MP
Shadow Parliamentary Secretary for Regional Development (Senate)	Senator Ursula Mary Stephens
Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs	The Hon. Warren Edward Snowdon MP

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*Thursday, 2 June 2005*

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

**CORPORATIONS AMENDMENT BILL  
(No. 1) 2005**

**First Reading**

Bill presented by **Mr Pearce**, and read a first time.

**Second Reading**

**Mr PEARCE** (Aston—Parliamentary Secretary to the Treasurer) (9.01 am)—I move:

That this bill be now read a second time.

Today I introduce a bill which will clarify the scope of the personal liability of directors of corporate trustees.

The bill will address concerns that have arisen in the light of the recent decision in *Hanel v O'Neill*, which extended the personal liability of these directors under subsection 197(1) of the Corporations Act 2001.

Prior to the December 2003 decision of the full court of the South Australian Supreme Court in *Hanel*, section 197 and its predecessors had traditionally been interpreted as applying in very limited circumstances.

These were where the director's right of indemnity of the corporate trustee was lost due to the conduct of the trustee, or where the terms of the trust deed were designed or could operate to deny creditors access to trust assets to meet liabilities incurred by the corporation.

It is the government's view that it is vital to address business uncertainty and to clarify the legislative intent of section 197 in the wake of the *Hanel* decision.

*Hanel v O'Neill* significantly expands the potential personal liability of directors of corporate trustees, from large superannuation

trusts through to trading trusts running a small business. In essence, the decision effectively makes directors of corporate trustees guarantors of trust liabilities.

The proposed amendment contained in this bill will restore the longstanding interpretation of section 197.

It will work to clarify the circumstances in which directors of corporate trustees are liable to discharge a liability incurred by the corporation, acting in its capacity as trustee.

**Audit amendment**

In addition to the clarification of subsection 197 of the Corporations Act, the bill also contains a technical amendment to clarify the operation of a transitional provision in the CLERP 9 legislation.

This will ensure that the auditor independence provisions applying before the enactment of that legislation continue to apply to financial years commencing prior to 1 July 2004.

In concluding, I note that I have, in accordance with the Corporations Agreement, consulted the Ministerial Council for Corporations prior to introducing this bill. I have also obtained MINCO approval of the bill.

I therefore present the explanatory memorandum to the bill and commend the bill to the House.

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

**TRADE PRACTICES AMENDMENT  
(NATIONAL ACCESS REGIME) BILL  
2005**

**First Reading**

Bill presented by **Mr Pearce**, and read a first time.

**Second Reading**

**Mr PEARCE** (Aston—Parliamentary Secretary to the Treasurer) (9.04 am)—I move:

That this bill be now read a second time.

Infrastructure facilities play an important role in Australia's economic and social development. The efficient use of, and continued investment in, facilities such as the natural gas pipeline and the rail track are of strategic importance to the nation.

Accordingly, the government's policy is to assist realising the potential contribution of such services to economic growth and the improved wellbeing of all Australians.

The Exports and Infrastructure Taskforce report, released yesterday by the Prime Minister, highlights the need for improvements to the regulation of access to services provided through export related infrastructure facilities.

Much of the work to be done in addressing the recommendations of the report will require the cooperation and action of state and territory governments.

The initiatives contained in this bill reflect recommendations by the Productivity Commission and are consistent with the recommendations of the export infrastructure report.

They will make an important contribution to promoting timely and efficient infrastructure investment decisions and outcomes, through an improved national access regime for infrastructure facilities of national significance.

By way of background, following recommendations of the report on national competition policy by the Hilmer committee, in 1995 the Commonwealth and state and territory governments agreed to implement a national competition policy package.

The package contained a range of measures to increase competition across the economy and thereby enhance economic performance. The national access regime is part of the NCP package.

The national access regime comprises two key components: a legislative framework contained in part IIIA of the Trade Practices Act 1974, and clause 6 of the 1995 Competition Principles Agreement, negotiated between the Commonwealth, state and territory governments.

Under part IIIA, businesses can seek access to strategically important infrastructure services on reasonable terms and conditions.

This access can be sought in cases where replicating the infrastructure concerned would not be economically feasible, and where commercial negotiation with the infrastructure owner or operator has failed. This ensures that facilities with natural monopoly characteristics do not create barriers to competition.

This promotes competition in upstream and downstream markets, which is essential for sustaining strong economic growth and job creation, and contributes significantly to efficiencies and innovation.

Clause 6 of the Competition Principles Agreement sets out principles for assessing the effectiveness of a state and territory access regime, for the purposes of determining whether the national access regime should apply to services provided by means of a facility covered by that regime.

The national access regime establishes three pathways available for an access seeker to gain access to a strategically important infrastructure service:

- by having a service declared so that the access seeker has the right to initiate negotiations with the service provider,
- by seeking access through an effective industry-specific regime, or
- by seeking access under the terms and conditions specified in a registered undertaking from the service provider.

In October 2000, the Commonwealth government requested that the Productivity Commission inquire into the operation of the national access regime, specifically clause 6 of the Competition Principles Agreement, and the legislation contained in part IIIA of the Trade Practices Act 1974.

In its report, the commission made 33 recommendations for improvements to the national access regime.

The government's response to the commission's report accepted almost all of the commission's recommendations, and the Trade Practices Amendment (National Access Regime) Bill 2005 implements that response.

The key changes contained in the bill aim to clarify the regime's objectives and scope, encourage efficient investment in new infrastructure, strengthen incentives for commercial negotiation and improve the certainty, transparency and accountability of regulatory processes.

These changes provide a balance between ensuring a means for business to gain access to nationally significant infrastructure, while providing incentives for new investment.

The changes are also designed to provide access seekers and investors with greater confidence and certainty about the regulatory framework to enable them to make well-informed decisions.

The major initiatives contained in the bill are as follows:

#### **Clarifying the objectives of the regime**

The bill will insert a new objects clause in part IIIA in order to provide greater certainty for infrastructure owners, access seekers, investors and other interested parties.

The objects clause emphasises the need for part IIIA decisions to promote competition by promoting the economically efficient

operation and use of investment in infrastructure.

It also highlights the important role played by part IIIA in terms of providing a framework for access regulation applying to specific industries.

Decision makers under part IIIA will be required to have regard to the objects clause when making their respective decisions.

The implementation of an objects clause will promote consistency and provide guidance in the decision-making process and in the application of part IIIA, which in turn will enhance regulatory accountability.

#### **Encouraging efficient investment**

The Productivity Commission recommended that statutory pricing principles should be established and applicable to all three access pathways under the national access regime.

The introduction of pricing principles should achieve a number of important objectives.

They will provide guidance on how the broad objectives of access regimes should be applied in setting terms and conditions.

The pricing principles will provide additional certainty to regulated firms and access seekers, in turn improving the operation of the negotiation-arbitration framework. Further, pricing principles will provide some guidance for approaches adopted in industry regimes.

Finally, the pricing principles will help to address concerns that a regulator's own values will unduly influence decisions relating to the terms and conditions of access.

The bill enables pricing principles to be determined by the Commonwealth minister. The Australian Competition and Consumer Commission (ACCC) will be required to have regard to those pricing principles in making a final arbitration determination (un-

der division 3 of part IIIA) and in deciding whether or not to accept an access undertaking or access code (under division 6 of part IIIA).

On review, the Australian Competition Tribunal will also be required to take pricing principles into account where the tribunal is required to reconsider a decision of the Australian Competition and Consumer Commission.

Decision makers will be required to have regard to the pricing principles, rather than requiring each and every principle to be satisfied.

The pricing principles will assist in ensuring consistent and transparent regulatory outcomes. They will also enhance certainty for investors and access seekers and facilitate commercial negotiations between parties.

To ensure consistency in all three access routes under part IIIA, the Australian government also intends to work with the state and territory governments to include the same pricing principles in the Competition Principles Agreement for the purposes of assessing certification applications.

The bill also establishes a framework for the granting of an immunity from declaration for new infrastructure projects that are to be developed subject to a competitive tendering process.

A competitive tendering process is likely to see any monopoly rents expected to attach to the facilities concerned dissipated in more favourable terms and conditions for service users, rather than accruing to the service provider.

This obviates the need for declaration.

The bill will include a new division 2B which sets out the criteria the ACCC will apply to assess whether a tender process should confer immunity from declaration.

By establishing statutory criteria for the tendering process, the bill should provide regulatory certainty for government-sponsored investment in infrastructure that is likely to benefit the community and the economy.

The ACCC will have the power to revoke its approval if it transpires that the assessment of tenders was not in accordance with the tender process, or the service provider concerned is not complying with the terms and conditions of access to the service.

The threat of revocation should safeguard the interests of access seekers if the terms and conditions are not reasonable in practice.

#### **Enhancing the access regime**

The government is introducing a number of refinements to enhance the effectiveness of the national access regime.

The bill seeks to amend paragraph 44G(2)(a), so that declaration of a service cannot be recommended unless access to the particular service would promote a material increase in at least one market other than the market for the service.

The current declaration criteria, set out in subsection 44G(2), preclude declaration of a service where the relevant infrastructure and subsequent potential public benefits are not significant.

However, as identified by the Productivity Commission, the current declaration criteria do not sufficiently address the situation where, irrespective of the significance of the infrastructure, a declaration would result in only marginal increases in competition.

The bill also enables an access provider to lodge an undertaking after a service has been declared.

This will provide a means of achieving certainty on access terms and conditions, thereby facilitating negotiations between access providers and access seekers.

The bill also makes explicit certain arrangements regarding the powers of the ACCC.

For example, the ACCC will be prevented from accepting an access undertaking if the service concerned is already subject to a state or territory access regime that has been certified as an effective regime under part IIIA.

The bill also makes explicit that when arbitrating a dispute for a declared service, the ACCC can require a service provider to permit interconnection to its facility by an access seeker.

The bill also clarifies and enhances the ACCC's existing powers when arbitrating access disputes.

For example, when arbitrating a dispute over access terms and conditions, the ACCC will be required to limit its involvement to matters in dispute between the parties.

It will be empowered to conduct multilateral arbitrations following consultations with relevant parties.

The ACCC will also be required to publish reports addressing particular matters following completion of an arbitration, provided that the published material will not disclose commercially confidential information.

#### **Improving the transparency, accountability and timeliness of the regime**

The bill implements a number of measures designed to enhance the transparency, accountability and timeliness of the decision-making processes in part IIIA.

The bill requires part IIIA decision makers, such as ministers, the National Competition Council and the Australian Competition and Consumer Commission, to publish reasons for their decisions or recommendations relating to applications for declarations and certifications and proposed undertakings.

These amendments will enhance procedural transparency and regulatory accountability. They will also help facilitate informed consideration of whether grounds exist to challenge a decision, by way of merit review before the tribunal or judicial review by the courts.

The bill seeks to improve the accountability of decision makers under the regime by introducing non-binding target time limits to various decision-making processes under part IIIA.

If the National Competition Council, the Australian Competition and Consumer Commission or the Australian Competition Tribunal cannot meet a specified target time limit, the provisions require the party concerned to extend the period and publish notification to that effect in a national newspaper.

In this way, the target time limits should increase incentives for timely decision making, without compromising the rigour of the decision-making process.

The bill also provides discretion to the ACCC to grant interim arbitration determinations, which will not be subject to merit review by the tribunal, and to backdate final determinations to the date negotiations commenced between access provider and access seeker. Such changes will also assist in encouraging timely decision making.

This bill provides for public input on declaration and certification applications, proposed access undertakings, access codes and proposals to vary or withdraw an access undertaking or code, where it is reasonable and practicable to seek such input.

Public input into the regime's decision-making processes will enhance informed decision making, particularly when assessing the public interest in each case.

The bill also establishes mechanisms to streamline the extension of a certification or undertaking, prior to its expiry, which should benefit a wide range of stakeholders.

For example, infrastructure service providers will be given the opportunity to avoid potential regulatory uncertainty and delay. Access seekers will also benefit, as the process will expedite regulatory certainty in relation to the terms and conditions governing access to the service.

Finally, the bill contains an important new reporting requirement, as the National Competition Council will be required to report annually on the operation and effects of the regime.

This will provide an opportunity to reflect on the developments that have occurred in the preceding 12 month period, and to consider changes which may further improve the effectiveness of the regime.

### **Conclusion**

The bill provides access seekers and investors with confidence and certainty about the regulatory framework.

This will allow informed decisions to be made, and ensure that the national access regime will continue to play an important role in Australia's economic and social development.

I present the explanatory memorandum and commend the bill to the House.

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

## **COMMITTEES**

### **Public Works Committee**

#### **Reference**

**Dr STONE** (Murray—Parliamentary Secretary to the Minister for Finance and Administration) (9.21 am)—I move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, the following

proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Office replacement of the Bureau of Meteorology at Willis Island, Coral Sea, Queensland.

The Bureau of Meteorology proposes to demolish and replace the meteorological office and staff facilities at Willis Island, in the Coral Sea, off Queensland's coast.

Willis Island is located 250 nautical miles—approximately 450 kilometres—east of Cairns.

The Willis Island Meteorological Office provides observation data and early warning monitoring of cyclones using radar and other observation technology. This supports the bureau's national operations and severe weather warning services for the North Queensland coast.

The island's meteorological service commenced in 1921, with most of the existing Willis Island building infrastructure constructed in either 1950 or 1968. Refurbishment and maintenance has continued, but the 50-year-old facility's useful life, in this harsh environment, is nearing its end.

The island infrastructure includes the meteorological observations office and field support equipment, staff amenities and accommodation, station energy generation and management, and life support facilities.

The redevelopment seeks to replace the existing operational meteorological observation monitoring facility, and staff accommodation infrastructure in support of the bureau's mission.

The proposed works include the demolition, removal and replacement of the existing facilities and replacement with a new and more appropriate facility which meets current and foreseeable future operational requirements.

The current estimate of the construction and re-equipment is approximately \$8.62

million. As someone who used to look after the Bureau of Meteorology as Parliamentary Secretary to the Minister for the Environment and Heritage, I can say that these are dollars that will be very well spent.

Subject to parliamentary approval, it is planned that work will commence as soon as possible and be completed by the end of the year. I commend the motion to the House.

Question agreed to.

### Public Works Committee

#### Approval of Work

**Dr STONE** (Murray—Parliamentary Secretary to the Minister for Finance and Administration) (9.23 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: Development of on-base housing for Defence at Puckapunyal, Victoria.

The Defence Housing Authority proposes the construction of 80 on-base residences at the Puckapunyal Army base in Victoria. The project involves the construction of 80 three-bedroom houses on previously occupied residential sites that are presently vacant. Infrastructure works are not required. The estimated cost of the proposal is \$19.6 million. In its report, the Public Works Committee recommended that this proposal should proceed. Subject to parliamentary and Defence Housing Authority Board approval, the construction program is planned to commence in July this year with the delivery of completed dwellings expected to occur progressively from February 2006 through to November 2006. I would like, on behalf of the government, to thank the committee for its support. I commend the motion to the House.

Question agreed to.

### INDIGENOUS EDUCATION (TARGETED ASSISTANCE) AMENDMENT BILL 2005

#### Second Reading

Debate resumed from 1 June, on motion by **Mr Hardgrave**:

That this bill be now read a second time.

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

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

“whilst not declining to give the bill a second reading, the House condemns the Government for:

- (1) bungling the implementation of the new arrangements for Indigenous education programs, including swamping in red tape the Parent School Partnership Initiative (which is replacing funding to 3,785 Aboriginal Student Support and Parent Awareness committees), resulting in the failure to deliver urgently needed funding to Indigenous students;
- (2) bungling the delivery of vital tutorial assistance resulting in serious delays in providing support to Indigenous students;
- (3) an Indigenous Year 12 retention rate of 39.1 per cent which is barely half of that for the non-Indigenous community;
- (4) presiding over a 2.8 per cent decline in the number of Indigenous VET enrolments, from 59,763 in 2002 to 58,087 in 2003;
- (5) policy settings which have resulted in a 3.2 per cent decline in the number of Indigenous student commencements in higher education between 2002 and 2003; and
- (6) failing to take an evidence based approach to its new Indigenous education funding arrangements”.

**Mr MELHAM** (Banks) (9.25 am)—According to the government’s second reading speech, the Indigenous Education (Targeted Assistance) Amendment Bill 2005 provides for additional funding to support the provision of tutorial assistance to Indigenous

students who move away from their remote community to attend school. The Minister for Vocational and Technical Education also notes that students from remote communities require significant support to make the transition. The minister further says that this funding will provide 'up to four hours tuition per week for up to 32 weeks in their first year away from home'.

Labor's position is to support the bill, despite the fact that it effectively decreases the appropriation in the Indigenous Education (Targeted Assistance) Act by \$3.7 million. That figure is arrived at because of the net effect of two measures: \$10.9 million has been removed from the Indigenous Education (Targeted Assistance) Act and already included in the Skilling Australia's Workforce Bill 2005, and \$7.2 million is to be appropriated for the new tutorial assistance program under the Indigenous education act. That is why Labor says that, in effect, there has been a \$3.7 million decrease.

We choose not to further disadvantage the disadvantaged, and that is why Labor are supporting the bill. My colleague the shadow minister for education and training moved a second reading amendment which, in essence, condemned the government for its mishandling of the education of Indigenous students. Details in that second reading amendment outline declining rates in the number of Indigenous VET enrolments and other declining rates in Indigenous student commencements in higher education between 2002 and 2003.

The member for Jagajaga has addressed in some detail the appalling record of this government in Indigenous education. I would like to provide an example of exactly how Indigenous education in remote areas can work. It is important that we consider the cultural, social and educational barriers facing children in remote communities when

moving to a less remote but somewhat isolated community for their education. I refer to the work of the Nyangatjatjara College in Central Australia which began in 1997 and which has been developing steadily ever since. The college's vision is to provide a positive learning environment. A college brochure says that it is:

... designed to enhance the specific need of each individual student while respecting, valuing and celebrating those aspects of culture that Anangu wish to retain.

What makes this college a success is that it addresses education on the basis of decisions taken by the Anangu while understanding the wider societal norms. I visited this college near Yulara in 2003 to meet the students and teachers and to observe at first hand a unique educational experience driven by Anangu cultural needs rather than by the imposed values of white society.

For instance, while the school is coeducational, it is run along unique lines. It is a residential college but only the boys or the girls stay at the campus at any one time. When the boys are at the main campus the girls return for tuition at their home campus for a month, and then vice versa. This system was developed at the express wish of the senior members of the communities. The elders regarded this as the best way to deliver education while minimising risks inherent in young people being away from home, as well as being socially and culturally appropriate. The day I visited the teachers were returning from Imanpa where they had dropped off students for an exit weekend. This also provides the students with ability to stay close to their own communities even while at the boarding school.

I must comment on the work of the teachers and the remarkable commitment they demonstrate. This is a 24-hour-a-day, seven-day-a-week job which can involve an in-



credible number of kilometres over dirt roads to pick students up or take them home for exit weekends or to pick them up and take them to work. These are children from remote communities and for many English is not their first language. Dealing with a community outside their own is an experience which, if not handled sympathetically, could be inherently disastrous. There are four school campuses, three in communities, with the main campus at Mutitjulu, which is the boarding campus. The aims determined by Anangu are to prepare students for real work, to develop their social skills outside their community and to make them literate.

Some of the members of the House of Representatives Standing Committee on Education and Training, in the inquiry into vocational education in schools in 2003, visited Nyangatjatjara. In giving evidence before the inquiry on Friday, 2 May 2003 the then principal of the college, Ian White, said—it is recorded in *Hansard* at page 664:

When the school was set up the parents on the committee said that they wanted the students to learn ‘white fella’ ways, not necessarily to lose their cultural background but to be able to exist and work in a ‘white fella’ society.

In its provision of secondary education the college includes vocational education. It also operates in employment. Given the remoteness of the locations of communities, jobs are few and far between. The Nyangatjatjara Aboriginal Corporation, of which the college is a subsidiary, operates businesses locally. This is critical as there is no point in providing vocational education if students are not able to experience work, and without the college there would be no opportunities for students to experience work.

For example, I met with the Anangu who run Anangu Tours out of Yulara. Students from the college are able to experience, at an appropriate pace, an interaction with tourists and people outside their communities. There

are also a number of other businesses operating under the corporation which provide on-site opportunities for students. The corporation operates the store at the Docker River and several other small businesses close by the communities where the schools are located.

What this education model clearly demonstrates is that Indigenous education is unique and there are solutions available. A strength of Nyangatjatjara College is that it was established with Indigenous communities determining how it was to be run. It continues to be run by the communities, and when my colleagues visited the community in 2003 the process was beginning to pay off. It seems to me that this model could do with more than four hours tuition per week for up to 32 hours a year.

I have dealt with only one aspect of Indigenous education today. Not all Indigenous students come from remote communities. Some are from small towns, some are from the cities, some from regional areas, and the list goes on. I do not propose a single solution for all Indigenous students. What I do propose is that the basis for decisions on the education of Indigenous children can be made in consultation with the Indigenous community—indeed, more than can be: should be and must be. It is where this occurs that children receive the education they deserve and, more importantly, they have a right to.

The member for Jagajaga quoted from an opinion piece in the *Age* on 1 June, taken from Pat Dodson’s speech to the Reconciliation Conference on 31 May this year. It was also printed in the *Sydney Morning Herald* on 1 June. I can think of no better way to conclude today than to quote Pat Dodson in his opinion piece. In this piece Pat talks about the responsibility to ensure that young Aboriginals can enjoy being Aboriginal. I

might add: so that they can retain their traditional values and culture but also to operate within a whitefella's world. Our role as legislators is to ensure that this government provides the appropriate opportunities and support to enable the Indigenous communities to take responsibility for their destiny. Pat Dodson said:

Aboriginal people have fought long and hard to sustain our right to exist and to preserve our land, language and culture so that our young people can enjoy the rights and responsibilities of being an Aboriginal person. The land and the people are one. The onus is now on our young people to take up their responsibilities and take control of their lives and become contributors to our society in order to secure their future contentment. Their strategies should not be determined by grant controllers and appointed administrators. It is neither productive nor acceptable to shelter behind a wall of perceived oppression and victimhood.

I think Pat Dodson makes a very eloquent point. I have had it said to me by a number of my friends in the Indigenous community and by one in particular, Tracker Tilmouth: 'Mels, we don't want to be saved by you.' I think there is something in that, and that says it all—too often, well-intentioned non-Indigenous people have stuffed it up. They are trying to impose their values. They are trying to take the missionary approach and bring God and whitefella values to those communities, instead of respecting those particular communities and working with those communities and bringing through members of those communities so that they themselves can take on mentoring roles.

Why is it that in this wonderful country of Australia today our fellow, Indigenous Australians have the following life expectancy? Only 24 per cent of Indigenous males and 35 per cent of Indigenous females are currently reaching the age of 65. Those figures are worse than Third World statistics, for Bangladesh and other developing countries—and we call ourselves a civilised society. Not one

side of politics is to blame. Both sides of politics are to blame.

The great tragedy for me is that in my time in this place I have seen Indigenous issues again become partisan issues. Bipartisanship has been thrown out the window in the Indigenous area and in the area of immigration. It was thrown out the window after Labor was re-elected in 1993. This Prime Minister threw them out the back door, because he saw political advantage in playing to the prejudice and the ignorance that exists in our community in relation to the Indigenous area and in relation to immigration. It is not a one-way street; it is a two-way street. That is why these issues need to be handled sensitively.

We now have a government that from 1 July will have control of the House of Representatives and the Senate, so they will have no excuse in relation to their vision. But I am very worried about a vision that this Prime Minister puts out in terms of the Indigenous area when he talks about practical reconciliation, because this Prime Minister has form. He has had form since the first day he stepped into this place. It is a form that basically deals with Indigenous people as second-class citizens and does not respect the unique culture and the unique experiences that they bring to this continent. Their pre-existing history that dates back 50,000 or 60,000 years before white settlement is something that we should nurture, protect and respect; and we do not go to the lowest common denominator. Of course there are divisions and there is diversity within the Indigenous community, but you do not dismiss people like Pat Dodson and Peter Yu who are very wise people, people with experience that this government could do well to listen to.

The problem, unfortunately, with Pat and Peter was that they engaged with the then

Labor government, and this government regards them as Labor stooges. They are not Labor stooges. I was in many a meeting where they forcibly took issue with what the then Labor government was doing. What I fear is that what this Prime Minister wants to do is take the missionary approach—to make them like us and to give them the same values as us. They are not like us; they do not have the same values. The track records of successive governments are appalling. None of us can stand with pride in this place when I repeat those statistics that show that only 24 per cent of Aboriginal men and 35 per cent of Aboriginal women reach the age of 65.

That is where educational assistance, targeted assistance, is necessary. But it has to be done taking the communities and the elders with you. It has to be done in a sensitive way—in a way that gives them ownership and in a way that allows them to determine their priorities, to retain their culture, to retain their language, to retain their pride in the community. It should not be done in whitefellas' ways. We are the ones who brought the grog, we are the ones who brought the disease and we are the ones who for years have stuffed it up because of our sense of superiority over our fellow Australians.

Frankly, the best time I have had in this place was when I was the shadow minister for Aboriginal affairs, which gave me the opportunity to go out into the remote communities, to sit down with the elders and to see first-hand what was going on. It was an exhilarating experience in part and it was a depressing experience in other areas, because in many respects the interaction with non-Indigenous people has resulted in tragedies for those communities. The policies that were well-intentioned, the stolen generations that our Prime Minister still refuses to acknowledge, were government policy—taking children away from their parents not because

they were being poorly treated or dealt with but because of the colour of their skin, to breed out their aboriginality, to take them away and make them like us.

In terms of targeted assistance, it is no good throwing money at Indigenous communities if you do not do it in a culturally sensitive way, by taking the communities with you and recognising that what works in Central Australia will not work in the cape or in the Kimberley, in New South Wales or in Victoria—that there is diversity right across Australia. The common thing that will work is to respect each and every one of those communities, to go in with them and to give them ownership of these programs. That is the way to succeed. That is the way to raise their hopes and expectations and to give them an investment in the future of their communities.

They have been here longer than we have been here and they will be here for a long time to come. This Prime Minister is quite good at rhetoric and quite good on using the dog whistle, because he has one of the best pollsters in the business in Textor, but he has to produce the results. Unfortunately, as the second reading amendment of the shadow minister highlights, there have been declining numbers of Indigenous students commencing higher education in recent years, with a 3.2 per cent decline between 2002 and 2003. So he will not have an alibi for this. My plea is that, from a Labor Party point of view, we want to offer support to the government but we are not going to offer support for the lowest common denominator.

The truth is that a number of things that we did did not work out the way that we wanted them to. You learn from the mistakes of the past, Mr Deputy Speaker; you do not repeat them. I repeat: the abiding lesson that I learnt is to work with Indigenous communities, not to go in there and try to save them

from themselves, make them like us and have this superior attitude that runs through what I think is an assimilationist view in a majority of our society that treats them as inferior. I do not regard them as inferior; I regard their value system and their law as superior to ours because of the respect for their fellow human beings that is inherent in that community. (*Time expired*)

**Mr GARRETT** (Kingsford Smith) (9.46 am)—I rise to speak on the Indigenous Education (Targeted Assistance) Amendment Bill 2005. I note, as my colleague the member for Banks did, that the net effect of the bill, which is to provide new tutorial assistance and a transfer of VET funds, is a decrease in appropriations to Indigenous education by nearly \$4 million. We note with some regret in the House that that represents a lessening of funding in this particular area of Indigenous education. The question that we need to ask ourselves in this House, which we are asking ourselves fairly constantly, is how we can make a commitment which is long term, genuine and meaningful to Indigenous people, particularly in the area of education.

A lot of water has passed down the river in relation to Indigenous issues over the past nine years. Amongst other things, we have had a stolen generation inquiry, a *Bringing them home* report, the establishment of a Council for Aboriginal Reconciliation, the disbandment of ATSIC and the introduction of SRAs by the Howard government. We had Michael Long marching from Melbourne to the national parliament. I want to comment on a couple of those things as I go through my time in the House. The first comment is that it took Michael Long standing up and deciding that he was going to walk the roads of Victoria, New South Wales and the ACT, joined spontaneously by some fellow members of his community and others in a support group, to bring back onto the agenda the question of the status that Indigenous people

have in our country and to shine a light on the government's progress so far.

I commend again, as I know other members have in this House, Michael Long's very honest, very open and very deliberate action of simply following his heart in deciding to come and seek a meeting with the Prime Minister. He recognised that the Prime Minister had said at the beginning of his previous term that he wished to place the issue of Indigenous people's progress and status and the outcomes that they face in terms of poor education, poor health and the other damning statistics that we know too well right at the front of the agenda. Michael Long and many others, myself included, felt that it had not been placed on the agenda. As a great sports-person and a great representative of his people, he simply got up and began that long march from Melbourne to Canberra.

The *Bringing them home* report and the establishment of a Council for Aboriginal Reconciliation continue to focus people's minds on the question of reconciliation and what it means. As we know, the government has decided to introduce the word 'practical' before reconciliation. I have to say that I was very pleased to walk only last weekend, on 28 May, in one of the best attended reconciliation marches that still take place in this country. I am referring to the Australians for Reconciliation Chifley Committee, who sponsor the reconciliation march in Mount Druitt. The major sponsor was the Blacktown City Council and it was subtitled 'walk this way on Dharug land'. This was a march for reconciliation that began before the famous marches across the bridges some five years ago, and it still goes to this day. I think all members in the House would have been gratified to see the number of Aboriginal people, members of councils and local politicians but also an entire range of that very diverse ethnic community from the Mount Druitt western suburbs area of Sydney. I

want to assure the House that reconciliation as it is understood by those communities is still an issue that they take very seriously, and their commitment to it was made very real to me by their marching on that Saturday afternoon. I commend the organisers and the Chief Opposition Whip, who was responsible for organising that day.

Once the Prime Minister had decided that he would not apologise formally on behalf of the government in this parliament, the spirit was sucked out of Aboriginal people around this country. The idea of an apology was not new. It has been much debated. It is something which parliaments in the state jurisdictions had had no problem in formally moving to, which local councils had had no problems in formally moving to and which none of us, frankly, had had any problems moving to in our personal lives. As I recall, some of the reasons that were given as to why there should not be a formal apology by the leader of the government in this House related to issues such as compensation and other matters. They were really straw men to cover what was basically a refusal on the part of the Prime Minister to simply say that he was sorry. Now the debate has moved on, and people have moved on—not because it is not important to them any longer but because they realise there will be no turning at this particular point in time from the Prime Minister.

So National Sorry Day has become the National Day of Healing. I commend the organisers of the National Day of Healing, including Senator Ridgeway, for recognising that, if there is an obduracy on the part of the leadership of this nation, it is up to the people to find other means, other ways and other language to continue the forward process of engagement and discussion with Aboriginal people and non-Indigenous people in this country. A national day of healing, in my

view, is an entirely appropriate way of doing that.

I, along with other colleagues, was in the Great Hall last week for the launch of the National Day of Healing. I was deeply moved in some ways by the tragic circumstances of that event. Members in the House will recall that one of the speakers invited to address the National Day of Healing was Christine Jacobs, an Aboriginal woman from Western Australia, who was tragically killed in a car accident in Canberra on the evening before the event. I join with many of my colleagues, the Prime Minister and the Leader of the Opposition in recording my sympathies for her family, and I note that her daughter, Tamara, who is some 14 years of age, was able to stand up and read her mum's speech.

For me, that Tamara was actually able to get up in this place and speak her mother's story was an encapsulation of the bravery and the courage that Aboriginal people continue to show. It was a story of survival. It was a story of healing. Christine had suffered, as many Aboriginal women have suffered, through the course of her life not only the effects of disadvantage and alienation within her community and the social dislocation that takes place as a result but also the deeper effect, which her daughter spoke of quite eloquently, that this has on people's emotional and psychological wellbeing. These things are not necessarily that easy to measure but they are definitely there.

The word 'healing' is entirely appropriate when you see an Aboriginal woman in her late 30s or early 40s—I am not exactly sure of Christine's age—who, because of the conditions that she faced, surrounded by the dysfunctionality that unfortunately and regrettably is a part of Aboriginal communities, finds herself plunged into a deep depression at what is going on in her life but manages to

pull herself out of it. She understands that, by pulling herself out of it, she has to forgive both the conditions and the people who were responsible in part for bringing her and her people to this place. She was capable of the apology, personally making that act of reconciliation in her life. Her daughter, Tamara, by reading out her mother's speech, brought that home to those of us who were sitting in the Great Hall on the launch of the National Day of Healing.

The context is critical for us. One of the other speakers at that event was Professor Fiona Stanley. She would be well known to members in the House. She is an eminent Australian, a former Australian of the Year, who has been conducting a range of research on the impacts that have been faced by subsequent Aboriginal communities following the release of the *Bringing them home* report—an inquiry into the stolen generation. To summarise Professor Stanley's findings, which were pretty straightforward, as she spoke to us in the Great Hall: Aboriginal people face disadvantage, which is ongoing and recent; it impacts on their lives in direct ways; and it manifests itself in relationships in families and, in particular, it transmits through families—from parents to children—over time. As a consequence, you cannot look at what has happened historically and think that you can package it up and say: 'This was an isolated period of our history. We're now going to wrap it up in a plastic bag and put a rubber band around it. We're going to put it to one side and we are going to move on.' 'Move on' has become a euphemism for not recognising the implications of what happened then and how that translates into the lives of Aboriginal people today. We do not move on at all until we recognise that very important fact.

When we look at what is needed in relation to Indigenous education, everybody in the House agrees that there are no easy an-

swers. We acknowledge, as my colleague the member for Banks did earlier, that no government has had the magic solution to some of these questions, and some of the issues are quite profound and difficult. There is the question of the provision of policies, which will mean that you do not have Aboriginal kids leaving school—retention strategies are greatly needed. We need to look very carefully and clearly at the transition to high school, which for Aboriginal kids is always one of the most difficult and sometimes almost impenetrable barriers.

We also need to look closely at the curriculum and the refinements that need to be undertaken. We need to find ways in which the education system and the way in which people are educated, particularly Indigenous kids, has some implication, meaning, context and relevance to their lives. As the member for Lingiari pointed out forcefully in the House yesterday evening, it is also about poverty. Aboriginal kids going into the education system and trying to find their way through it come off a very different base from most other kids in this country. It is hard to believe that Aboriginal kids have to try and find their way through the education system when they are for the most part operating out of periods of either extreme or relative poverty.

In its case for change, the Australian education review, which examined this issue, identified a number of things that we would expect to be identified when considering Indigenous education. The obvious one is the link between the education that Indigenous kids get and the likelihood of their future prospects for employment. There are subsidiary questions about Indigenous people identifying education as something in which to invest. When you are poor it is not necessarily seen as the most important thing to invest your time in or to push your kids towards. The report says poverty means no-

where to study at home, lack of privacy when you are doing homework, and the pressures that kids have on time. Critically, it is not expected that Indigenous participation in the work force will increase significantly even when Indigenous people do graduate.

So there is a set of cascading issues that surround Indigenous education that relates to employment prospects and the capacity of communities that are suffering poverty to get their kids into schools. But also, even if their kids get through school or graduate from TAFE, they are underemployed in the work force. Some 63 per cent, as opposed to some 74 per cent of non-Indigenous kids, succeed in gaining employment. Lack of employment leads again to cycles of poverty, which means a greater likelihood of arrest. In many ways, the link between providing capacity for education and the fact that we have an overrepresentation of young Aboriginal men, in particular, in our prisons is clear evidence of this.

Australia participated in the OECD's inaugural program for international student assessment. About 500 Australian Indigenous students were assessed and a representative sample of the 15-year-old Indigenous population was provided. The report presented an analysis of the results for Australian Indigenous students in comparison with other Australian students and students from other countries. Its findings would not surprise us, but I will summarise them briefly for the House. Firstly, and most importantly and significantly, Australia's Indigenous students performed at a lower level than non-Indigenous students in the three assessment areas of reading literacy, mathematical literacy and scientific literacy, and their results were below the OECD means. That is clearly unacceptable to this House.

Importantly, differences were found in the learning strategies, learning preferences and

behaviours of Indigenous students compared to non-Indigenous students. This is a key point. It is expensive, challenging and difficult for governments at federal and state levels to find the right mix and number of strategies in order to deal with these very distinct differences, but they are real differences that impede Indigenous education unless they are addressed in a comprehensive and generous fashion. The report found that Indigenous students have less preference for a competitive learning environment—that is something I have experienced when I have travelled to Indigenous communities—and they are less likely to use elaboration and control strategies. I am not sure what elaboration strategies are, but I do know what control strategies are and it is no surprise that they are not particularly likely to use control strategies. They have been used on them often enough in the past.

At one level the argument will continue to be about resources, and the fact that the Howard government is depleting resources in this area is to be noted and condemned. How do we increase engagement with and ownership by Indigenous families? Through education and by involving communities in education decision making. That is a really significant question for the House to address and it is the sort of question that the government should be addressing when it looks at this issue in terms of policy. Those issues include increasing the provision for literacy and numeracy for Indigenous adults. This is something that is quite often left out of the debate. When we talk about Indigenous education it is really about reskilling and educating and about assisting Indigenous adults not only to value education but to have the necessary literacy and numeracy to actually work with their kids in the education system.

I note that the changes to Abstudy made by the government in 2000 reduced access to eligibility to the program for some students

who would normally have been Abstudy recipients. At the time the government predicted that this measure would not reduce Indigenous participation. In fact, an analysis of the census figures shows that education outcomes were reduced for Indigenous Australians between 1996 and 2001. This is a pretty poor finding because this was at a time when practical reconciliation was being championed by the government, yet it seems to have failed. Substantial improvements to Indigenous labour force status can only occur when a large improvement in relative educational status takes place. Yet there were fewer kids at that time going through the system and completing their education than the government had claimed would happen once the changes to Abstudy were made.

It is important that support for students in their first year away from remote communities is available, and we acknowledge that it is necessary that that support exist. But that should not be provided in lieu of supporting the communities with proper education, which is the right of every Australian. Education is the key to community development and also the key to community leadership. So the call in this House must be for proper education services to be provided in the community and for the community as well as services to assist Aboriginal kids to go to high school outside their remote or regional communities. Aboriginal communities are provided with public amenities and services with strings attached—sometimes it is called mutual obligation or shared responsibility—but it would be a terrible tragedy if that now became part of the way we examined education. There should not be a different set of conditions or purse strings attached to education for kids in Indigenous communities to the conditions that every other kid in Australia gets as a right.

As was said at the reconciliation workshops earlier this week, there will never be

equality for Indigenous Australians without Indigenous children being given equal life chances. How we give those children equal life chances is a central question. A major part of the answer is equal access to education services. Indigenous kids have the same right to the qualitative and quantitative levels of education as all other Australian kids and to special measures to overcome the inherent disadvantages that they currently face, which I referred to earlier. Support for Indigenous children studying away from their communities is a part of that, but it is only a part. It is here that we look closely to the Howard government to see what positive and concrete policies, recommendations and strategies it is going to develop and deliver. At the end of the day education is a key to community cohesion and development and to personal development among Indigenous Australians. On this side of the House we remain committed to that end.

**Mr BRENDAN O'CONNOR** (Gorton) (10.05 am)—I feel privileged to follow the member for Banks and the member for Kingsford Smith in speaking on the Indigenous Education (Targeted Assistance) Amendment Bill 2005—two members who have a great depth of understanding and empathy for Indigenous Australians; two members who have devoted much of their lives, public and private, to the plight of our Indigenous fellow Australians. I was impressed and a little overwhelmed by the comments made by the member for Banks when he said that he felt the most important thing he had done as a parliamentarian, indeed as a shadow minister, was to take on one of the most significant portfolios in this land. He has not yet had the opportunity to be a minister in this area, but the role of shadow minister for Aboriginal and Torres Strait Islander affairs gave him the opportunity to meet with so many Indigenous communities and get an understanding of their concerns. Equally, we



all know that the member for Kingsford Smith has shown a great interest in the area of Indigenous education in his life before coming to this place.

I confess not to having the same level of understanding about this area as those two members. My own electorate does not have a significant number of Indigenous Australians and I have not been placed in a role to represent them or act on their behalf in any real sense. However, all Australians, if they think about it, have had ample opportunity to concern themselves with the plight of our Indigenous brothers and sisters. There is much to be said in this area and I take a leaf out of the Leader of the Opposition's book when, in his address to the National Reconciliation Planning Workshop on Monday, he clearly enunciated the problems we have in this area and outlined some of the ways we should approach them. Seriously, there has been a real lack of regard for Indigenous Australians historically, and particularly since 1996 there seems to have been a relegation in this country's concerns about their plight.

It is important for us to reassert the importance of this issue, firstly as citizens of this country, and secondly because it is a sad case that internationally we are seen not to concern ourselves properly with the plight of Indigenous people. Last year Sir William Deane, in a speech in Melbourne, lamented that reconciliation had lost much of its impetus since the halcyon days of the bridge walk in 2000—only five years ago. He said that at the national level we seemed to have reached a blind alley of failure to reach consensus after a 10-year formal process of reconciliation.

The Prime Minister has said on a number of occasions that he does not agree with the black armband view of history. He does not believe that we should be dwelling upon wrongdoings of this nation. We know the

Prime Minister is not one to apologise. The Prime Minister does not believe that he is in a position—although he is in the premier political position in this land—or has any obligation to apologise on behalf of all Australians for the stolen generation and for the way Indigenous people have been treated. The Prime Minister says, in defence of his position, that he does not believe in the black armband view of history. I would rather have a black armband view of history than a blindfolded view of history. The problem with the Prime Minister is that he is not wearing a black armband. He has taken the black armband off and he has wrapped it around his eyes and blinded himself to the real concerns that this country have about their own Indigenous population.

I return more specifically to the Indigenous Education (Targeted Assistance) Amendment Bill 2005. I support the bill but take the opportunity to note several of its major failings and record my disappointment in the government's continued failures in Indigenous education and training. The bill involves appropriations for tutorial assistance to Indigenous students and the transfer of funds from the Indigenous Education Strategic Initiatives Program to the Commonwealth-State Training Funding Agreement. The bill provides \$7.2 million in funding to provide Indigenous students from remote communities with tutorial support in their first year of schooling when they move to a non-remote location to continue their education. These students will receive up to four hours tuition per week for up to 32 weeks in their first year away from home.

The bill moves \$10.9 million from the targeted Indigenous Education Strategic Initiatives Program into the general Commonwealth-State Training Funding Agreement. This funding is currently provided to four independent Indigenous vocational and technical education providers as transitional as-

sistance under the Indigenous Education Strategic Initiatives Program. By transferring this funding to the new Commonwealth-state funding agreement, states and territories will be required to match the funding.

This transfer forms part of the reallocation of funding identified in the Commonwealth's latest training agreement offered to the states and territories. According to the minister's office, the \$10.9 million has already been included in the \$4.4 billion appropriation proposed in the Skilling Australia's Workforce Bill 2005 which is now before the House. The net effect of these two measures is to decrease the money appropriated by the Indigenous Education (Targeted Assistance) Act 2000 by \$3.7 million. In effect, we are seeing a decline in funding for Indigenous Australians in relation to education.

The difficulties Labor have with this bill should be seen in the context of our continued disappointment with the government's lamentable record in Indigenous education and training. In particular, we should recognise the fall in the overall number of Indigenous vocational education and training enrolments for the first time since the 1990s. Between the years 2002 and 2003 the total number declined by 2.8 per cent. Indigenous students are underrepresented in course completions. While Indigenous students make up 3.4 per cent of the student population, course completions by Indigenous students made up only 2.5 per cent of the Australian Qualifications Framework level course completions in 2003. Fewer Indigenous students are commencing higher education, with a fall of 3.2 per cent in that same year. This record follows the Howard government's botched changes to the Aboriginal Student Support and Parent Awareness program and Indigenous Tutorial Assistance Scheme that stopped the flow of funds to Indigenous students and will mean funding

cuts to Indigenous students in cities and towns.

The Howard government changes to these programs include shifting funding from a per-student entitlement to a two-stage bureaucratic application process. School based parent committees and school councils will now have to compete for funding and meet the proposed reporting and accountability provisions in the act. An expressed aim of the new initiatives was to encourage parental involvement. Instead, flourishing Indigenous parent committees have been disbanded, leaving Indigenous parents disillusioned and disengaged.

Although there might be advantages in bringing the Indigenous Education Direct Assistance Program under the terms of the 2000 act, which should ensure better opportunities for planning and implementation, the changes to the Aboriginal Student Support and Parent Awareness program will entail an unacceptable increase in the volume of red tape, further alienating Indigenous communities and placing many of the school services and programs that are currently in place under threat.

I am pleased to see that the government has adopted Labor's idea of ensuring that young Australians must be in either work training or study, but unfortunately it has omitted the key ingredient of extra funding for more TAFE places. The government wants young Aboriginal people who drop out of school to attend training courses, but it fails to include additional funding for extra training places. There are 15,000 young people turned away from TAFE each year because of the lack of places. Perhaps the minister's level of commitment to Indigenous education can be measured by his nonattendance at the meeting of all Australian education ministers in Canberra recently. The minister should have been there to discuss

strategies for dealing with the disturbing decline in Indigenous participation in education under this government.

As I said earlier, the bill involves an appropriation for tutorial assistance for Indigenous students and the transfer of funds from the Indigenous Education Strategic Initiatives Program to the Commonwealth-State Training Funding Agreement. There will be \$7.2 million in funding to provide Indigenous students from remote communities with tutorial support in their first year of schooling when they move to a non-remote location to continue their education. These students will receive up to four hours of tuition per week for 32 weeks in their first year away from home.

There has been a lot said about the government's failure to attend to Indigenous affairs. The Prime Minister has failed to assert the importance of this area in the public debate. It really does take leadership. This is not an easy area. Labor is not suggesting that it solved enough of the problems when it was in government, but I think it went further than coalition governments. There has been a collective failure by this country to properly respond to the endemic problems experienced by Indigenous Australians. There has been a lack of concern by this government over its nine years. I think it was in the Prime Minister's election victory speech in 1998—it was after either the second or third victory by this government—that he committed himself to making Indigenous issues a major concern of his government and to focusing on the problems we see every day amongst our Indigenous brothers and sisters. I have not seen any of those words translated into action, and this bill is another sad reflection on this government's disregard for the Indigenous citizens of this nation. It is about time the Prime Minister took the lead on Indigenous education and indeed on all the services that we should be providing to our

Indigenous population. It is about time he followed up on the commitments he spoke of some years ago and started to provide assistance to our Indigenous fellow Australians.

**Ms LIVERMORE** (Capricornia) (10.19 am)—I want to come at this debate from a fairly technical perspective and use my contribution to talk about some of the specific changes to Indigenous education programs that have been introduced by the government this year. However, having listened to the speeches from my colleagues, I think it is very important for all of us in this debate to start our remarks, as my colleagues have done, by making very clear our individual commitment as members of parliament to addressing the serious and shameful inequality that exists in Indigenous Australia.

Nowhere is that inequality more clearly demonstrated than in the area of education. We heard a lot of the statistics on literacy, numeracy and retention rates from the shadow minister for education yesterday. It is very obvious that a lot of the inequality suffered by Indigenous Australians in so many areas of life in this country stems back to education. Education is integral to a lot of the solutions. Many of the problems faced by Indigenous Australians also impact on the educational outcomes we see reflected in those statistics.

So I add my pledge, along with those of my colleagues, to Indigenous Australians, to let them know that we endeavour to understand their situation and to do everything we can—certainly on this side of the House—to bridge the enormous and shameful gap between the expectations and aspirations of Indigenous Australians and those of the rest of the community.

The Indigenous Education (Targeted Assistance) Amendment Bill 2005 provides for some minor amendments to the administration of the Commonwealth government's

funding of Indigenous education. As I said in my opening remarks, it also gives us the opportunity to talk about what is happening more generally in Indigenous education and about where we believe this government is getting it wrong. The Labor Party has highlighted some of these issues in its second reading amendment, which I support, and I will refer to that shortly.

The bill appropriates money for two government measures. There is \$7.2 million going towards new tutorial support for Indigenous students who move from remote communities into larger non-remote locations to continue their education. Those students will have access to up to four hours per week of tuition for up to 32 weeks during the first year they are away from home. Of course, this is very welcome and recognises the enormous challenges facing young Indigenous kids when they make the journey, both geographically and culturally, from their home in a remote community to a larger centre. It will go some way to help those kids make the most of their opportunity to get an education.

The bill also takes \$10.9 million out of the Indigenous Education Strategic Initiatives Program and transfers it to the general Commonwealth-State Training Funding Agreement, which is a move that will require states and territories to match the funding from the Commonwealth. Together, these measures result in a decrease of \$3.7 million in the moneys appropriated by the Indigenous Education (Targeted Assistance) Act 2000. While pointing out our dissatisfaction with that decrease in funding, Labor are supporting the passage of this bill. We do not, however, support the broader direction of the government's policy on Indigenous education and, in particular, the substantial changes made last year to programs such as the ASSPA committees and the ITAS. So it is useful as part of this debate to have the

chance to revisit some of those changes introduced in the Indigenous Education (Targeted Assistance) Amendment Act that was passed by the parliament at the end of last year. I say that for two reasons. Firstly, we now have some details about what was proposed in that act and, secondly, we have begun to see the end results of the government's sloppy handling of its changes to Indigenous education, thanks mainly to the work of the Senate Employment, Workplace Relations and Education References Committee chaired by Senator Trish Crossin.

The Indigenous Education (Targeted Assistance) Amendment Act provides for the Commonwealth government's funding for Indigenous education programs from 2005 to 2008. We knew from the press releases and statements of the Minister for Education, Science and Training, Dr Nelson, in April 2004 that the government planned some major changes to the way its Indigenous education programs would be delivered in the coming four years. That was really about all we knew at that time. As it turned out, it was soon apparent that anything in those press releases had to be taken with a grain of salt anyway because the minister's overarching claim to have massively increased funding for Indigenous education was soon exposed as a sham.

In announcing the education package in April 2004 the minister claimed the \$2.1 billion commitment as a record and said it represented an increase of \$351 million, or 20.5 per cent over the current quadrennium. What the minister neglected to point out was that those figures were in fact hugely inflated because he had included Abstudy money in the package—something that had never been done before and that completely misrepresented the true level of funding for these supplementary measures to assist Indigenous students in primary and secondary schools. So part of that record funding claimed by the

minister was nothing more than shonky accounting.

The rest can be attributed to the projected increase in enrolments by Indigenous students for the relevant period. The supplementary recurrent assistance paid to schools is a per capita payment so the additional funding is due to additional students over that period of time, not any largesse on the part of the Howard government, as the minister would have us believe. So the minister was caught out in his claims about funding and not surprisingly it made us very sceptical about the government's commitment to Indigenous education. It also led us to suspect that the changes proposed to Indigenous education programs were more about saving money and having a go at the states than about improving outcomes for Indigenous students. The fact is that there is no new money in real terms being put towards the core initiatives that are supposed to be making a difference to the education of Indigenous students.

So we knew straight off that there was no new money but what about the proposed changes referred to in the minister's press release? We waited quite a long time to find out the full extent of those changes. Even at the time of the debate last year we did not really find much out. Members might remember that the legislation we debated last year was completely lacking in detail when it came to how these changes to Indigenous education—and I am talking specifically about ITAS and ASSPA—were going to be implemented, what would be expected of schools and what schools might expect to receive under the new package. The act appropriated the money and talked about new reporting requirements and accountability measures but not a word about the major changes proposed, which would effectively mean the abolition of ASSPA committees and major changes to the Indigenous Tutorial

Assistance Scheme that would see new restrictions placed on which students could have access to tutorial assistance.

The minister's second reading speech did not go much further to shed light on what was really in store for Indigenous students and the schools they attend. The detail of how these measures would be implemented, what exactly would replace those programs out in the schools and communities and how those schools could access the assistance they needed for their students was left to the provider guidelines. It is a measure of this government's commitment to Indigenous education that those provider guidelines were issued on 24 December last year—Christmas Eve. Those of us who took an active interest in this issue last year knew how totally unrealistic the time frames were for the effective implementation of these new programs. For example, I knew when I was up debating the bill on 2 December 2004 that it had been only a couple of days earlier that staff from the Rockhampton DEST office had been in Canberra to find out about these new programs that they would be expected to inform schools about and then administer. That happened at the end of November, just over a week before schools broke up for the Christmas holidays. Then the guidelines for schools became available on Christmas Eve. How could any government claim to be serious about improving the educational outcomes of Indigenous Australians when they are cobbling together program guidelines on Christmas Eve for a program that will need to be operating in schools around Australia, some of them in extremely remote communities, by the end of January?

If DEST wants to be in the business of micro-managing schools, which is a role that the minister clearly wants it to assume, then it would help if it developed even a basic knowledge of how schools operate—for example, that schools break up for Christmas

holidays and the principal is unlikely to be sitting at his or her desk on Christmas Eve looking through provider guidelines for programs they have probably heard nothing about because DEST scarcely knew the details by that time.

The minister wants DEST to sit down here in Canberra pulling all the strings and controlling the operations of schools in a way that is completely cut off from the reality of how schools operate—and it is students who pay the price. These are programs that target the most educationally disadvantaged young people in Australia, yet they have been abolished, or significantly changed, with limited consultation and a hopelessly inadequate time frame for schools and communities to prepare for the new schemes that are to replace them. That is the second reason I am pleased that we have the opportunity, through debate on this bill, to revisit the changes to the government's Indigenous education package. When the government abolishes entire programs such as ASSPA and substantially changes others like ITAS, those changes need to be properly scrutinised to see if they have delivered on the government's claims.

We could only guess at the extent of the shambles this package would be when we debated it at the end of 2004. Now it is becoming obvious to all of us who care about the educational opportunities of Indigenous kids that it is a mess that has left schools and parents feeling frustrated and alienated. I am sure that all members would agree that is not a great start to trying to address the challenges of improving educational outcomes for Indigenous kids.

I want to go through the two main programs that were changed. The first one is ITAS, the Indigenous Tutorial Assistance Scheme. ITAS started this year as a replacement for the former Aboriginal Tutorial As-

sistance Scheme. The previous scheme provided funding for tutorial assistance for those Indigenous students at primary and secondary schools who had been assessed by their school as needing extra help, usually those students who fell within the bottom 20 per cent of achievers measured against statewide or school data.

The difference between ATAS and ITAS is quite significant. Whereas before schools made the judgment about whether a student needed and could benefit from extra tuition, now the ITAS guidelines are very prescriptive about who is eligible. ITAS is specifically targeted at those students who have failed the benchmark tests in years 3, 5 and 7. I said in the last debate on these issues that I had not come across anyone who supported the idea of denying tutorial assistance to students until such time as they had failed a benchmark test.

The evidence before the recent Senate Employment, Workplace Relations and Education References Committee inquiry into Indigenous education funding arrangements continues that trend. I have been reading the committee's interim report which was tabled in March this year. That interim report followed on from the committee's hearings and visits around the Northern Territory. The committee took the rather unusual step of bringing down an interim report because of the level of dissatisfaction its members found among schools and communities in the Northern Territory during their visit there at the beginning of the year. The committee hoped that, by tabling that report so quickly after those visits, something could be done to undo some of the damage the committee saw up in the Northern Territory.

According to the committee's report, it was the changes to ITAS that seemed to generate the most anger and frustration in communities and with school authorities. Not

only are people reacting to the more restrictive criteria for kids receiving tutorial assistance but also it is clear that the new scheme will deliver far less assistance to students than the previous scheme. For a start—and I was not aware of this at the time we had the debate at the end of last year—the funding apparently does not include an administrative cost component, which is a difference from the old ATAS scheme. So resources are being taken away from the tutorial aspect of the scheme in order to handle the administration side.

The Northern Territory Department of Employment, Education and Training estimates that there will be a 25 per cent reduction in tutorial hours available for each student. If we recall the statistics that the shadow minister referred to yesterday, that is completely unacceptable. There is a huge gap between literacy and numeracy outcomes for Indigenous students, yet there are cuts to this tutorial assistance scheme which is trying to make a difference for those kids.

The other problem is that the whole program appears to have just fallen into limbo. We have state and territory governments still negotiating with DEST over funding agreements and schools and students are sitting in the middle wondering what is going to happen and how much money they will have for tutorial assistance. All of this uncertainty means that schools have been unable to employ tutors, and tutors who have been attached to schools for long periods of time have had to go off and find other employment. When the scheme actually gets back on track, that continuity is going to be lost between tutors and schools and, of course, between tutors and students. This will be quite damaging and will really set back the outcomes that can be achieved from the tutorial assistance schemes for those kids.

The evidence at the committee hearings was very much focused on the poor administration of this program, the damage that has been done and the fact that kids have been without tutorial assistance. At the time of the report it was about eight weeks, but it is now another couple of months on from that. That is without even going into the merits of the scheme—the shift from tutorial assistance for students generally to this more prescriptive system where students first have to fail the benchmark test before they are eligible for tutorial assistance. The evidence before the committee reflected what has been coming through ever since the scheme was proposed—that there is just no educational merit in setting up a scheme in that way. Linking assistance to failure is not sound educational practice. It is clearly a case of tailoring educational needs to fit funding guidelines rather than the other way around.

The second program that was the subject of major changes was ASSPA, the Aboriginal Student Support and Parent Awareness program. That was abolished at the beginning of this year, and the 4,000 ASSPA committees that were operating at schools around the country were disbanded. ASSPA committees were funded automatically on the basis of a formula that gave per capita funding for each Indigenous student enrolled in schools around Australia. ASSPA committees knew how much money they were getting from year to year, so they could sit down and plan with the school what activities they would set up to encourage closer parent involvement with the school to bring the surrounding Indigenous community into the school and to make them feel more at home and more a part of their kids' educations. That was done because all the evidence shows that parental involvement in schools is a really big factor in kids feeling comfortable at school—that school is somewhere that they

want to be—and that it really does lead to improved educational outcomes.

ASSPA committees got involved in a whole range of activities: sport programs, breakfast programs, NAIDOC celebrations and homework centres. They were working well, they were really an integral part of the life of the school, and the results flowed from that accordingly. ASSPA was abolished at the end of last year and was replaced by the Parent School Partnerships Initiative. We debated all last year about why ASSPA was being abolished. There was nothing in the review into the Indigenous Education Direct Assistance Program that justified the abolition of ASSPA. In fact, a lot of evidence was coming out about the benefits and educational outcomes those programs were leading to.

Under the PSPI, parents groups and schools now have to go through this two-step application process to get the funds for these sorts of activities for kids. The new PSPI program is supposed to be breaking down the barriers to parental involvement in schools, but instead it just sets up a bureaucratic barrier to parents who want to get involved. There is evidence of massive inconsistencies in how DEST is approaching these submissions. Things getting funding under one school's application are not being funded for another. DEST's response to this is, 'Oh well, we have devolved the administration to get it closer to the communities.' It was already devolved; it was devolved to schools. It was devolved to the people who actually work with these kids every day and who know what kids need and what will make a difference to them.

In yesterday's debate, the member for Goldstein criticised Labor for saying, 'It is always about more money.' It is not about more money. The stats dictate that there should be more money spent on Indigenous

education, but it is about more respect for Indigenous parents, more respect for the people educating our Indigenous students and more respect for their knowledge of what is needed in this area. DEST should not be sitting here in Canberra trying to pull the strings when it is the educators and Indigenous communities who know what these kids need to get them ahead in their education.

**Mr KATTER** (Kennedy) (10.39 am)—I rise to speak on the Indigenous Education (Targeted Assistance) Amendment Bill 2005. I come from the small town of Cloncurry, where maybe 40 or 50 per cent of the population is of Aboriginal descent. The figure may be even higher than that. I went to a boarding school where we did not have school captains; it was a very egalitarian school. The unofficial school captain and spokesman was Mick Miller, who was the first and most famous Aboriginal radical and the first tertiary graduate of Aboriginal descent in Australian history.

I was Minister for Northern Development and Aboriginal and Islander Affairs in the Queensland government for nigh on a decade, in the hottest and most prominent period in Aboriginal affairs. I think we had three *60 Minutes* programs, in one year, on me or the things we were doing. There are two or three textbooks used in universities throughout Australia that concentrate on what we did there. They are highly flattering. But, when I look back on those years, I cannot see that we did anything very remarkable or greatly laudable. There was our massively successful land ownership scheme. At long last it seems the government may be heading down that pathway.

We simply went out and asked the people: 'There are six million acres of land here, which are Aboriginal reserves. Technically we own them, and we do not want to own them anymore. They are morally and legally



yours, but we have to put a name on the title deed now. Do you want your shire council, which we are setting up, to be on the title deed? Do you want the land council to be on your title deed? Do you want your tribal council to have its name on the deed? This place has decided, under the so-called Mabo legislation, that there should be tribal ownership. This threw the people backwards about 300 years. This was not a very enlightened decision. I was criticised very stridently at the time, because five of us sat on one side of the House and the rest of the parliament sat on the other side. The five members sitting on my side said we should have private ownership. Now both sides of the House are saying that we should have private ownership.

We went, with loudspeakers, all around each of these little towns: to 15 towns in the peninsula, 13 or 14 in the Torres Strait and then some on the mainland. About 3,800 people attended the meetings. We put these propositions to them: tribal ownership, which is what this place has imposed on them; private ownership; shire council ownership; continuation of state government ownership; or land council ownership. They zeroed in on the private ownership and they wanted to know what it was all about. It was a concept that they really did not understand, so it was explained to them. In the Torres Strait, they very aggressively—and somewhat arrogantly in some cases—asserted that they already had private ownership and it was not going to change. That was endorsed in the famous Mabo decision. Out of the 3,800 people, only three voted against private ownership. The rest of the 3,800 voted that they wanted to own their own house, their own farm and their own cattle station. They did not want tribal ownership and they did not want any corporate, cooperative or collective ownership; they wanted private ownership.

I was not very clever in simply going out and asking them what they wanted and then going back to the parliament and delivering it to them. I am not denying all the accolades. I certainly enjoyed them immensely. But I hardly thought it was Albert Einstein stuff. We are here today talking about education. You can give the people all the education in the world but, at the end of the day, as the Australian nation collectively is finding out at the moment, if you cannot produce something of value to the rest of the world then the rest of the world is not going to give you something in return. Sure, we can keep propping them up with public funds—and I do not want to denigrate education. There are a lot of jobs and, as in any community, you need people to fill them. You need teachers and health workers, diesel fitters, administrators, engineers, power station operators and mechanics. All of these people are needed in these areas, but the industries that the people of Aboriginal descent in Australia, the first Australians, have traditionally been heavily involved in—cattle, timber, fishing and farming—are just languishing.

One of the most magical tourist attractions in all of Australia—easily the most outstanding as far as I am concerned—is the crocodile farm at Edward River, where you can see one of the biggest crocodiles ever captured in the history of the world. He has one paw missing, but he is an extraordinary size. To see thousands of these huge old mothers waddling up to get dinner in the afternoon is an absolutely awesome sight—and you can still see people fishing with spears off the coast at what is now called Pormpuraaw.

One of the most important experiments in Australia was carried out at Pormpuraaw. It is the most tribal area of Australia and one that is most like Queensland in the old days. People still speak in languages there. The Mungkan and Thaayorres are still very tribal.

The town is divided up between the two and there is not a lot of love lost between the two tribes there. They wanted to run cattle themselves. Some of these blokes were very experienced in cattle. Some of them had sisters and cousins that owned cattle stations nearby and—not to beat around the bush—some of them had been doing a fair bit of night riding on the reserve lands, taking cattle with their cousins and taking a percentage. So they thought it was pretty crazy to go and work for their cousin, considering he was coming back and giving the community cattle a big hiding, so they thought, ‘Why shouldn’t we get access to those cattle ourselves?’ So the place was divided. There is a pretty famous picture of Jackson Shortjoe, Eddie Holroyd and I dividing up the place into five stations. Two of them were taken up, and there were problems, which I will not go into in the House, with one of the stations that were taken up.

But Holroyd, against all the odds—every single person has tried to destroy Eddie Holroyd—because he is an incredibly tough fellow, has survived. People saw this as some sort of plot given the communist and socialist attitudes and the sort of public service bureaucratic thinking that had permeated Aboriginal affairs. Holroyd was anathema to all of that, to all the public servants and those with a socialist mentality. I do not mean to put down in this place people who call themselves socialists because I am talking about the sort of socialist mentality that says: ‘We can do this for you. We will look after you. We are good people and we look after the poor downtrodden blacks.’ But if the ‘poor downtrodden blacks’ are not downtrodden and they stand upright on their hind legs, then what happens to them?

The person who was effectively the head of the department in those days, Sir Eric Law, a Cherbourg boy of Aboriginal descent and one of the very early people to get a ter-

tiary education, said: ‘No, you’re wrong. If you think that they hate me because I am taking their jobs away by getting black people to do the jobs themselves—the white fellas that work here hate me because I’m taking their jobs away—you don’t understand. It is much deeper than that. You are actually taking their identity away. Their self-identity is being a helper of the downtrodden: “I’m a great hero because I help the poor and downtrodden. If the poor and downtrodden are not poor and downtrodden, my reason for existence vanishes. My whole identity vanishes.”’ I thought that was a great insight by Sir Eric Law, and that was one of the many reasons why he was one of the senior public servants in Queensland.

We can educate these people till the cows come home but, if there are no jobs for them to take up, we have problems. But there are jobs for them to take up, so it is very important that we do move down the pathway of education. But infinitely more important is this: if you think you are going to solve the problems of these communities with education, you are wrong. Heavens, a good 10, 20 or 30 per cent of these community people are now moving through to tertiary education, but when they have finished they are not going to go back to their communities, which are places of no hope at the present moment. I see in the House the member representing the Northern Territory, the member for Lingjari, and I think that he would agree with what I am saying: that so many of these communities are places without hope, and while we are educating the people in them it is achieving almost nothing.

In fact, I would say that all of the social indicators would indicate we are worse off than we were 15 years ago. That would most certainly apply in Queensland. We have reached such a stage that they have banned alcohol. How many countries would have the hide to say, ‘You’re black and you can’t have

alcohol?' That is what has happened in Queensland—the most racist of racist laws. I can remember as a young bloke when the droving teams would come in and the white fellas would go in the pub, but the black fellas were not allowed to go into the pub. In the Indigenous community areas of Queensland, which are big areas—probably 12 million to 20 million acres of Queensland are Aboriginal reserve areas—you cannot have a grog. There cannot be anything much more Australian than having a grog, but these people cannot. They are not like other Australians.

So we have reached the stage where they have actually passed laws which are quite staggering in their racist and oppressive nature and have had the dreadful repercussions which I predicted at every moment—in this House, in the public arena, in the media. I said these laws would cause all the things that they were supposed to be abolishing. Go to Palm Island now and have a look at their handiwork there. The police station now is a fortress, the people are divided and there is great violence and tension continuing in that community.

I had to sit down and do a fair bit of homework when I became Aboriginal affairs minister in Queensland. The message to me was: 'You'd better fix it up or we'll cut your head off.' That was a fairly good incentive for me! Things were very hot at that period. I had to do a lot of research. I asked myself: 'Why did the Anglos get ahead of the rest of the world? Why did these people from England, who went to America and other places, get ahead of the people of every other country in the world so dramatically?' There is one defining characteristic of the English. In 1290 the British king passed a law—albeit I think Simon de Montfort had a knife at his throat—called *quia emptores*.

*Quia emptores* abolished the entail system, the system whereby the entire country was owned by barons, and the eldest son, no matter how stupid, lazy or vicious, would inherit all of the land from his father when his father died. That was the law of the land. The father could not sell the land to whomsoever he liked or subdivide it or do anything like that. He had no option. The land simply passed to the son. *Quia emptores* abolished that in 1290 and they moved to a freehold title system, not over all of England, but it effectively started to take hold all over England. In France it was not until the revolution in the 1780s that they broke the feudal system. In Russia it was not really until the 1980s that Russians got private ownership of land. In Germany it was not until the late 1700s and early 1800s that Germans started to be able to own their own land. But we are expecting the first Australians to go back to 1289 and are expecting to keep them there by the laws of this land.

Let me be very specific. On my last visit to Yarrabah—I just dropped in to say g'day to some old mates there and I was only there for about an hour—three people came to see me. One of them was the shire clerk. He said to me: 'Bob, I want to take up ownership of my own home. How would I go about that?' I was very sad about his plight, because he was a very nice young fellow, very intelligent, very capable. I said: 'Mate, half our laws say you can't. You're not of the original tribe here. There are only 60 of the original tribe here and they won't let you do it; they'll take out an injunction against you, as you are already aware.' He said, 'There must be some way around that.' I said: 'Any hope you had was destroyed by the federal government in their legislation which reinforced the Mabo laws. I wish I could say something else to you.'

The lady that was managing the supermarket said to me: 'Get me some money.'

The supermarket is falling down. They've condemned it and everyone is shopping over at Gordonvale.' I said: 'Borrow some money to get it fixed up. It's a good little business. It's the only supermarket here and there are 2,000 people in Yarrabah.' She said: 'I can't. I've been to the banks.' I said, 'Oh, you haven't got a title deed—of course.' She said: 'That's what they said to me. They wanted a mortgage. They wanted some security and I couldn't give them that.'

The third bloke was from one of the most prominent families there. He had bought a dairy farm on the Atherton Tableland. I said, 'Why did you buy a dairy farm up there?' He said, 'Why do you think?' Of course the reason was that he could not have a dairy farm at Yarrabah. So the family, which had been the most prominent family there and had lived there for so long, simply could not—

**The DEPUTY SPEAKER (Hon. DGH Adams)**—Order! I remind the honourable member that this is a bill about education. I ask the honourable member to come back to the bill.

**Mr KATTER**—I will return to it. That is a fair comment, Mr Deputy Speaker. We are talking about helping people to go away to get an education. This is a very controversial bill. If you go to the community areas, you will find that this is a very controversial bill indeed. The last time I saw Bjelke-Petersen was at Hope Vale. He was handing over the deeds of grant which would enable people to move to private ownership. Those laws were overturned by the incoming Goss government, precipitating the worst rioting in Queensland history. When the right to private ownership was taken away from the people, 3,000 people turned up at Parliament House in Queensland, smashed windows, burnt flags and tried to tear the door down. Two hundred people went to hospital or jail. It was covered up in the media—that amazed

me—but they were really dreadful scenes. Bjelke-Petersen quoted the Bible and the story about when there was no water on the boat and the prophet said, 'Put your bucket down into the sea,' and they did and they pulled up fresh water. Bjelke-Petersen said: 'That's what we should do here. Do not leave Hope Vale. Stay in Hope Vale; it is your home. Put your bucket down here.' He did not want those people to leave Hope Vale.

We do not want an empty country. If we take these people away for education, a lot of them are not going to come back. I would say the vast bulk of them will not come back. Do you want to have an empty land? We simply had no-one living there in the Second World War. I do not condemn the government for that. I do not see how they could have done anything else. And it was not the Brisbane Line; it was actually a golden boomerang—Adelaide, Melbourne, Brisbane and Sydney were to be preserved and the rest of Australia was to be handed over. It could not be defended. And who would want to defend it, because there was no-one living there. Things have hardly changed. Take out a little area around Perth and there are half a million people living on 90 per cent of the Australian landmass. Do we really want people to abandon these areas? My answer is: no, we do not. We desperately want them, as Bjelke-Petersen urged. It is not as if these communities cannot be successful. Look at the products of Hope Vale: Noel Pearson, who may be one of the finer intellects in the country; Matt Bowen, the famous rugby league player—*(Time expired)*

**Mr PRICE (Chifley)** (11.00 am)—Mr Deputy Speaker, I do not want to make a long contribution today but I do want to speak on the Indigenous Education (Targeted Assistance) Amendment Bill 2005. You will forgive me if I mention that last weekend in the electorate of Chifley we had the eighth annual Walk and Gathering for Reconcilia-

tion. I am pleased to say that my colleague the honourable member for Kingsford Smith was a special guest of honour at that. Once a year we stop the traffic as we march around the CBD of Mount Druitt and have a concert and at least keep alive in my electorate—which has one of the highest populations of Aboriginals—the ideas underpinning reconciliation.

I am very interested in education generally, and in my electorate in particular there are challenges associated with the education of our Indigenous children. They are not the only children, I might say. My electorate is a very diverse one, with a high Islander population, for example, as well. It is always a disappointment when there is a lot of political point-scoring around such a challenging issue. Government members are always happy to point at the failures, as they perceive them, of what we did under the last Labor government; for our side, progress has been very disappointing in terms of changing the demographics. I guess the most important thing to understand about our Indigenous community is that they are a very young community, with an average age 15. This is a function of the mortality rate that cuts in so many years earlier than it does for the rest of the population.

The last time I looked at figures for my electorate, which is a little while ago—and I must say that I am seeking current figures—it was absolutely disappointing to see the number of Aboriginal students who dropped off at year 10. Few progressed to year 11 and I regret to say that less than a handful were at year 12, and I do not believe the situation has changed at all. So many people moralise and deliver sermons on what should or should not be done. But I profoundly believe that no matter what their background, no matter what their parents' circumstances or whether they come from an intact or separated family or whether they are wealthy, middle class or

poor, each Australian child has a right to have their educational potential reached. I see that as an inalienable right. If parents send their children to private schools then that is a responsibility that those schools take on and should deliver on. The same goes for public schools.

It saddens me to say that schools in my electorate are failing some of my students and in particular Indigenous students. The situation is not acceptable. I listened intently to the honourable member for Kennedy who said, 'What is the use of educating people if there aren't jobs?' I say that without education you have no chance of getting a job. So those students whom we fail—that is, those who do not reach their potential at school or are not developed—are actually being limited. We are limiting them, if not setting them up for failure, on the job market. I think education is fundamental to success in the future. I guess, Mr Deputy Speaker Adams, neither you nor I are particularly good examples of success at school—which means that, notwithstanding that, you still can succeed—but increasingly education is so important.

Mr Deputy Speaker, I am sure you will remember when we had a program where we set a benchmark of having 1,000 Indigenous teachers. It was a terrific program. The thing I find so disappointing in education debates is that we are not prepared to set targets and benchmarks. I passionately believe we should. Even if we fail to reach the target, we should have a target. I cannot see why 38.6 per cent of Aboriginal students in my electorate should not complete year 12, which is the average. In fact I would say that I would not be content with that figure and would want to see it much higher.

A lot has been said about vocational education and the importance of it. I fully accept that and would like to see more done about it. If we look at school based apprentice-

ships, I can tell this House that there is one—just slightly more than one—school based apprenticeship available for each high school in my electorate. I repeat that figure: there is one school based apprenticeship available in each high school in my electorate. I have for the electorate of Chifley 20 school based apprenticeships. I find that totally unsatisfactory. I notice that the Minister for Education, Science and Training is in the House. We can play games about it—we can say: this is a state government responsibility. I am putting it on the public record and I am trying to do something constructively about it in my electorate. I would say to the minister for education that there is no need to try to score some points. I say to the Commonwealth that we all need to sit down and work cooperatively about this in each state. I think we need to be doing more, and let us try to find out why we cannot do more. The important point I am trying to make about Indigenous Australians and young Australians is: how do I get an Aboriginal student as a school based apprentice if I only have one position in a high school?

*Mr Brough interjecting—*

**Mr PRICE**—You will talk about technical high schools that you are introducing, and there is only one for the whole of Western Sydney, only one for the whole of Western Australia, and that area contains 10 per cent of the Australian population.

*Mr Brough interjecting—*

**Mr PRICE**—The minister ought to be better informed than that. I think we have a responsibility in this parliament—it does not matter what child we are talking about, but we happen to be talking now about Indigenous children—to try to tackle these challenging issues in a bipartisan way and in a way that does not point score. In particular, we ought not to sit on our hands and point score when we are making absolutely no

progress whatsoever. I apologise for getting sidetracked but I want to say that in my own electorate I am looking for better results in literacy and numeracy in primary schools, and in high schools I would like to see a constant flow from year 7 to year 12 with a minimal drop-off.

A detailed second reading amendment has been moved by the Deputy Leader of the Opposition. I had intended to read it out but, unfortunately, I have run out of time. I want to make it very clear that I totally support that amendment moved by the deputy leader, the honourable member for Jagajaga, and seconded, I understand, by the honourable member for Lingiari.

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (11.10 am)—I thank the members who have spoken on the Indigenous Education (Targeted Assistance) Amendment Bill 2005 and note the sincerity with which remarks have been made by members from both sides of the House. Firstly, I point out to the member for Chifley that the reason we have very few, if any, school based apprentices in New South Wales and Western Australia is that the industrial laws and agreements in those states specifically proscribe the inclusion of school based apprentices in awards. The Prime Minister will be raising that and similar matters with the state premiers when he meets them tomorrow. As the Assistant Treasurer has pointed out, Queensland actually leads the way in this regard and for that at least should be commended.

The Indigenous Education (Targeted Assistance) Amendment Bill 2005 amends the act to increase the appropriations for 2006, 2007 and 2008 to provide additional funding for intensive tuition for Indigenous students from remote schools and to transfer funding to the Skilling Australia's Workforce Bill 2005. The \$7.2 million in new funding ap-

propriated by this bill will provide Indigenous students from remote communities with tutorial support in their first year of schooling when they move from their remote school to continue their education. These students will receive up to four hours tuition per week for up to 32 weeks in their first year away from home. Between 2006 and 2008 this additional tutorial assistance will help an estimated 2,040 students undertake and complete their schooling.

This measure will complement a suite of measures under the \$179 million Indigenous Tutorial Assistance Scheme, ITAS, that provides strategically targeted tutorial assistance for Indigenous students at key points in their education, including \$105.5 million in class tuition targeted at those students not meeting the years 3, 5 and 7 minimum literacy and numeracy benchmarks. It is estimated that more than 45,000 Indigenous students will benefit over 2005 to 2008. There is \$41.9 million targeted at years 10, 11 and 12 Indigenous students, and it is estimated that some 11,600 students will benefit over the quadrennium. There is \$31½ million targeted at Indigenous tertiary students, and approximately 4,000 students will benefit directly from that.

The member for Chifley and some speakers throughout the debate made the point about the need to set and achieve specific targets. I point out to the member for Chifley and others who have expressed that view that they are absolutely right. In fact, one of the requirements in the funding agreement for Indigenous specific education which has been put to the states and territories—and at this stage have only been agreed to by Queensland and the Northern Territory—is that the states that own, operate and administer public schools which educate Indigenous students will for the first time actually set targets. They will be required to report annually on progress against those targets, and

that is one of the reasons we are getting resistance from some of the states to actually signing up to the agreements. In addition, this particular bill transfers \$10.9 million—I emphasise: transfers \$10.9 million—to the appropriations under the Skilling Australia's Workforce Bill 2005.

There is no reduction in funding at all. In fact, over the quadrennium the amount of money available for Indigenous specific education from the Australian government will increase by \$381 million. The further point needs to be made that this Indigenous-specific funding is in addition to money which is available to every Australian child, whether they be Indigenous or non-Indigenous.

One of the criticisms that has been put to the government—and the criticism has been made of me in relation to some of the reforms that have been introduced—relates to targeting in-school tuition for students who fail national benchmark tests in year 3, year 5 and then in year 7. The argument is put that students should be targeted much earlier in their education. I have allowed, if you like, a degree of flexibility at the school level for principals to decide how they might best allocate the resources which are attracted for in-school tuition to the students within the school, so long as they are confident that it will assist the achievement of reasonable literacy and numeracy benchmarks amongst the students who are being targeted.

But the point needs to be constantly made that the primary responsibility for the education of Australian students rests with the state and territory governments who actually run, operate and primarily fund the schools. This is additional funding. If we were to say, for example, that the Indigenous-specific funding be targeted at students who are not meeting minimum standards of education, for argument's sake, in preschool or year 1—and

it may well be argued that they should be targeted even earlier than that—then who picks up those that fall through the cracks? By any standard, as we all know, Indigenous students are performing the least well in relation to the national benchmark targets. So this funding is in addition to funding that is otherwise available for every student and it is unashamedly targeting the students who are not meeting national benchmarks.

There are three things that the government are trying to achieve overall. In fact, I had considered much more radical reforms, but there are three things that we are trying to do. Firstly, we are trying to shift and concentrate the resources on the Indigenous students who by any standard have needs that are greater than those of others. All Indigenous students in this country—I do not care where they are born or where they live—face more difficult challenges in life than those children who are not Indigenous. The reality is that if you live in a city such as Sydney or Melbourne you have sealed roads, you can turn on a tap and clean water comes out of it, there is a doctor's surgery or a clinic around the corner, there is a hospital down the road and there is a school across the road. The further you go from the Opera House or the Melbourne Entertainment Centre into the regional and then into the remote parts of the country, the more the disadvantages are compounded and multiplied. So what the government are ultimately trying to do in a relatively modest but determined way is to shift the resourcing to where it is most needed.

The second priority is to target the resourcing into things that we know actually work. We know that in-school tuition works, for example, so we are putting increased resourcing into it. We know that the Scaffolding Literacy Program works, so we are putting \$11 million of this money specifically into Indigenous education in the Northern

Territory outside of Alice Springs and Darwin.

The third thing that we are endeavouring to do is to bring the states and territories to account. I do not care what the political flavour or colour of the state and territory governments is—the fact is that there is a sad history of underperformance in this country by state and territory governments in actually setting and then achieving against benchmarks for education, as the member for Chifley said. In the past—and I am convinced it is still going on today, which is one of the reasons why we are putting these requirements into the Indigenous education agreements with the states and territories—the Australian government have put this considerable sum of money into supporting Indigenous education and, in varying ways, the states and territories have found some way of shifting their bit out to put it somewhere else. We are not prepared to tolerate that any longer.

The funding represents the equivalent of the transitional project assistance, TPA, which has been provided to the four independent Indigenous VET providers since 1997, when per capita supplementary recurrent assistance was introduced to replace project funding. This \$10.9 million we are referring to in the bill will be used to establish a Commonwealth-state joint funding pool to improve VET outcomes for Indigenous Australians, particularly in regional and remote locations. The states and territories will, as I said, be required to match that funding.

Coming back to the third of the three priorities, it is about leveraging the state and territory money. Instead of the Commonwealth simply providing the money for vocational education and training for Indigenous students the way we have been doing it, we want to put it into the training area and re-



quire the states to match it. So, for the \$10.9 million that is being provided here, we expect the states to put up almost another \$11 million themselves. Again, we are leveraging the money from the states and territories to support the programs that will be funded in VET for Indigenous people.

The initiative will provide funding certainty for the life of the agreement to providers that are achieving good outcomes. Again, we want to support things that work. We do not want to support things that we are emotionally attached to but which we find are not having very good outcomes at all. So the providers that are achieving good outcomes for Indigenous students will be allowed to establish sustainable services. It will tie ongoing funding to performance and outcomes for Indigenous clients. Access to the pool will be on a competitive basis, and my department will be working with the states and territories to develop the rules for access to the competitive funding pool. The four IVET providers currently in receipt of the transitional project assistance will be able to seek funding from the pool.

A couple of other points were made by the member for Jagajaga, who—I will put it politely—expressed concern about the rate of 39 per cent retention to year 12. I share the concern that the year 12 retention is still only half of that for non-Indigenous Australians, and in many cases the standard of that year 12 is barely that of a year 9 or 10 student in another part of Australia. Could I point out that in 1996 it was 29 per cent, so it is certainly moving in the right direction, although it has a lot further to go.

There were also some quite cheap remarks made about the attendance at a MCEETYA meeting. The state and territory ministers unilaterally set a date to discuss Indigenous education on a sitting day here in the parliament, and there was a cabinet meeting on. I

told them I was happy to meet on a Saturday or a Sunday or that I would finish here at six and meet until midnight—whatever you like—but they unilaterally put a meeting on a sitting day and then criticised me for not attending. I guess that is the nature of it. I should not be surprised by any of that sort of thing, but I think it behoves some of the opposition people to apply a little bit of intellectual thought to some of this before these arguments are made.

A lot of criticism has been made in the debate on the Indigenous education legislation about changes to the ASSPA committees—the Aboriginal Student Support and Parental Awareness committees. When I came to the education portfolio, I found that the government were funding 3,800 of these committees—at about \$16½ million a year. I discovered that there was a long tail of money going out to schools in suburban settings, which have very small enrolments of Indigenous students. I am privileged to represent the electorate of Bradfield on Sydney's upper North Shore. I had to ask myself: 'Why are schools on the northern beaches of Sydney getting \$250 and \$300 to support ASSPA programs for Indigenous participation? Surely that money should be in the Northern Territory, the Pilbara, the Kimberley and Cape York. It needs to be in the western part of New South Wales. Why are we doing it?'

I discovered that 1,200 of the committees were supporting schools that had fewer than 10 Indigenous students enrolled. Further to that, when I asked one principal of a predominantly Indigenous school in western New South Wales about the ASSPA committees, he answered, 'I basically just write the program and get one of the parents to sign up for it.' What has happened is that the money has simply gone out to the schools on a per capita basis, in many cases for very good activities but in some cases just to support

barbecues and a couple of meetings a year or things which have been driven by the non-Indigenous principal of the school.

To the acclamation and support of the Indigenous education advisory body in New South Wales, for example, we have said, 'What we want you'—that is, the schools—'to do is to sit down with your Indigenous parents and think about what you are trying to achieve and how your proposal is going to improve the educational outcomes for your children.' So they have to think about: 'What are we trying to achieve? What do we want funded? Why do we want it funded? And what do we as parents and then the school do to support this?' Basically, they have to come up with a proposal. We then have a look at it, and they move through to a specific grant application.

It has not been without its problems, and I have said to the department at different times: 'What on earth is going on? Why have we got a brilliant breakfast program or some other thing which is being held up?' There have been teething problems with it, and I share the concern of some others who have been frustrated about the transitional process. Already the 400 agreements which I have signed off—and money which can now flow in Queensland and the Northern Territory and to a lot of Catholic schools around the country because they have signed the agreements—will mean, firstly, money is going not to small schools in built-up suburban settings but specifically to where it is most needed; and, secondly, it is going to focus on things that parents have genuinely signed up for, which we know are going to improve educational outcomes for their children.

I realise it is the nature of politics for the opposition, whatever their political flavour, to criticise the government if there is a problem with something in the community—I fully respect and understand that—but it is

best not to lose sight of what we are doing and why we are doing it. Contrary to some of the concerns expressed, we are not removing a dollar from Indigenous funding—as I said, funding is \$381 million additional over the quadrennium—but we are shifting it around.

Principals of schools in built-up suburban settings have expressed their anger to me that the Indigenous money that they are receiving at the moment is either being cut or frozen. I am unapologetic about it. I have said to them, 'We are doing it because we are putting it into communities where kids come from dysfunctional families, where a tap, let alone a sealed road or anything like that, is a foreign concept.' I will be as receptive as I possibly can to reasonable administrative arguments or to ways we can improve this, but let not any of us lose sight of the objectives here. It is important we realise that all human beings have needs—Indigenous people in particular, but particularly those who do not live in cities. And that is what this legislation is about.

Question put:

That the words proposed to be omitted (**Ms Macklin's** amendment) stand part of the question.

The House divided. [11.31 am]

(The Deputy Speaker—Mr Baldwin)

Ayes.....	78
Noes.....	<u>58</u>
Majority.....	<u>20</u>

#### AYES

Anderson, J.D.	Andrews, K.J.
Bailey, F.E.	Baird, B.G.
Baker, M.	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.	Dutton, P.C.
Elson, K.S.	Entsch, W.G.
Farmer, P.F.	Fawcett, D.

Ferguson, M.D.  
 Gambaro, T.  
 Georgiou, P.  
 Hardgrave, G.D.  
 Henry, S.  
 Hull, K.E.  
 Jensen, D.  
 Katter, R.C.  
 Kelly, D.M.  
 Laming, A.  
 Lindsay, P.J.  
 Macfarlane, I.E.  
 May, M.A.  
 McGauran, P.J.  
 Nelson, B.J.  
 Panopoulos, S.  
 Prosser, G.D.  
 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.  
 Wakelin, B.H.  
 Windsor, A.H.C.

Forrest, J.A. \*  
 Gash, J.  
 Haase, B.W.  
 Hartsuyker, L.  
 Hockey, J.B.  
 Hunt, G.A.  
 Johnson, M.A.  
 Keenan, M.  
 Kelly, J.M.  
 Ley, S.P.  
 Lloyd, J.E.  
 Markus, L.  
 McArthur, S. \*  
 Moylan, J.E.  
 Neville, P.C.  
 Pearce, C.J.  
 Pyne, C.  
 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.  
 Washer, M.J.  
 Wood, J.

Owens, J.  
 Price, L.R.S.  
 Ripoll, B.F.  
 Sawford, R.W.  
 Smith, S.F.  
 Swan, W.M.  
 Vamvakinou, M.  
 Plibersek, T.  
 Quick, H.V.  
 Rudd, K.M.  
 Sercombe, R.C.G.  
 Snowdon, W.E.  
 Thomson, K.J.  
 Wilkie, K.

\* denotes teller

Question agreed to.

Original question agreed to.

Bill read a second time.

### Consideration in Detail

Bill—by leave—taken as a whole.

**Ms MACKLIN** (Jagajaga) (11.37 am)—I would like to go to the detail in the Indigenous Education (Targeted Assistance) Amendment Bill 2005 of the movement of money from specific Indigenous vocational education and training providers into the Commonwealth-State Training Funding Agreement. I was listening carefully to Minister Nelson's summing up when he talked about requiring the states and territories to match this amount of money. I want to clarify that the money is going into a specific pool for Indigenous vocational education and training and that there will be a separate line, in the agreement, for Indigenous vocational education and training. I would be interested to hear from the minister how we—all of us together—are going to make sure that this money will be spent on vocational education and training for Indigenous people and that it cannot go somewhere else.

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (11.39 am)—I can assure the Deputy Leader of the Opposition that as part of the agreement there are specific additional places for Indigenous students. I hesitate to cite the number; I think it was 10,000 or 12,000, but I will directly communicate with her office on that. This \$10.9 million will be in the agreement specifically for those places, and it will

### NOES

Adams, D.G.H.  
 Beazley, K.C.  
 Bird, S.  
 Burke, A.E.  
 Byrne, A.M.  
 Crean, S.F.  
 Edwards, G.J.  
 Ellis, A.L.  
 Emerson, C.A.  
 Ferguson, M.J.  
 Garrett, P.  
 George, J.  
 Gillard, J.E.  
 Griffin, A.P.  
 Hatton, M.J.  
 Hoare, K.J.  
 Jenkins, H.A.  
 King, C.F.  
 Livermore, K.F.  
 McClelland, R.B.  
 Melham, D.  
 O'Connor, B.P.

Albanese, A.N.  
 Bevis, A.R.  
 Bowen, C.  
 Burke, A.S.  
 Corcoran, A.K.  
 Danby, M. \*  
 Elliot, J.  
 Ellis, K.  
 Ferguson, L.D.T.  
 Fitzgibbon, J.A.  
 Georganas, S.  
 Gibbons, S.W.  
 Grierson, S.J.  
 Hall, J.G. \*  
 Hayes, C.P.  
 Irwin, J.  
 Kerr, D.J.C.  
 Lawrence, C.M.  
 Macklin, J.L.  
 McMullan, R.F.  
 Murphy, J.P.  
 O'Connor, G.M.

be a requirement of the states and territories to match it.

**Ms Macklin**—How will you make sure that they do?

**Dr NELSON**—I can only say to you that, as with all of our programs, I will ensure that officers from my department specifically ensure that the places which are earmarked for Indigenous students are put to that purpose. If you like, I will require the states and the non-government providers to acquit against that. I do not want to consume too much of the money on administration. I anticipate that if that were not honoured in some way then some penalty would apply to those involved.

**Ms MACKLIN** (Jagajaga) (11.40 am)—I thank the Minister for Education, Science and Training for that because he would understand that one of our concerns is that by moving away from a specific allocation to Indigenous providers into a general Commonwealth-state agreement the danger is that the money will not go to those who, we agree, need it most. If the minister could let us know how that is going to be guaranteed, we would appreciate that.

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (11.41 am)—I can guarantee that the level of spending on Indigenous training will be increased and that there will be a specific Commonwealth-state pool of funding for Indigenous training, into which we will put our \$10.9 million and require the states to match. Public and private providers will be able to access that, and then jointly we and the states will basically acquit it.

**Ms MACKLIN** (Jagajaga) (11.41 am)—I appreciate that clarification. This \$10.9 million is part of the reallocation of funding to the Commonwealth-state training agreement, and there are some other reallocations taking place which do not go to this bill. It is the

case, is it not, that there is virtually no real increase, once you take these reallocations into account, in the Commonwealth-state training agreement—the vast majority of the money is just a reallocation of funding?

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (11.42 am)—I will have to take advice on that but my understanding is that there is a real increase. I will take advice on that and as soon as I have the information I will advise you.

**Ms Macklin**—Will you let us know how much?

**Dr NELSON**—Yes.

**Mr SNOWDON** (Lingiari) (11.42 am)—While the minister is taking advice he might confirm whether, with the transfer of these funds, Indigenous providers, including the Institute for Aboriginal Development, Tranby Aboriginal College, the Aboriginal Dance Theatre Redfern, and Tauondi Inc., will be guaranteed ongoing operational funds from the Commonwealth and will not have to compete for those from this pool? The minister would know that, for example, the Institute for Aboriginal Development has only in recent years undertaken a substantial capital upgrade as a result of moneys put aside in 1996 from the Australian National Training Authority funds, which were not made available to them until, I think, 1999 or 2000. Those funds did not attract any interest yet the Commonwealth accrued interest as a result of having them invested God knows where. Perhaps the minister could respond to the initial request about those training providers.

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (11.43 am)—The dance company will be able to continue to access funds and will receive supplementary current assistance under IESIP, the Indigenous Education Strategic Initiatives Program. They will, however,

need to compete with other providers for funding out of the pool, which is Indigenous specific. Given the high level of performance that it has enjoyed I would be surprised if it were not funded but it is performance based, and I would be concerned if people were not prepared to support that notion.

**Mr SNOWDON** (Lingiari) (11.44 am)—I would like to make the observation that the mission of some of these organisations—it is certainly an issue for Aboriginal development—has changed over time. I would hate to think that the only community based Indigenous training provider in the Northern Territory—and, I think, one of only three in Australia—would go out of existence as a result of a change in the funding formula or the way in which funds are allocated, and that it had to compete against Charles Darwin University, which is the only other major TAFE provider in the Northern Territory. I would hate to think that an Indigenous training provider would potentially be put out of business as a result of these changes and because of Charles Darwin University's economies of scale and a whole lot of other things that you would understand. I would like some guarantees that that will not happen, if that is at all possible.

I want to raise a couple of other issues. I was interested in the minister's discussion about ITAS. Minister, you may recall that you received correspondence from some people in the Northern Territory last year in which concerns were raised about a number of issues, including ITAS and ASSPA. You have spoken to us about ASSPA and the 3,800 committees around Australia. I am interested in two things. Firstly, in relation to ASSPA, we know from the way it has been administered since the government changed the procedures last year—I am not quite sure when you signed off the concept plans and specific program plans—that schools have not yet received any money this year for pro-

grams, which, of course, has meant that students have been massively disadvantaged.

The correspondence I referred to was dated 30 July and came from a number of signatories—Cherie Holtze, Delsey Tamiano, Robbo Robinson, Margie Anstess, Tanya Lockwood, Di Rollo and Sharna Traut. These people represent the ASSPA committees in the Top End. They wrote a very detailed letter on their concerns about these ASSPA program changes and the changes to ITAS. They expressed their serious concerns about the impact these changes would have on their ability as school communities to confidently proceed with organising educational programs for their children. As a result of that, not only these school communities but school communities across the Northern Territory believe they have been massively disadvantaged in the first six months of this year. I would be interested to know how the government's budget has been saved as a result of no expenditure for the first six months and if those savings will be moved forward so that there is a substantial increase in the amount of money that might otherwise have been made available under forward projections for the forthcoming financial year, because clearly no money has been spent in the last six months.

Secondly, from what I can gather, the minister is changing the way the new IESIP guidelines will be administered and, under the new IESIP guidelines, it will now be possible for school communities to determine that they can get tutorial assistance at any stage during a child's schooling. If that is the case, are all schools aware that they can now apply to use their ITAS funds for intervention at any stage during a child's schooling?

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (11.49 am)—On the last point about flexibility, I am not able to tell you that all schools are aware

of it. I have advised the department—and, in fact, I have advised the Northern Territory Department of Education—that that was a reasonable thing for us to do. But we want to make sure that principals can be confident that the ITAS money we make available will improve the educational outcomes for those children who fail the benchmarks and who attract the money to the schools. In most cases, I understand that the principals who are aware of this are happy to see the money focused on those kids. In other cases, they want to take more of a whole-of-school approach.

As far as the money that has been spent is concerned, I am advised that, in previous years, most of the money has not flowed until April or May in any case. Our money is budgeted on a calendar year. There is no saving whatsoever for the government in this. Up until last week we had about 300 agreements across the country. We now have more than 400 which I have approved, most of which are for the Northern Territory. We cannot actually pay the money until the state or territory government has signed the agreement. The Northern Territory government, to its credit, signed the agreement last week and I signed it last week, and the money can now flow.

**Mr SNOWDON** (Lingiari) (11.51 am)—I think it is extremely important that school communities across Australia understand that they can now apply to use the ITAS funds in the ways they may have done previously and in the way the minister has just outlined. The other issue I would like the minister to comment on is the process for getting the funds that would otherwise have been used for the ASSPA programs. Whilst I understand the minister's point about some ASSPA committees perhaps not functioning the way they should have, certainly in many parts of the Northern Territory these ASSPA committees were very lively exercises which engaged

Indigenous school parents in school activities and in working with the professional educators in the school environment to come up with programs which they deemed most appropriate to improve the educational outcomes of their school communities.

What they have subsequently discovered is that, because the ASSPA committees are no longer seen as the essential contact point for these proposals, the school communities can in effect ignore them. That creates a real problem because it means the school communities are having the Indigenous parents disengage from the process. I would like to know how the minister proposes to address that particular issue. That is important in my view and certainly in the views of the ASSPA committees, parents and principals I have spoken to across the Northern Territory who want to ensure that the school communities' parents are engaged in the educational process. They want to make sure that they are seen as being an integral part of the process, and by discounting them in the way the new changes have done they are not seen as being integral to the process.

We are now seeing decisions which should otherwise have been made by the school community being made somewhere in the distance by people in the department. We know that these departmental officials may or may not have any educational qualifications, and that was given in evidence to the Senate references committee—I have the evidence here. It is being seen as an administrative process, not an educational process. In the school environment when teachers sit down with parents to discuss the best way to achieve improved educational outcomes for the students they will come up with a common approach. They will then make judgments about what is the most effective way to do things.

What we now see is that they have to draft a concept plan, which goes God knows where in the department, where someone makes an assessment of it—on what grounds we do not know—and then writes back and informs the community that put in the list of proposals that the department is prepared to see them put in a detailed proposition for items 4, 6 and 10 but the remainder it is not prepared to contemplate. That is totally unreasonable. In the past, the way the funds were made available—and I think it was a very liberal way to use the funds—enabled school communities to establish their own priorities. We are now seeing those priorities effectively being established by the administration and by bureaucrats who, as I say, may or may not have any educational experience or any detailed knowledge of the school communities about which they are making judgments. I would like the minister to comment on how they intend to ensure that these school communities can be engaged properly and whether the people who are making these decisions actually understand the nature of the school communities and the educational requirements of the students, the needs of whom the proposals are designed to address.

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (11.55 am)—There are a few issues there. Firstly, I know criticism of people in the Public Service is blood sport up there with politicians but most of the people who work in this area and who make these decisions are departmental officials who work in the field. These decisions are not being made at a centralised level here in Canberra. In fact, in more than a few cases the officers involved in this decision making are Indigenous people.

I hesitate as the minister to overrule some of the things that come forward. We had one, for example, that wanted to send kids to a frisbee competition or something. We are

talking in total about \$2.1 billion of additional money specific for Indigenous people over the next four years. I was addressing a conference on research earlier this morning and I said to the people from the higher education sector that every single dollar of this \$2.1 billion we are talking about is a dollar that someone out there worked damned hard for and we have to make sure that it does the very best job that it can.

As far as the concept plans are concerned, when these criticisms were first put to me I made it my business, as I do, to find out exactly what was going on. I personally examined the process that was being used to develop and then consider the concept plans. I scrutinised every single line and every word in the application forms. As the minister, I am satisfied that this system will deliver the best outcomes we can hope for whilst also allowing for the plans to be essentially the product of the school communities from which they come. That a proposal is developed by the school and the Aboriginal parents within it does not of itself guarantee that it is going to deliver the best educational outcomes for those for whom it is put forward. In fact, where we have concerns about some of the concept plans that are put forward, the department engages in a dialogue with parents involved. In many cases the department has said, 'Okay, that is a reasonable thing—we'll fund it.' In other cases they have said, 'Look, I'm sorry, it doesn't pass the commonsense test.' It is worth reminding the House that the Director of the Catholic Education Office in the Northern Territory, Dr Griffiths, said at the Senate inquiry:

In some of our schools the ASSPA committees were next to useless. In some years they just did not happen. ... While we can see some benefit in how ASSPA has worked in the past, I do not think we should overglorify the way it worked.

The Aboriginal Education Consultative Group from New South Wales released a media release saying that it backs parent-school partnerships. Its president stressed that, like all Commonwealth IESIP programs, it is intended to be supplementary. It is in addition to an adequate level of resourcing by state systems. They went on to say:

The AECG fully supports the Commonwealth in this important initiative. We are greatly encouraged by DEST assurances that AECG involvement will be mandatory for PSPI concept plans.

I think it is worth remembering that in the end we have to make sure that the money invested in these things delivers better educational outcomes. Over the current four-year period the Northern Territory will receive \$166 million in Indigenous specific funding. That is \$24 million more than it received in the previous quadrennium, and the funding for tutorial assistance and parent-school partnership initiatives is increasing because, as I said earlier, we are taking it out of built-up cities. The Northern Territory will receive about \$22.6 million funding for ITAS in schools, which is 16 per cent more than that received in the previous four years, and about \$22.5 million in other direct assistance funding under IEDA, which is about a 14 per cent increase.

**Mr SNOWDON** (Lingiari) (12.00 pm)—First, let me make it very clear that I was not being critical of the Public Service for engaging the minister's department. Indeed, I know how diligent the number of field officers who work in the Northern Territory are. However, that does not deny the validity of the assertion which I am making, and that is that the educational judgments which are being made by the school community are, in my humble opinion, far more appropriately made by them than by someone external to the school community, someone who may or may not have any educational qualifications.

I want to confirm with the minister in relation to the ITAS moneys which he referred to that there will some correspondence, some way of informing school communities. By the way, Minister, I know that as a result of the changes to ITAS a number of schools in the Northern Territory lost their tutors for the first few months of this year because they had no funding. That made it difficult for the kids. The kids and the school communities were obviously disadvantaged as a result of those decisions. That aside, I want to make sure that the way in which you have described ITAS as being able to be applied in school communities now is going to be properly communicated to every school community in Australia so they understand that, in effect, they can use ITAS the way it was used before, as long as the educational judgments are being made.

The last thing I want is people in my communities, as they have been or are currently, saying, 'We cannot understand the stupidity of having these tests apply after people have failed.' I know in the communities that I work in that what is required is early intervention. There have got to be remedies for these children who come from backgrounds where there is no reading, where there is overcrowding and where nutrition is an issue. Those remedies can only be provided by judgments made by those people working with them—not by people who are a long way away. The judgment which has been made by these communities is that they require this tutorial assistance as an early intervention tool and to be available right throughout the educational life of the child.

I make one observation about the additional tutorial assistance money being made available for kids who leave their home communities to go away to school. I understand that it is being made available only for one year. What additional resources will they



be able to use in the second and subsequent years, should they require some assistance?

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (12.03 pm)—The program will obviously run over the forward estimates, but the tutorial assistance is for the first year that the student attends the educational facility. The reason for that is that the first year is the most difficult year. I come back to ITAS funding. If you like, the Commonwealth is running the fire brigade here and the states and territories are running fire prevention. With this in-school tuition we are targeting those Indigenous students who—no matter what prevention is put in place, no matter how committed, well trained and resourced teachers are in early education—will fail national benchmark tests. There must be some specific program initiative which targets those students who fail. That is why it is unashamedly focused on those who fail the benchmarks. As I understand it, the schools across the country that do have ITAS funding are aware now of the flexibility in how to apply it, to which I have agreed. It is commonsense, basically. I will have a look, though, at how it has been communicated and, if I think there is a need to communicate it even more effectively, I am very happy to do that.

**Ms MACKLIN** (Jagajaga) (12.04 pm)—We appreciate the minister clarifying that point. If you could let us know how that is being communicated, that would be helpful. I want to follow up the question I asked earlier about the overall level of funding to the Commonwealth-State Training Funding Agreement because, as we understand it, there is no or very little overall real increase. I am not sure if the minister is to come back to me on that now or later.

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (12.05 pm)—I will have to take the specifics for

Indigenous student funding on notice, but it is \$215 million, an additional 4.1 per cent per annum real increase for the three years of the life of the agreement. How much specifically that relates to Indigenous students I will communicate directly to the Deputy Leader of the Opposition.

**Mr SNOWDON** (Lingiari) (12.05 pm)—This will be the last time I prompt the Minister for Education, Science and Training for a response. But I do want to make the observation that having tutorial assistance available only for the first year that a child goes to an educational institution away from their home community may not be sufficient. In the school communities in my electorate—where we know that kids leaving primary school are often severely handicapped by the nature of their school environment, where they are, their home life et cetera—they might arrive at a high school with the functional literacy of year 3 or 4. If anyone believes that you can improve the literacy levels of young people as they enter high school from the equivalent of years 3 or 4 to the equivalent of years 9 or 10 in the first 12 months, then I think they are having themselves on.

I understand the Scaffolding Literacy Program, which I am a great supporter of, but it seems to me that there ought to be flexibility in this program to ensure that, if students require additional tutorial assistance beyond the first year, that tutorial assistance is made available to them so that the schools they are going to can have confidence that if they put in place a program designed to address the remedial needs of students they can address those throughout the school life of that student—not just for one year.

Bill agreed to.

### Third Reading

**Dr NELSON** (Bradfield—Minister for Education, Science and Training) (12.07 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**FAMILY AND COMMUNITY  
SERVICES LEGISLATION  
AMENDMENT (FAMILY ASSISTANCE  
AND RELATED MEASURES) BILL 2005**

**Second Reading**

Debate resumed from 26 May, on motion by **Ms Ley**:

That this bill be now read a second time.

**Ms PLIBERSEK** (Sydney) (12.07 pm)—I welcome the opportunity to contribute to the debate on the Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005. The bill seeks to make a range of amendments to social security law and the Veterans' Entitlements Act 1986 through a number of family assistance related measures. The most significant amendments in the bill are, firstly, the proposal to change the method of calculating family tax benefit part B for people who are returning to paid work in order to reduce the number of FTB part B debts that people have been incurring through overpayment and, secondly, the extension of eligibility for the maternity payment to include adoptive parents when the child is under two years old. The bill also contains minor consequential amendments which clarify that the maternity payment is not available if the former maternity allowance has already been paid for the child. The bill also includes a range of minor amendments to family assistance and rent assistance provisions.

The opposition broadly support the measures in this bill. A number of them were alluded to in the election campaign. We are very happy that they have been brought on now, more for the fact that they begin to address some very substantial structural problems with the payment of the family tax

benefit and not that we think the measures in this bill are perfect. This is certainly not the way that we would have handled these problems, but we understand that there are a number of people in the community who have been overpaid. It is a substantial problem and we need to do something about it. This is also not the way we would have handled the maternity allowance for adopted children. The extension to two years of age, in my view, is inadequate. I believe the government should have extended the maternity allowance payment for adopted children beyond two years of age. This is an arbitrary and unnecessary cut-off. But, certainly, two years of age is better than the current cut-off point of 26 weeks.

I will speak briefly about the family tax benefit part B. This bill is a belated attempt to correct a problem where, if the secondary earner, who has been receiving family tax benefit part B during a period of absence from the work force or because they have never been in the work force, goes to work midway through the year, because they have estimated their income at the beginning of the year they will have been overpaid. Many of them end up with a debt. In some cases, the debt totally wipes out the family tax benefit part B that they have been paid. Of course, this is a significant disincentive to going back into the work force, but it is also a substantial strain on the family budget. Although we think the measures are not the best approach to dealing with this problem, we certainly see that it is a problem that needs to be dealt with—and this might be a good start. This change will say that, for the period that the person has been in the work force, they are eligible for family tax benefit part B and that period is treated as discrete from the period before they went back to work. It is another bandaid, it is another quick fix, but we have to make a start on

doing something about this overpayment issue.

The fundamental problem, of course, is that people are expected to estimate their income at the beginning of the year. Frankly, I do not know very many people at all who can do that. It is difficult enough if you are on a salary but particularly difficult for people who are moving back into the work force, who are doing casual or part-time work and whose workload may increase during the year. That is almost impossible. As we know, most of these secondary earners are women and most of them return to the work force in a part-time or casual capacity. It is almost impossible for those people to predict what they are going to earn in a year, particularly if they are not expecting to rejoin the work force that year. It has led to substantial problems.

Even after the government attempted to fix this problem through the \$600 per child supplementary payment, 150,000 families still incurred a family tax benefit debt last year. What is worse than that and even more worrying is that these debts continue to grow. The average debt last year was over \$1,000 per family. You can imagine the sort of strain that that puts on the family budget. Someone has just returned to the work force and have all the associated expenses of returning to work—the child care, extra transport and work clothing which they had not had to pay for during their time out of the work force—and on top of that they end up with a family tax benefit debt of \$1,000.

The family tax benefit system is currently in such a mess that only four per cent of families are getting their correct fortnightly entitlement when it falls due. That means that 24 out of 25 families who get family tax benefit are either getting too much and incurring a debt at the end of the year or getting too little and having to wait until the end of

the year to get a top-up payment. It is not a terrific record—24 out of 25 families incurring a debt or having to wait on a top-up payment. It is really not how a family assistance program should be designed. Genuine family assistance is about providing support to families when they need it, which means providing the correct payments when they are due each fortnight. Unfortunately, this bill does not actually address that problem at all. Instead we have another bandaid to fix a complex problem.

This measure will deal with one of the significant sources of family tax benefit part B debts. It does not do anything to address the problem that causes the debts in the first place, but it will remove some of those debts. This measure ensures that the parent returning to work retains eligibility for family tax benefit part B for the part of the financial year before they returned to work and that their income will reduce only the entitlement for the period after they returned to work.

The bill also contains several other minor amendments to family assistance provisions. Notable among these are amendments to lessen the impact of family tax benefit or child-care benefit debts that arise from the nonlodgment of income tax returns in situations where parents have separated. We have heard a number of stories of an ex-partner not lodging the relevant income tax return to enable the reconciliation of family tax benefit or child-care benefit. What has ended up happening is a debt being raised against the family. Obviously that is completely unfair when the partner who has been receiving the benefit is not in any position to enforce the lodgment of the other partner's tax return. The bill corrects this situation, removing another source of family tax benefit debts for some families. The bill also provides for the write-off of family tax benefit or child-care benefit nonlodgment debt where separation occurs more than two years after the end of

the entitlement year and reconciliation cannot occur solely because the ex-partner has not lodged a tax return.

The bill includes two measures to improve the administration of the rent assistance program for social security and family tax benefit recipients. The bill contains amendments to prevent the possibility of rent assistance being paid to the same person twice, once with the person's family tax benefit and once with their social security or veterans affairs payment. Further amendments will clarify that, when a person fails to give the information regularly sought by Centrelink to confirm their ongoing rent assistance entitlement, the rent assistance component of their family tax benefit or social security payment may be cancelled rather than the whole benefit or payment being cancelled, as is currently the case. We are not particularly impressed by the government's approach to dealing with these problems, but we recognise that the overpayment of family tax benefit is a substantial problem that needed to be addressed. We will be supporting any measures that make a start in addressing that problem.

I want to turn to the second major part of this legislation, which is the extension of eligibility for maternity payment to Australians who adopt children under the age of two. Until now a parent who has adopted a child has faced the same restrictions as a parent who has given birth to a child: they have had to claim the maternity payment for a child less than 26 weeks old. We welcome the extension to two years but we do not believe that the extension goes far enough, so I am foreshadowing a second reading amendment criticising the government for not removing the age limit altogether. I will be moving that at the end of my remarks.

This extension to the age of two years suffers from the same problem that the original

legislation suffered from: adoptive parents have very little control over the timing of the arrival of a child into their family. It means that many Australian parents may be ineligible for the maternity payment simply because the adoption papers have not come through or travel arrangements for the child have not been finalised. There are any number of reasons for delay when it comes to adopting children, particularly when adopting children from overseas, that are absolutely no fault of the family. The thing to recognise and remember in these circumstances is that, firstly, often parents have spent a great deal of money on assisted reproduction technology and then, after that has failed, a substantial amount of money on the actual overseas adoption. Secondly, in most circumstances, parents who adopt from overseas are expected to leave the work force for six to 12 months, so the strain on the family budget is perhaps greater than it is when a spouse has given birth to a child in Australia. The costs of having a child are not reduced as the child gets older. In fact, they increase. As one of our correspondents says, it is not cheaper to buy a bed than a cot and it is not cheaper to buy children's clothes than clothes in other sizes.

Labor believes that this two years of age mark is quite arbitrary. It does not make sense, and certainly there is nothing in the explanatory memorandum which outlines why two is a fair and rational age at which to cut off adoptive parents' eligibility for the maternity payment. Why two? Why not three or four? The reality is that, given the very small number of children that are affected and the very small number of families that fall into this category, it seems rather ungenerous to introduce this arbitrary cut-off age which seems to have simply been plucked out of the air. For this reason I will be moving a second reading amendment to highlight Labor's concern that some adoptive parents

who suffer the very large financial burdens of adopting a child will still miss out because the government persists with the age test, despite the fact that waiving the age limit entirely is obviously the much fairer course to adopt.

I also want to point out that, while there is a maternity policy now, Labor had to lobby very long and hard throughout 2003 and 2004 for the government to provide any financial assistance to new mothers. Two months after Labor announced its intention to introduce a baby payment last year, the government entirely collapsed in their opposition to paid maternity leave or a baby payment and essentially copied our policy. That is great. I have no objection to the government copying Labor policy in this respect or in any other, because, at the end of the day, if they are copying our policy they are probably doing something good for the working people of this country.

Unfortunately they did not copy the policy in its entirety, and the government's policy is not as fair as Labor's policy. At the time, we drew attention to the fact that the government's policy is not means tested. The same amount is paid to all mothers, regardless of their income or their needs. In this country we have generally paid greater benefits to those who have greater need. Certainly when it comes to the costs of having a new family, it is plain that someone on \$25,000 a year needs a whole lot more help than someone on \$125,000 a year. I would not have thought I needed to point that out to the government.

The other main criticism with the baby bonus, as it is called, is that it is much too administratively complex. I do not know whether many members opposite have sat down with this form and had a look at filling it in. It runs to 20 pages, which is extraordinary given that everyone gets it anyway. I do not know why you need to fill in a 20-page

booklet about a payment that you are automatically entitled to if your child is an Australian citizen born to an Australian citizen. The booklet includes questions such as: 'Have you been on any overseas trips in the last five years?' Can anyone tell me why parents who are struggling with a new baby, often for the first time, having sleepless nights and maybe trying to do a bit of work as well, have to sit down and comb through their fuzzy memories—fuzzy from lack of sleep—to work out whether it was five years ago or six years ago that they took the other kids to Disneyland?

All new mothers receive their payment as a lump sum. There have been a number of problems identified with this. Labor predicted many of them beforehand. It is absolutely fair to say that the majority of parents, if you give them \$3,000, are going to spend it wisely. I have got to say: in the circumstances we have seen where this has not occurred, the problems for the children are very substantial. There was a story in the Sydney media a few weeks ago concerning an organisation called community resources network, which works with young women in the western suburbs of Sydney and did a little survey amongst the young women that it helps and represents. One of the women planned to spend the \$3,000 baby bonus on a holiday. Two of them—under the age of 18—were planning to get pregnant because they were keen to buy cars. One of them spent her \$3,000 baby bonus on buying a pure-breed dog of some sort and having it shipped from interstate. She had always wanted such a dog and she thought the dog could grow up with her baby. It was her reward to herself for having a baby. These are extreme examples. I understand that they do not represent the majority of parents, and I certainly do not want to get into stereotypes of irresponsible young mothers or whatever, but it is a fact that if the bonus were paid

over 14 weeks—as was the Labor proposal—the likelihood of money being spent on rent, food, nappies and other things that you need for babies would be much greater than it is when you give people a \$3,000 lump sum payment.

The maternity payment is far from perfect, and we put our criticism on the record at the time. I want to turn back to the fact that it is only paid to adoptive parents if the child is under the age of two. We have received—and I am sure members opposite have also received—a lot of correspondence about the inequity of this measure, both before the election campaign and since. I want to give the House a sample of the sorts of things that we received. A lady whose first name is Karleen—I will not put her whole name on the record—wrote to say that, for adoptive families, the cut-off age:

... does not address the issue of adoptive families just wanting to be treated like every other family and be supported by their government when a new child joins their family, regardless of how old they are.

She wrote to her local member, Mr Ticehurst, and said:

The age limit needs to be removed. Removing the age limit is in line with the original purpose of the maternity payment which is to provide some form of financial support for families due to loss of an income (meeting obligations under the International Labor Organisation's Maternity Protection Convention). Since \*all\* adoptive families are required to have one parent as primary care giver for 6-12 months by their state government regardless of the age of the child providing maternity payment to all families is \*entirely\* in line with the government's purpose for maternity payment. Adoptive families forgo an income when they adopt a child, regardless of how old their child is at placement. They also have all the costs involved in buying goods associated with a new child joining their family. Bigger clothes are not cheaper than baby clothes, beds are not cheaper than cots, baby toys are not cheaper than the edu-

cational toys that a family might buy for their child who has been living in a deprived environment and is developmentally delayed! Dental work (often extensively needed in children from orphanages) is expensive and is not required by biological families with new babies. The costs of adoption are extensive, upwards of \$20000 in most cases and not cheaper for an older child than a baby.

She went on to argue, very convincingly and movingly, for the removal altogether of an age limit.

We were also written to by an organisation called World Families Australia, who said:

We are requesting a change to the terms of eligibility for the maternity allowance and other allowances ...

Firstly, it is claimed that the one off tax-free maternity allowance payment is intended to assist families with the financial costs of a new child. The costs associated with adding a child to the family through overseas adoption far exceed those incurred through giving birth to an infant. If the maternity allowance is intended to assist with the additional costs incurred through having a new baby, parents of adopted children should be given at least an equivalent amount of assistance.

Secondly, the requirement that for parents to be eligible for the maternity allowance the child must be under twenty-six weeks when s/he comes into their care is unrealistic and therefore discriminatory when applied to inter-country adoptions.

The organisation goes on to say:

Currently children of all ages, orphaned or abandoned due to disastrous conditions in their countries of birth, are being adopted into Australian families. The fact that a child is over the age of 26 weeks at the time of his/her arrival does not diminish the expenses for the family. Nor in any way are the children less valued by those families and we would like the terms of eligibility to reflect this.

... ..

As Australian citizens, voters and taxpayers we wish to be assured, that with respect to all Centrelink payments, our adopted children, no matter at

what age they join our families, will be treated equitably by the government as valued new members of Australian families.

It is really not that much to ask, is it?

I want to finish with a few quotes from a letter from another woman, Juliette, from the ACT. She says:

I have seen in recent times Government spokespeople appearing in the media to suggest that they will be addressing the inadequacies of the Baby Bonus payment as it applies (or doesn't apply) to adoptive parents. I believe the current policy states that only parents adopting children younger than six months of age are eligible for the payment.

... ..

My husband and I hope to adopt from China and our child will be no less than 12 months old. Despite the huge cost to us to bring this child into our lives we will not be supported by the Australian Government as the child will be older than six months of age ...

For those of us who spend countless dollars on unsuccessful fertility treatments and then tens of thousands of dollars on the cost of adopting a child from an overseas country I am appalled at the lack of support the Government provides to us as parents. Any person giving birth naturally is guaranteed financial support upon the birth of their child through the Baby Bonus scheme. In not supporting those of us without a say in the age of our children at allocation, I feel that the Government's policy is unjust. It is the country overseas that decides the age of our adopted children and not us. Surely the Australian Government should support ALL parents and not just those who are able to give birth to their children or welcome younger babies into their lives.

It is very important, I believe, to recognise that the limitation that the government has put in setting the age at two years is arbitrary. Maybe it would be explicable if there were some enormous savings measure associated with it, but the marginal difference between extending the age to two years and getting rid of it altogether really does not merit the discrimination that has been per-

petuated in this legislation. Therefore, I move:

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

"whilst not declining to give the bill a second reading, the House calls on the Government to remove the age test for the maternity payment in relation to Australians who adopt children, including children from overseas, as the current policy results in Australians who adopt children over the age of two missing out entirely on this payment through no fault or omission on their part".

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

**Ms Livermore**—I second the amendment.

**The DEPUTY SPEAKER**—The original question was that this bill be now read a second time. To this the honourable member for Sydney has moved as an amendment that all words after 'That' be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

**Mr CADMAN (Mitchell) (12.33 pm)**—The Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005 seeks to make further improvements to family tax benefits and to maternity payments extending on the government's commitment of \$21 billion in the previous budget to assist families, a process of constructive addition to existing policies that support families. In July 2000 the government introduced the family tax benefit. The government took a confused Labor Party approach to family of 12 different policies, all running in parallel with nobody understanding what they stood for, and reduced it three main areas of family support. Australian families now receive an average of \$7,500 per year as part of the family tax benefit. I know that the figure will vary depending on the number of children, the age of the children and on whether there is a sec-

ond income or the parent is a sole parent, but that is the average across Australia that has been introduced and is now being consolidated by these measures. What the previous speaker, the Labor spokesman, failed to say is that the Labor policy is to abolish part B—for those families, those sole parents, who deserve extra payments. I take it that is still your policy? No response.

**The DEPUTY SPEAKER**—Order! It is not the policy of the chair. You will address your comments through the chair not at the chair.

**Mr CADMAN**—I have had a response from you, Mr Deputy Speaker, but not from the opposition, so I assume that part B—

**The DEPUTY SPEAKER**—Order! Is the member for Sydney seeking to raise a point of order?

**Ms Plibersek**—No, I seek leave to answer the member for Mitchell's question. He is asking extensive questions.

**The DEPUTY SPEAKER**—No, leave is not granted.

**Ms King**—Don't ask a question. You know we can't answer a question from here.

**Mr CADMAN**—Rhetorical questions are part of your debating technique also. I am waiting for subsequent speakers to answer that. The Labor Party can tell somebody on their back bench whether the removal of part B, the payments to sole parents—full, non-means tested, payments to sole parents—is still part of their policy. I believe that it is. I believe that the Australian Labor Party will still abolish part B—

**The DEPUTY SPEAKER**—Order! Does the member for Sydney wish to raise a point of order?

**Ms Plibersek**—The member continues to ask me to explain—

**The DEPUTY SPEAKER**—There is no point of order.

**Mr CADMAN**—I continue to assert that it is part of the Australian Labor Party's policy to remove part B from the family tax benefit, the non-means tested payment that goes to low secondary earners—low earning partners in a family—or to sole parents. I cannot believe that the Australian Labor Party has not yet caught up with what families are about in Australia.

I draw to the attention of the House a publication produced for the Jesuit Social Services by Professor Tony Vincent in March 2004. Professor Vincent has prepared maps of the nation indicating areas of adversity and resilience. When one looks at the maps—and if I could show them to the House I would—one sees areas of pink and red and then yellow indicating various degrees of disadvantage. The areas of red on the maps are areas of greater disadvantage in New South Wales and in every other state, and they are represented almost entirely by coalition members. And people keep voting us back into government because of the policies—

*Ms King interjecting—*

**The DEPUTY SPEAKER (Mr Baldwin)**—Order! The member will be heard in silence.

**Mr CADMAN**—we have which are geared to help people in need. The problem is the Australian Labor Party does not understand need because they do not represent areas of need. If we look at the area of Sydney —

*Ms King interjecting—*

**The DEPUTY SPEAKER**—The member has been warned!

**Mr CADMAN**—there are two Labor members who may represent areas of need and they are the member for Prospect and the member for Sydney. But in the Sydney area two coalition members also represent such



areas and they are the member for Greenway and the member for Macarthur. For the rest of the state, all areas of need and of the greatest need are represented by members on this side of the House. But we have people from the Australian Labor Party protesting about a minor change to this legislation. They are going to move an amendment about the maternity payment in relation to adoptive parents. The fact is that it is not part of their policy; it is not part of the process because they do not accept this method of dealing with family policy.

At the end of the day, the policies of the coalition are those that meet greatest need. They meet the needs of millions of families with children. It is a simplified process. It is a process which was commenced in 2000 and has subsequently been built on in every successive budget by the Australian government. The coalition has reacted to need in families and this is a further amendment improving the circumstances of families with children. The processes that are part of the legislation we are dealing with today are an improvement to assist families where an overpayment is made of tax benefits that are means tested. The changes will improve assistance to families so that at the end of the tax year when the figure which was selected for support, to the best of everybody's ability—the family and the paying authority, the Department of Family and Community Services—has been overestimated and the family has received a greater income than they and the department thought they would, there is a process to improve the necessary adjustment where an overpayment has taken place. There will be an additional \$8.5 million over three years to fund this strategy to improve families' understanding of the process and to assist them to more closely calculate their income and reduce the risk of overpayment.

There are changes to the maternity payments, as the previous speaker has outlined, but they are an extension to current payments, they are not a reduction. The Australian Labor Party wants to further move them on, and I can understand the maternity payment always being a matter where the Australian Labor Party might want to improve on our policies. These budget measures expand the maternity payment eligibility criteria for adopting parents to cover children adopted under the age of two, including those from overseas. The majority of adoptions unfortunately appear to be coming from overseas. Desperate parents seeking to adopt children appear to be put through incredibly difficult hoops by state authorities. There is a committee of the parliament currently investigating that matter. It will produce a report which will be a valuable guide to this parliament. I suspect that what it will show is that state authorities are using families in desperate need of additional children as an opportunity to raise revenue, which they should not be doing. If the members opposite were to investigate some of the fees and charges and some of the processes that state governments are using, I am sure they would agree with me. I know that those members from the Labor Party who are members of that committee are, with the coalition committee members, investigating these matters right at the moment.

There are other measures in this bill which seek to ensure that, where there is not a prospect of putting in a tax return after 12 months to verify a family's income, there is an extension available. A debt is notionally raised against a family then, during the second year, either that debt is settled or, if there is a break-up in the family, there are measures in that process to take into account whether the full tax entitlement has been met or whether there are further adjustments. This is a finetuning process that covers un-

foreseen circumstances that can happen in any family. It might be a break-up or death by accident or any one of a number of reasons why families will separate and that will bring into question the payments that were previously made under the family tax benefits.

I am pleased to be able to support this legislation. I notice the members on the other side of the House have not at any point made positive policy suggestions because they seem to be in a vacuum in this area. That is understandable when one looks at the seats that they represent. The coalition responds to need and responds to where people need support. It is not a matter for socially and upwardly mobile people alone to set policies. When we look at need we look at families with children first and foremost.

Part A of the family tax benefit was supported in the last budget by a huge increase, and 2.1 million families with over four million children are receiving family tax benefit A. It provides families with general assistance. This is means tested, and from 1 July 2005 the means test limit will be \$37,500. That is an increase of approximately \$4,000, or \$80 a week, from last year. About 400,000 families will receive more tax benefit part A, with an average increase of \$24 per fortnight, as a result of this change. That is 400,000 families that will benefit from the increase that will occur on 1 July this year.

Family tax benefit part B provides extra assistance to families with only one main income earner, and that includes sole parent families. The payment is income tested on the secondary earner's income only. Sole parents, as I have said previously, receive family tax benefit part B if they are employed, regardless of income. I will say that again: sole parents receive family tax benefit part B if they are employed, regardless of income. So the government is continuing to

support that secondary person or the sole parent with the family tax benefit part B. The maximum amount of family tax benefit part B has been increased by \$300 per year, giving more support to families choosing to have one parent staying at home.

The 2004 election commitment was to have commenced from 1 July 2005 but it was brought forward by six months and actually commenced on 1 January 2005. The government is being proactive and on the ball, watching out for need, taking action where it detects need and providing a suitable policy response. On 1 July 2005, family tax benefit part B will be quarantined from the income test when the secondary income earner returns to work. That means that family tax benefit part B already received prior to re-entering the work force will not have to be repaid.

That is a sensible change which means that mothers who want to work part time have a better choice in making this decision, and that is what this government is about. It is about choice for families, and particularly choice for women in families. Whether it is for a male or a female it applies equally, but it tends to be women who want to go back into the work force part time. The penalty of going back to work is reduced by this measure. Also, the withdrawal rate for the family tax benefit part B has been reduced from 30 per cent to 20 per cent, allowing more families to keep more assistance as they begin to earn. These are fine-tunings and excellent results of the current budget.

In addition to that, the process of welfare to work—assisting people back into the workplace—is something that I believe most Australians want, and many families have said to me: 'This is really good, because we know that you're investing a lot of money in the training process.' There is going to be a lot of support and it is a long-term process. It

is not going to happen overnight. People are going to be assisted back to the workplace gradually. Many of the people I know with disabilities have welcomed this process, and many of those with disabilities who are already working are saying, 'It's about time.' Those who are in families and sole parents are being assisted into the workplace and to find appropriate work. This is a balance which the Howard government provides in the new measures of the 2005-06 budget. So gradually the process will change. Nobody currently on benefits need be concerned, but gradually over the next 12 months and coming into place at the beginning of the next financial year there will be changes to welfare to work. It is a suitably judged change that will produce great results.

I think the Australian Labor Party is divided about its tax and family policy. It just cannot seem to make up its mind, and that was the problem when it came to the election. Labor was not able to create an impression of clarity and purpose in policy. The base rate for family assistance was less than \$600 under the Labor Party; it is now \$1,700 per child—a threefold increase under the current government. The shadow Treasurer, Wayne Swan, has repeatedly claimed that the \$600 per child increase in the family tax benefit part A was not real, yet almost two million families with over three million children have now received that money and have benefited from it. That is a keynote theme of the current government: making a commitment and fulfilling it. The promises of the election were fulfilled in this budget on time and, as I have indicated, in some instances before time. The shadow minister for health, Julia Gillard, knew the money was real when she said after the 2004 election, 'I think we've got to be frank and say there were a lot of people who received \$1,200 or \$1,800 in a lump sum and were pretty keen to keep it and identified voting for the Howard gov-

ernment as a way of keeping it.' That is a fact.

My electorate covers Western Sydney. It is mostly families living there, and they need support. Families with children need support more than anyone else. For them, it was not a matter of saying, 'This is something that we need to grab from the Liberal Party,' but rather, 'We have looked at the options and there is nothing on the other side that we can identify as a policy that affects families.' Looking across Western Sydney, one would have to say that it is easy to understand why the coalition continue to represent in increasing numbers electorates where there are families, where there is poverty and where there is a need for support. That will continue until the Australian Labor Party mount policies that identify with families and with people in need. Instead of the Labor Party's minor marginal whingeing and complaints about legislation that make improvements, they should have a constructive and total approach—which may match that of the current government. I do not see that happening in the near future. But I do know that this government has the answers and the support for families and people who are suffering hardship.

**Mr GEORGANAS** (Hindmarsh) (12.53 pm)—I rise to speak on the Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005. I will start by talking about the electorate of Hindmarsh where average Australian families on average incomes live. A much higher than average number of elderly Australians on pensions also live in this electorate. The current government has offered average Australian families living in the western metropolitan area of Adelaide a tax cut of just \$6 a week, or \$312 a year.

The government have tried to disguise this bill by tinkering at the edges of family assis-

tance as well as doing what they should have done ages ago—offering a maternity payment to adoptive parents when they adopt a child under two and making sure parents who return to work after the birth of a child do not find themselves in debt through no fault of their own. At the same time as the government are making these small amendments, they are slashing the incomes of single working parents by as much as \$236 a fortnight, forcing single parents onto the dole when their youngest child turns six and expecting Australian families who are doing it tough to live on 22 per cent less than they do at the moment. The government have told average Australians exactly what they think of them: you have to be special to deserve a decent tax cut; you have to be rich enough to mingle with people who live in the electorates of North Sydney, Bradfield or Wentworth. The government are letting down average Australians while they pander to the fortunate few.

I understand the argument that people on high incomes have worked hard to get where they are and that they have to keep working hard to stay where they are. I understand that because those people are on high incomes and they also pay a great deal of tax in dollar terms compared with people on lower incomes. What I do not understand is what makes someone in that circumstance more deserving than someone who works two jobs to make ends meet and still does not earn an average wage.

The average Australian is not hoping for a tax cut on their \$100,000 income so that they can put in a heated saltwater swimming pool or take a vacation in the Pacific. They are hoping for a decent tax cut on their \$40,000 income so that they can pay their electricity bill and buy their kids some shoes. I do not understand how a new pool or a holiday in the Pacific islands is more important than food on the table, heating in winter and shoes

that are not falling apart. I suppose if I had grown up on Sydney's North Shore and not in the western suburbs of metropolitan Adelaide, I might be able to understand that. And I would understand that Australia is not the country that I thought it was. I have always thought that Australia was a place where we helped each other out, a place where everyone could get a fair go and a place where, if you worked hard, you could make a pretty good life for yourself and your family. The Australia I grew up in and the Australia I believe in fighting for is a place where your kids can get a decent education and your family can get the medical care they need. It is a place of opportunity and equality.

When people visit my office and ask why they have to wait for years to see a dentist or why they have to choose which medicine they really cannot go without because they cannot afford everything that has been prescribed for them, or when pensioners have done the right thing in the past but are continuing to have their pension stripped away from them without warning, what am I supposed to do? Am I supposed to sit there and tell them: 'Don't worry. We're in the lucky country and the government will look after you,' or 'The government won't let you down'? This government is letting down average Australians while it protects the fortunate few who have the know-how and the resources to look after themselves.

If people have the good fortune and the ability to make it to the top income bracket then good luck to them; they have my admiration. For those who realise that their wealth is a privilege and not a right and are genuine philanthropists, I say, 'Thank you'. But these same people know that the annual tax break of over \$3,000 being offered by this government to the select few simply is not right when all that is offered to the average Australian is \$6 a week. For those in the chamber, these tax cuts will deliver at least \$2,400

a year. That is the very least that members of parliament can expect. Many will reap much more than that. This is an insult to the people who have elected us to be here. Eighty-five per cent of people will receive between just \$80 and \$312 a year and the 10 per cent of taxpayers at the top end of town will receive 45 per cent of \$21.7 billion. Those few will receive the equivalent of \$9 billion of the country's surplus—a surplus, I might mention, that exists even though there is still no national dental health care system and the PBS safety net has been cut and pensioners will have to pay for two more scripts each year before the safety net kicks in. This year, pensioners are paying \$239.20. Next year, it will be \$248.40; by 2007 it will be \$257.60; and by 2011 it will be almost \$300 a year. We have a surplus and we have the equivalent again in tax cuts for the richest 10 per cent of people in this country, but the cost of the PBS to consumers is rising and, to really stick the boot into pensioners, the Medicare safety net has increased by \$200 to \$500, and for everyone else it is \$300 to \$1,000.

The response of the Howard government is that it is finally going to do what it should have done years ago and spend a couple of hundred million dollars on making the family tax benefit fairer. A couple of hundred million dollars should have been put into this area a long time ago. There is a \$9 billion surplus, yet this government could not find it in its heart to fund basic health and dental care so that all Australians can get the health care they need, including getting their teeth fixed. Instead, the government has come up with a pathetic \$6 a week tax cut—and we are supposed to stand by and say: 'Well done. That'll make a difference.' I am proud to say that an Australian Labor Party government would offer average Australians double the tax cut—that is, \$12 each week. And the Treasurer has pondered why it is

that Labor are opposing his tax cuts. He finds it an odd strategy.

I represent the most marginal federal seat in the country. There are 108 votes between my standing and not standing here in this chamber, but I would sooner be booted out of my seat than stand by and say nothing while the Treasurer looks after his well-to-do mates and while the people of the electorate of Hindmarsh who are on average incomes do not even get enough pay for their family to see a doctor or go to a dentist.

The issue of tax cuts for people who need them most is not about politics; it is about standing up for what is right and fighting against what is wrong. For the sake of average Australians, I feel deeply saddened that Labor's fairer tax package will not make a real difference to them until we win government. We do not pretend that this is anything other than a losing battle, but Australians have never shirked from fighting for what is right and what is fair, and that is what the Australian Labor Party is doing today.

**Mr FAWCETT** (Wakefield) (1.00 pm)—I rise to speak to the Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005. It is a shame that the member for Hindmarsh just left the chamber, because he made the amazing comment that a family on \$40,000 a year needed bigger tax cuts so that they could buy shoes for their kids. The fact is that families on \$40,000 a year effectively do not pay tax because of the family tax benefits that the government gives them. That is the point that so many members opposite fail to recognise: this government does look at serious and effective ways of making sure that those who are privileged through their hard work to have higher incomes do support those people and those families in this country that need support. This bill is one more

measure to make sure that that support is effective.

This bill continues the ongoing focus on families and the ongoing focus on choice. The focus on families is because families are one of the core parts of our community. This morning I came out of a meeting which was looking at the investigation into how we can better train teachers throughout the country. One of the consistent comments coming back from teachers who have been interviewed in classes is that functional families have children who come to school and who, by and large, are able to receive education and do not create the kinds of behavioural problems that disadvantage them, their classmates and the teachers. One of the things that keep families functional is providing effective support to them so that we take off some of the pressures—financial and otherwise—that tear apart relationships. I am proud to represent a government that has made a serious attempt to bring in measures and to continually improve measures to support families.

The other thing the government is doing is supporting choice, because it recognises that there is not a typical cast of family so that you can put one model on everybody. People's circumstances vary. The importance of choice is that families can look at their circumstances and decide what is best for them in terms of how they wish to run their household, how they wish to raise their children and where they wish to put the priority of their effort. So some of the measures that this bill addresses are helping people to balance that role of being a parent and their choice of the level of participation they wish to have in the work force.

This choice is important because both of those things are important. Studies continue to show that parents continue to have the dominant influence on the educational, social

and character development of their children. Lots of people are looking at the influence of peers, television and other things like that and, yes, those things do have an influence. But parents who consistently parent well, who are committed and who put the time into their children will have a greater positive influence than those who do not. The sad fact is that the parents who abrogate that responsibility and put their attentions elsewhere are still having a strong influence on the outcomes of their children; it is just not a positive one. And that is where some of the other influences such as peer pressure, media et cetera start to lead some of the children astray.

These policies are about empowering parents to have choice as to how they want to raise their families. The way that the public appreciate this when they have families was really brought home to me clearly by a constituent who came and spoke to me last week. Before Christmas, he had spoken to me about his view of the government's support of families. He said: 'I have no kids; I don't plan to have kids. It doesn't really do much for me.' This time, he could barely contain his excitement as he spoke to me, because he has just had a child. All of a sudden he has realised, with all the costs and additional pressures coming in, that the measures that this government has put in place to support families are real, are effective and are making a difference in his life with his wife and their newborn child.

One of these measures is family tax benefit part B, which was introduced in 2000. An income test is applied, because this government is fair. It realises that we need to support families who need support and not just offer largesse across the whole spectrum of society. It is recognised, though, that that income test has become a disincentive for many to return to work. So, in 2004, budget measures addressed and increased to \$19,000

the threshold where people can still receive part payment through family tax benefit part B. Importantly, this also includes sole parents, if they are employed, regardless of their income levels, so that we are providing support to those families who need it to keep their families as functional as possible.

This bill also allows for the situation where a carer rejoins the work force part way through the year. In the past, that has proven to be an area where, if it is not managed carefully, people can incur an FTB debt. To help people with that, this bill now retains eligibility for family tax benefit part B for the part of the year before the person has returned to work. So it is yet another incremental improvement to a policy that is already adding value and adding choice to Australian families.

The real, important effect that this bill has is to remove barriers to that transition from full-time parenting to the work force. It gives families the choice to say, 'At this season in our life, our priority is to look after our children,' or, as that changes, to move through a transitional period to a point where perhaps they want to go back to full-time work. I speak as somebody who is in this situation: we have children at school and my wife chooses to work part time. Certainly it is a choice that balances out her self-esteem and her ability to contribute to areas of the community where there is a shortage, whether it be health or education, as well as caring for our children and the needs that they have. These changes mean that people who are on low incomes and need this support are able to make those same choices, having the support of the Australian government and the Australian taxpayer. These changes remove those barriers to transition and give people that effective choice.

Importantly, this bill also recognises the role of primary care givers other than bio-

logical parents. Grandparents, adoptive parents and others are increasingly having the primary caring role for children. Amendments in this legislation mean that we now recognise this role and give them the same entitlements, in terms of having that balance between caring and participation in the work force, so that they can have the best outcomes for their family circumstances. These are real measures that are helping people find the balance they need between their work and family commitments.

Two smaller areas in this bill recognise the reality for many families that relationships break down and that, particularly where one party does not comply with requirements to do things like submit tax returns, the legislation as it stood would unfairly penalise the recipient of family tax benefit part B. Measures are now being introduced to work around the noncompliance of one party.

To be functional and effective families need somewhere to live. This government supports low-income families through the payment of rent assistance. This bill also looks at addressing the area where there was a potential for that payment to be made twice to people—once through either veterans or social security payments and once through family tax benefits. Those people would end up with a debt or potentially, if they were not providing the information needed, they could lose that payment entirely. These amendments mean that we can now target very clearly so that, if the information affecting rent allowance has not been provided, it is only the rent allowance that is affected as opposed to the whole payment. This is yet again a measure intended to make our support to families targeted and effective so that they have real choice to get that balance.

The last part of this bill that I wish to speak to relates to the issue of adoption. There has been much discussion about adop-

tion recently, not only because of the inquiry that is currently running but because there are some in the community who do not think that taxpayers should be supporting adoption. They see that as a choice that people have made. By far and away, though, the majority of people recognise that adoption is creating a real family, that adopted children and adoptive parents are just as much real families as any others and that we as a community have a responsibility to support those families.

Members of this government, with bipartisan support I am pleased to say, are now participating in an inquiry into some of the areas where there are inequities in the whole adoption process. These cover both state and Australian government areas. I do not shy away from that. There are areas where the states need to review what they do, but there are also areas where this government needs to review how it treats adoptive families. This review is looking at the process of adoption, the costs involved and some of the inequities in things like the criteria involved in who can adopt and when; whether maternity leave is applied equally between adopting parents and biological parents; and the levels of support that people receive from various groups, including the government through payments.

Hopefully, the outcome of that inquiry, across the whole range of these areas, will result in a strategic focus on where Australian should be looking to support children overseas who are in need of adoptive families. It will hopefully result in a consistent and transparent process across the states. I certainly hope that it will result in leadership from this level of government and that the states and other institutions, whether they be government departments, private industry or allied health organisations, can see that there is a clear lead from this government in terms of equity in what we provide to somebody as a biological parent, for example in maternity

leave, and somebody who is an adoptive parent.

This government has already responded to some of the concerns that were raised before this inquiry started over the payment of maternity payment to adoptive parents. I am very aware of the fact that around 41 per cent of children adopted from overseas are under one year old and close to 80 per cent are under two. That still leaves some parents who have adopted children, with the costs that go along with that, who are not able to access the payment even though the age has now been increased to two. I recognise that and I recognise their concerns. I also recognise, though, that this policy, like many others, has limits and guidelines put in place. I welcome the development and the benefit that the bill will provide to the vast majority of adoptive parents. I look forward to working with the inquiry to make sure that we increase the equity across a range of areas in other parts as well.

The maternity payment is a one-off payment to help with the costs of bringing a new baby or a new child into the household. Being a maternity payment, it is focused at the younger age group, so I welcome the increase to two years of age. That will help the vast majority of adoptive parents with the huge costs that they do incur under that process. It is my pleasure to support this bill and I commend it to the House.

**Ms ANNETTE ELLIS** (Canberra) (1.12 pm)—The honourable member for Wakefield made some comments about the inquiry and his hope that part of that inquiry—I think he was saying this—could lead to a more streamlined, national view of adoption around the country. I am aware of jurisdictional differences that occur in this area of family policy. I would like to think that that inquiry could lead us down that path as well. It seems a bit of a shame that generally you



have to pass different sorts of tests in different jurisdictions for adoption, so I welcome those particular words from the honourable member for Wakefield.

The Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005 makes several amendments to the social security law and to the Veterans' Entitlements Act 1986 in a number of family assistance related measures. The bill also includes a measure, announced in the 2005-06 budget, which extends the maternity payment eligibility criteria to adoptive parents to cover children adopted under the age of two, including children adopted from overseas. It is this particular section of the bill to which I want to address my fairly brief remarks today.

The maternity payment was introduced in July 2004 and replaced the old maternity allowance. I understand that it is currently valued at \$3,079 and that it will increase to \$5,000 on 1 July 2008. In the case of adoptions, the child must be adopted within the first 26 weeks of the child's life in order for the adoptive parents to be eligible for a payment—that is, maternity payment must currently be claimed in these cases no later than 26 weeks after the child is entrusted to care. Obviously, this has meant that many adoptive parents have been missing out on claiming this allowance. Overseas adoption is a lengthy and very costly process, as we are all aware. This can mean the chances of a child being placed with their new family within the first 26 weeks of life are pretty slim, if it can happen at all. Alternatively, where this may occur within the first 26 weeks of life but in the child's country of origin, the parents and child may not be able to arrive back in Australia in time to claim that maternity payment within 26 weeks after the child is entrusted to care.

The extension of the maternity payment to adoptive parents where the child is aged under two will be welcomed by many, particularly those parents who adopt children within that age limit. However, parents who adopt children older than age two will remain ineligible. I cannot understand why the government has decided on the particular age limit of two; it seems to have been plucked out of the air, if I can put it that way. It is not at all unusual—in fact, it is quite common—for a child adopted from overseas to be above the age of two. A constituent of mine has outlined to me the discrimination that this rule demonstrates in her view. She and her husband adopted their daughter when she was 13½ months old. At the same time, very close friends of theirs adopted a girl from the same country who was over the age of two. Under the provisions of this bill, one family can claim the payment and the family sitting next to them at the picnic cannot. They could not understand it. They are local people, and they rang me and said, 'We just can't understand why this arbitrary two-year age limit has been proposed.' In another family story of a woman who adopted a child from overseas, a requirement for adoption by her local approval area was that she spent at least the first 12 months at home with her new daughter. That was not something that she opposed; in fact, it was something that she was very pleased and happy to do. At around the same time, her sister had her own biological child—she was doing her bit for her country, as the Treasurer has put it. She could apply for the payment, but the woman who adopted could not.

I also want to talk about the cost implications. As the previous speaker, the member for Wakefield, and other speakers have said: adoption from overseas is a very costly business. We are aware that to undertake overseas adoption it can cost families an enormous amount of money. These families are

obviously very anxious to have the joy of a family, and they do their best to get through those costs. Yet it has been made very clear to me from the constituents I have spoken to that it is not really on those grounds that they believe they should have equal access to the maternity payment. All families welcoming a new child have costs and expenses that have led to the maternity payment—adoption sitting aside. There should be no discrimination between those family groups. Many families make a conscious decision to adopt older children, well above the age of two. In many cases they go ahead and do that and, in so doing, adopt sibling groups and keep the children together.

Some of these children come from very sad, often abusive, backgrounds from countries we could easily name in this parliament. They need care; sometimes those children need counselling. More often than not they need English language assistance and a lot of other support when we consider their backgrounds and the places they may be coming from—in one way, we could say rescued from. In a sense, it is a lottery for them. They have been lucky enough to win the lottery and get this opportunity to come to Australia and be adopted by these people who are wishing to establish families. As I said, many of these adoptions from overseas are sibling groups. The parents who adopt these children from overseas deserve that maternity payment no more and no less than any biological parent here. Again, the member for Wakefield said in this chamber: when families have new children—be they babies born to them biologically or children brought to them by adoption—ordinary, normal, everyday costs increase. It has got nothing to do with the cost of adoption per se.

I am aware that while this bill is being debated the House of Representatives Standing Committee on Family and Human Services is undertaking an inquiry on maternity pay-

ment and extending the age limit on adopted children from 26 weeks to two years as part of the budget announcement impacting on its inquiry into the adoption of children from overseas. I understand the inquiry is continuing. I am proud to stand here and say, as patron—and I have been for some time now—of the ACT's Adoptive Families Association, I am very aware of the level of concern that the two-year age limit is receiving out there. I also need to put on record, on behalf of those people, how pleased they are to see the movement that has occurred so far. They are very pleased; they were very frustrated last year when they were talking to me. They could not understand why this 26-week rule was there. Now it has been extended to two years, they are feeling a bit better about it obviously. But the sorts of families I have met through that association demonstrate so clearly how inadequate this is going to be. I cannot understand how the cost to government would be so great if it were extended beyond the two-year limit.

There is a particular family I want to refer to—not by name, obviously. A woman came see me several years ago. She was going through the painful, as it turned out for her, process of IVF and all was failing her. The next time I saw her, which was two or three years later, she came to me very excitedly and said: 'We've decided to adopt and we're adopting overseas. We're going to Romania.' She was very thrilled; she and her husband were so happy. They decided that they would adopt a youngish child—I do not know what age they were thinking about, but youngish—and I said to her, 'I am so thrilled to think that you have now moved to this point and I wish you every success.' The next time I saw her, to say she was excited is a bit of an understatement. She said, 'We've achieved the adoption.' I asked her, 'When are you going?' She said, 'We are going to pick the three of them up within the next couple of

months.' They had been put in touch with a child only to find that this child had two siblings, and there was no way they could consider for a moment that they could separate that child from the siblings. They instantly became a family of five, and a very happy one. The costs the woman and her husband have gone through in setting up their family, over and above the costs of the adoptions exactly—if I can separate them—are even greater than the costs of a biological family birth with one child. I do not see why, logically, we can deny them this payment. The happy end to that story is that a couple of Australia Days ago these three beautifully dressed and groomed and excited young people turned up at the Australia Day citizenship ceremony in Canberra, becoming fully-fledged Australians, with their adoptive mum and dad fluttering around Commonwealth Park in a very excited fashion. It is a wonderful story, and it has been repeated around this country many times.

The point of me repeating that story is to say that, when that family made the decision, they found all of those thousands of dollars somehow and they adopted their three children. They then took on the enormously expensive day-to-day running of that family. Those children needed to learn English, and in two of the three cases they needed very strong counselling. They had come from pretty unfortunate circumstances back in Romania. The family did it because they wanted to have those children to love and to be loved in return—no different to anybody else in this chamber.

While I welcome the extension to two years of age, it seems to me that that figure has been plucked out of the air a bit. The fact that there is an inquiry on reinforces that view in my mind. I would like to think that at the end of the day we are going to see a sensible budgetary decision by the government. I do not think they will find that it would

cost an enormous amount of money in the grand scheme of things. Even if it does, we need to look carefully at why we are saying no to these families. I am pleased to speak on this bill, and I am particularly pleased to support the group of overseas adoptive families out there—and families involved in local adoptions, for that matter. I hope that the amendment we have moved succeeds and that we get some sense, in a financial sense, for those families who are missing out.

**Ms HALL** (Shortland) (1.23 pm)—Before I go to the body of my contribution, I would like to thank the member for Canberra for sharing that very special story with the House. I think it brings home to each and every one of us the implications of our decisions and it also shows just how wonderful and rewarding overseas adoption can be. I wish your constituents ongoing success and happiness, and I am sure that they will achieve that and that the family will get the support they need.

The Howard government portrays itself as a family friendly government and one that promotes family values. Yet when it comes to delivering real benefits to families the Howard government fails every time. Under this government, the division between those people who have and those who do not has grown, and this legislation deals with that just a little. We have just heard of the arbitrary implementation of a two-year period. Once again it has created a situation of people that have and people that have not, those people that will receive the maternity bonus payment and those that will not.

But it goes deeper than that. It goes to the very core of our society. Under this government we have seen more and more people struggling to put food on the table or to see their doctor, whilst at the other end of the spectrum we have found there are a lot of people who are quite affluent and are living a

very good life. I find this quite disturbing because it is an issue that impacts greatly on the people I represent in this parliament. It is an issue that as Australians we should be quite upset and disappointed about.

I turn now to the Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005 and I will make some further comments on the types of issues I have referred to as I consider this legislation. The bill seeks to change the method of calculating family tax benefit part B for people who return to work, and I will be touching on that. There is an extension of the maternity payment for parents with adoptive children under the age of two. There is a minor amendment to the family assistance provisions and a minor amendment to rent assistance.

Unfortunately, the amendments outlined do not go quite far enough. The shadow minister has moved a second reading amendment that relates to the failure to completely remove restrictions that keep all adoptive parents from accessing that maternity payment. I think there is no finer example of how that will work than that in the contribution by the member for Canberra. As I said, unfortunately these changes are only tinkering at the edges. They fail to correct problems with the government's flawed family tax benefits scheme.

As a member of parliament I am constantly confronted with families coming into my office, talking to me about the debts they have received because of the method of calculation. The government has been very unresponsive and has constantly refused to revisit the issue and take into account the fact that people's circumstances change. After doing a bit of overtime, a person often ends up with a family tax payment debt. This causes great anxiety and, in some cases, families have decided they are going to re-

linquish their family tax benefit and not even claim it when they put in their income tax assessment because they have been so hurt and so badly affected by the fact that they have received these debts.

The government did try to address this to some extent through its \$600 one-off payment. But, just to put this into perspective, in the Shortland electorate the last time I looked at the figures the average family debt was \$900 and something like 30 per cent of the people in receipt of family tax benefit had these debts. This is a mammoth problem that unfortunately has not been addressed in this piece of legislation, and it is a problem that I know the people I represent in this House would like addressed.

In relation to family tax, this legislation ensures that non-lodger debt that arises because a relevant tax return has not been lodged for a particular entitlement year can be set aside if a person separates from their partner in the second income year after the end of the entitlement year, provided it is only the ex-partner's tax return that has not been lodged. This is determined under an interim reconciliation on the basis of the person's actual, and the ex-partner's estimate of, income for the entitlement year.

That is a small area that is being addressed in this legislation. This legislation is not going to the core of the problem. It is not addressing those issues that people come and see me about, that people sit in my office and shed tears about. It is doing nothing to solve the problem of the stay-at-home mother with three children, who this government embraces, whose husband does a couple of shifts of overtime and the next thing she knows they have this enormous debt. This legislation does provide for the write-off of a family tax benefit or a child-care payment in the circumstance I just outlined—that is, where the separation occurs more than two

years after the end of the entitlement year and reconciliation cannot occur for the entitlement solely because the ex-partner has not lodged a tax return.

It clarifies the meaning of 'partner' as used in the non-lodger provision applicable to child-care benefits and makes it consist with the equivalent family tax benefit provision. Another aspect of this legislation is that it ensures that the eligibility for rent assistance in a lump sum claim made in the second lodgment year after the relevant income year is treated the same as in a claim made in the first lodgment year. It is important to note that the claimant would only be eligible for rent assistance for a past period if fortnightly payments of tax benefit are claimed at the same time—and I see that as an area with which there could be some problems as well. It precludes a family tax benefit advance for certain child support debtors.

This government needs to seriously address its flawed family tax benefit scheme. It needs to do more than tweak it at the edges. It needs to talk to real people and understand the real issues that are affecting them on a day-to-day basis. It really needs to make sure that those 30 per cent of people who live in the Shortland electorate who incur family tax benefit debts—and I would expect that in most electorates 30 per cent or more of people would be affected by this—have their family tax benefit debts looked at. The government needs to change its calculation method. It needs to get real about it and realise that it is hurting real people every day. It needs to do something to address the issue of the division between those people who are doing it easily and those people who are struggling and battling. We have noticed that the government has tended not to do that—particularly when it gives a \$6 a week tax cut to the lowest income earners in Australia and gives its own members a \$65 a week tax cut. I find that appalling and I put on record again

that my tax cut will not be going into my pocket but to a charity within my electorate.

So what did this 'family-friendly' government deliver to families in this budget? Yes, it gave tax cuts—which I mentioned—but it did not give much else. I want to mention the people of Shortland electorate for a moment. The average income in the Shortland electorate is much lower than the average income in the Prime Minister's electorate or the Treasurer's electorate. I think they forget that there are people who actually struggle. They have lost contact with reality. I would urge the government to really think about the people who struggle—those families who rely on the government to ensure that they can manage to sustain a decent living, can afford to send their children to school and can afford to go to the doctor with their children when they are sick. I think there should be more members in this parliament on the other side of the House supporting the position that I am putting today, constantly lobbying the government to change the current unfair family tax benefits scheme and really working hard to bring about some changes.

This government has not only failed to give people on low and middle incomes—who make up the bulk of families and represent something like 80 or 90 per cent of the people within the electorate I represent in this parliament—decent tax cuts but it is also bringing in draconian industrial relations laws that will be a wholesale attack on workers, on people who go out every day to earn money to look after their families. I think sometimes members on the other side of this House forget that, when they use the rhetoric of attacking unions or that unions are some monster out there, it is not unions that they are attacking but families—men and women. It is the father who brings home the food to put on the table; it is the mother who brings home the food to put on the table; it is those

who contribute to the productivity of our nation—they are the people that this government is hurting. I ask government members to go out and talk to people in their shopping centres and see what they have to say about the issue of industrial relations and put it in real terms. I suspect that the government will not use real language. I think it will just continue to carry on its attack on unions and see this as an issue of attacking unions rather than an issue of attacking everyday Australians.

I recently saw the movie *Bowling for Columbine*. That depicted the situation that I think we could be moving towards here in Australia—one that I am sure members on the other side of this House embrace—where a mother hops on a bus in the morning, drives something like 100 kilometres, hops out, works for \$5 an hour and arrives home again after dark. Her child is left at home unsupervised, and it is that same child who picks up a gun, goes to school and kills somebody. I think it would be very sad if we get to a situation in Australia where parents are forced to go out; work for nothing, or for very little; and leave their children unsupervised. I do not see that as family friendly, I am afraid. I am very much about supporting families and making life better for them. I realise that if workers have money in their pockets then they are going to look after their children and the government will not be required to contribute quite so much through its family tax payments—and we will be a happy nation that will thrive and go forward.

I will touch quickly upon the important aspect of adoptive parents and overseas adoption and the fact that the government has decided on the arbitrary period of two years. Currently, the maternity payment for families with new children is \$3,079; in 2008, it will increase to \$5,000. I must put on record that I welcome the fact that, with the new arrangements, at last the government

has acknowledged that adoptive parents should be given access to a maternity payment. After the introduction of the maternity payment in last year's budget, a number of parents in the process of adopting children talked to me about how unfair it was. I believe that this change is an important one but, like the member for Canberra, I do not believe it has gone far enough. A number of people will still miss out. A number of adoptive parents will still require government assistance at the time of a child coming into their care. It is probably the more difficult children, when they are over the age of two years, who will be placed with adopting families. Of the children in the family referred to by the member for Canberra, it was the two older ones who required assistance with the English language. If the child being adopted is Australian born, it is more than likely that they will have been through all sorts of horrendous circumstances; it may be a child with a disability. Those types of children would rely on the government supporting them just a little more. The government needs to revisit that issue and realise that it is not so much about age as about a new human being, a little person coming into a home. We should be flexible enough to be able to embrace that here in Australia.

As I have already said, despite the Howard government's rhetoric and the minimalist reforms detailed in this bill, this government is not a family-friendly government. Rather—and I say this with a heavy heart—it is a government of ideologues who vehemently pursue their reactionary antiworker, antifamily agenda. It is a government that is determined to cement a divided nation—a nation of great wealth for the few and with very little wealth for many others; a nation where many families struggle just to put food on the table and to find the money to pay for a visit to the doctor, to pay for their children's education and to pay the bills that

come in on a weekly or monthly basis. It is a harsh, uncaring antifamily government—and this legislation before us today does little to change that.

**Ms CORCORAN** (Isaacs) (1.41 pm)—The Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005 makes several amendments to the social security law and the Veterans' Entitlements Act 1986 in a number of family assistance related measures. These are changes to the method of calculating family tax benefit part B for those who return to paid work, to the maternity payment, to family assistance amendments and to rent assistance.

I am very pleased to see the changes to the way family tax benefit B is calculated. I and many of my colleagues have talked in this place on a number of occasions now about the problems that exist with this payment. The rules for the payment of family tax benefits have meant that families are required to estimate their income at the beginning of each financial year for the entire year. This is very difficult for many families. It does not matter how determined many families are to get this estimate right, their circumstances change and so their household income changes. These changes are not always predictable, and the effect of changes that are predictable are not always able to be estimated with any degree of accuracy. For instance, people change their jobs—leading often to a change in income; people work overtime or lose regular overtime; and, of course, people move in and out of the work force.

The change that is very common and the event that is addressed in this bill is when the non-income earner goes back to work; very often it is mum going back to work or going to work for the first time. I cannot tell you the number of times I have had people in my

office, upset because they have inadvertently incurred a family tax benefit debt. Very often these constituents are angry too, because they have been vigilant in keeping Centrelink up to date with changes in their family circumstances. Many people do not understand that the family tax benefit is calculated over 12 months and changes in circumstances mean retrospective changes in benefits. This arrangement has been in place for about five years and it is a disgrace that it has taken this long to start fixing the problems with the system.

Some time ago the minister offered advice to families trying to avoid a debt situation. The advice was that families could overestimate their income and therefore receive a lesser benefit through the year and catch up at the end of the year when tax returns are lodged. This advice demonstrates to me this government's detachment from most of our population. The advice means that families will have a smaller benefit than they are entitled to throughout the year. The fact that these families qualify for the benefit in the first place suggests to me that they are not in the well-off section of our community and so are likely to need all of their income for their day-to-day living.

The second piece of evidence of the government's detachment is that some families who do take the minister's advice and deliberately overestimate their incomes suddenly find that they no longer have a health care card. Health care card eligibility is determined by income, so it follows that an increase—albeit an artificial one—can take some people out of the range of a health care card. This means that these families miss out on all sorts of benefits. These benefits are not recoverable later, even if it is found that the health care card would have been available if the family had reported their real income. This sounds petty but it does make a big difference to the weekly budget, especially

when the kids get sick or there is a chronic illness in the family.

The issue of family tax debts is not a small one. Many families in my electorate are on very tight budgets; they budget down to the last dollar. It is no good telling them part way through the financial year that, because their incomes have changed, they now have a debt—the family tax benefits they have received have been spent. It is very stressful for these families to be told suddenly that they have a debt. It is stressful because of the sudden budget adjustment that is needed in order to cover this debt—that is, if indeed the family is in a position at all to make this adjustment. Let us not forget that in the cases we are discussing today the reason the family income has changed is that the non-working person, often the mum, has gone back to work. In many cases she has gone back to work because the family needs more income. Another cause of stress is that many people are not happy about being in debt to the government. In their eyes it smacks of being accused of cheating the system in some way. So I am very pleased that finally the government is doing something sensible about addressing this situation. I would also like to see this principle extended to the family tax benefit part A.

The next major area of change is to the maternity payment. The bill includes a measure announced in the 2005 budget that the maternity payment eligibility criteria would be expanded for adopting parents to cover children adopted under the age of two, including from overseas. Labor welcomes the extension of eligibility for the maternity payment to Australians who adopt children under the age of two. However, this extension does not go far enough. It suffers from the same problem that exists in the current bill—that adoptive parents often have little control over the timing of the arrival of the child into their family. This means in practi-

cal terms that Australian parents may be ineligible for the maternity payment simply because the papers have not come through for adoption or the travel arrangements for the child have not been finalised at the other end. Eligibility for the maternity payment based on the child being less than two years of age seems arbitrary—and probably is—but there is no explanation for this in the explanatory memorandum to support this cut-off age. While Labor is happy to see the government finally agreeing to the very small amount of expenditure on the maternity payment for those adoptive parents whose child is under two when he or she first enters the family, I point out that there are families who will still miss out through no fault of their own.

Several other family assistance measures are addressed in the bill, chiefly to do with setting aside debts that arise because of the nonlodgment of tax returns by one partner where the partners are separated.

I would like to take this opportunity to draw to the minister's attention a situation that one of my constituents has raised with me. My constituent—I will call him 'Mr R'—is divorced and has two children aged 12 and 14 who live with him every second week. Mr R has reduced his working hours in order to be able to care for his children in an appropriate manner. Mr R is in receipt of family tax benefits.

In 2003 he sold his home and bought another house with a person, who he describes as his girlfriend, as tenants in common. Mr R has 66 per cent ownership of the house. This is where his problem starts. When Mr R told Centrelink of his changed arrangements, he suddenly lost \$300 per month in family tax benefit as Mr R's girlfriend's income is now included in the assessment of Mr R's family tax benefit. My constituent takes very strong exception to this. Mr R states that he does



live with his girlfriend. They purchased the house because the location suited both of them, and the percentage ownership made it possible. Mr R states:

Barbara is my girlfriend and that is a fact, but she has no responsibility for my children either morally, physically nor financially, yet the system has decided we are in a marriage like relationship.

I feed, clothe, maintain and support my children without subsidy. Barbara is not a beneficiary of my will, Barbara is not a beneficiary of my superannuation, we have independent health insurance with different companies, and we have separate medicare cards.

We each own our own vehicles, and share no ownership of household contents. We share no assets whatsoever and I can sell my share of my investment property from underneath Barbara without recourse, yet the system has decided we are in a marriage like relationship.

I must say that I find myself unsure of how to deal with the issue raised by Mr R and people in his circumstances. I would appreciate it if the minister in her speech in reply could address that point. The issues as I see them are that, on the one hand, we owe it to the taxpayer to spend scarce taxpayers' dollars in the most effective way possible for the benefit of our society and therefore must guard against systems which are open to abuse or manipulation; equally, there is a need to recognise that not all relationships are what they seem from the outside and that people should not be put into a situation of disadvantage because of unusual but genuine arrangements. Mr R also notes that if his girlfriend were a boyfriend he—that is, Mr R—would not have had his family tax benefit cut. Again I would appreciate any advice the minister can give me on this contradiction.

Mr R finally makes the point that for child support assessment purposes his girlfriend's income is ignored. Now I am not suggesting for a minute that it should be included and

neither is my constituent, but in Mr R's eyes this is inconsistent. My constituent sees that for the purposes of family tax benefit his girlfriend's income is included in determining his entitlement. At the same time, though, child support calculations are concerned only with his income.

Differences in the way family tax benefits and child support are assessed do cause confusion for many people. Whilst there may be good reasons for these differences, I would like to see if we can make the systems clearer. Those involved in these two systems are, by definition, going through family separations and are usually going through tough times emotionally. It would be very useful if the red tape associated with these two systems did not add to the stress. In summary, I support this bill and the steps taken here to reduce, although not remove altogether, the family tax benefit debt traps. I urge the government to now look at family tax benefit part A and find a way to remove the debt traps there.

**Ms LIVERMORE** (Capricornia) (1.51 pm)—I am pleased to have this chance to speak on the Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005. This bill gives effect to a number of family assistance measures announced by the government over the course of last year, both in the 2004 budget and during the election campaign. It makes several amendments to social security law and the Veterans' Entitlements Act to carry out those initiatives.

One of the changes in the bill reflects the government's announcement in the More Help for Families package on 11 May 2004 of a new method of calculating family tax benefit part B for the secondary earner in a family who returns to work following the birth of a child, adoption or otherwise assuming the care of a child, such as in the

case of a grandparent. The sections of the bill are quite technical, so I will quote from the explanatory memorandum:

FTB Part B is intended to assist families with one main income. In the case of couples, Part B is paid on the basis of the secondary (or lower) income earner provided that their income is under certain thresholds.

As we have heard from other speakers, this is a familiar scenario, with a large number of families now finding that the combination of one partner working full time and the other working part time is the best and most realistic option for them to meet their financial commitments while fulfilling their roles as parents. Many women in particular work part-time when they first return to work following the birth of a child. Currently the income of the secondary earner, the partner in the family earning the lower income who commences paid work for the first time or returns to paid work part way during a particular income year, is taken into account under the part B income test for that income year. This can result in an overpayment on reconciliation and may act as a disincentive for those wanting to return to the work force.

I am repeating what has been said by a lot of other members because we have all found ourselves in very similar situations over the last couple of years. My electorate office, like many others, has been inundated by cases of families hit with overpayment debts arising out of these and similar anomalies in the family benefits system, so I welcome the government's attention to this particular problem. As we have heard from so many speakers, they are far from isolated incidents. But even I was surprised listening to the member for Sydney's contribution this morning, when she laid out the full extent of the problem. Even some years after these problems of overpayment debts were first brought to the government's attention, 150,000 families still incurred family tax

benefit debts last year. The actual size of the debts is growing. The average debt of those people who have incurred these overpayment debts from Centrelink is now over \$1,000. Only four per cent of families are getting the correct family tax benefit payments. You have to ask: what is going on with a system that for so many years has clearly been shown to create these difficulties for families?

Families have enough on their plate when a new child is born, and then they get hit with another set of concerns when the child's primary carer, who is usually the mother, returns to work. There are all the issues of finding appropriate child care and the costs associated with that, as well as the emotional pressure of juggling the competing demands of work and family. The family benefits paid to families should be there to help them, not to trap them into unforeseen debts. The last thing families in that situation need is a letter from Centrelink at the end of the year telling them that they will be penalised for returning to work and bringing that extra wage into the family. I am pleased to say that with this bill, the government has put its mind to these problems and you see in the changes that this bill introduces that some of those will be addressed.

The new calculation of family tax benefit part B will ensure that the lower income earner receives the maximum rate of family tax benefit part B for the period that they are not in paid work. This is certainly a sensible reform. The bill recognises the full spectrum of Australian families by making the measure applicable to step-parents, adoptive parents and other carers such as grandparents, as well as of course natural parents. As I noted earlier, the explanatory memorandum to the bill refers specifically to removing disincentives to returning to work as the rationale for this change to the method of calculating family tax benefit part B. This was also empha-

sised in the parliamentary secretary's second reading speech. This is a sensible and laudable change and the Labor Party is in here today supporting it.

It stands in contrast, however, to the government's deliberate strategy of putting barriers and disincentives in the way of those—people with disabilities and sole parents—who will find themselves worse off under the government's new system, introduced in this year's budget and taking effect from July 2006. The government wants us to believe that its attack on sole parents and the disabled in the recent budget is all in the name of creating incentives for those people to get out into the work force. It wants us to believe that, just as it is doing in this bill, the budget measures will remove disincentives that discourage sole parents and people with a disability from seeking work and the additional income that comes with it. The incentive offered by the government comes in the form of cutting the income support paid to those people, sole parents and the disabled, who are amongst the poorest people in Australia.

As of 1 July next year, sole parents will go onto Newstart allowance as soon as their youngest child turns six, cutting their fortnightly benefit by \$44 compared to the current sole parent pension. Disabled people who are judged to have the ability to work more than 15 hours per week will similarly be shifted onto Newstart, losing \$77 per fortnight. The Liberal Party might call cutting the benefits paid to the poorest people in Australia an incentive, but those of us who live in the real world call it sinking the boot in. But the inequity and perverse policy logic in the government's welfare to welfare package goes even further. If you look closely at the operation of the government's so-called welfare to work package, it does just the opposite of providing incentives to work for many of the recipients of this new second-class tier of payments. It puts up bigger bar-

riers and creates more disincentives for those people by increasing their effective marginal tax rates when they do what the government wants them to do and go out into the workplace.

The Howard government will not only be reducing their benefits by shoving them onto the dole; it will also be penalising them for every extra dollar they earn. When this bill says it is about preventing disincentives for people returning to work after the birth of a child, we say, 'Fine, we will support that.' But in supporting the removal of this disincentive for these two-income families, I also want to highlight the inequity of the government removing support and creating disincentives for sole parent families and those people with disabilities. What does the government's harsh new system mean for struggling sole parent families? Part 1 of the double whammy is a disgraceful and unfair cut in income support for sole parents. The second part is the effect of being forced from parenting payment onto the new parents' dole. As I said, the government calls this welfare to work. We call it welfare to welfare because that is what it is. The parents' dole has different conditions to the existing parenting payment, which means that the income support those people receive from Centrelink will cut out much sooner.

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

#### QUESTIONS WITHOUT NOTICE

##### Indonesian Embassy

**Mr BEAZLEY** (2.00 pm)—My question is to the Prime Minister. Can the Prime Minister detail the latest information regarding yesterday's shameful act against the Indonesian embassy in Canberra? Can the Prime

Minister inform the House as to the welfare of the Indonesian embassy staff? Does the Prime Minister have concerns about the possibility of retaliatory threats against Australian diplomats abroad? If so, will the government be implementing additional security measures to maximise their protection?

**Mr HOWARD**—As I think the honourable member will be aware, the preliminary results of the analysis of the substance indicate that, in all probability, it is not toxic. I think the basic circumstances are well known. I have been briefed on the broad substance of the note which accompanied the material. For police investigation reasons I am not at liberty to disclose what that substance is, although I would be willing to privately inform the Leader of the Opposition of what I have been told. Also, I extend to him and to the member for Barton, who has the portfolio responsibility in this area for the opposition, the facility of any briefing that they would like to have.

As far as additional security measures are concerned, in the light of this incident the government is reviewing those and, if any further measures are needed, they will be implemented. Insofar as the welfare of the staff is concerned, it is my advice that none of them has reported ill at present and that, after the decontamination process last night, they were allowed to go home. Insofar as possible retaliatory action in Indonesia is concerned, there is always a danger of that. Just as we cannot guarantee that a random act of stupidity with an evil intent from amongst our 20 million people will not occur, equally I cannot expect a guarantee from the Indonesian government that some evil act of retaliation will not occur in that country. I can only repeat—and I think I speak for all Australians—that this was a reckless, evil act.

Whether the substance ultimately is concluded to be harmless or not, the intimidatory effect, the damage it has done to the perceptions of this country in the eyes of people in Indonesia and the understandable fear it instilled in the staff at the embassy and all that that connotes for our relationship are to be totally deplored. I can only say again—and I echo the views that I heard the honourable gentleman himself express this morning—that those responsible for this act should be pursued and prosecuted with the full rigour of the law. It is something that is quite unacceptable in our country. Insofar as it may have been related to other matters, in that context my great concern is that it has been utterly counterproductive.

#### **Indonesian Embassy**

**Mr CADMAN** (2.03 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the action taken to brief Indonesia about the incident at the Indonesian embassy?

**Mr DOWNER**—I thank the honourable member for Mitchell for his question. When I heard of the incident that the Prime Minister has been talking about in response to a question from the Leader of the Opposition, I called the Indonesian ambassador initially but subsequently called the Indonesian foreign minister in order to convey Australia's regret for what had happened, to condemn the action and to explain that we would continue to provide all possible assistance to the Indonesian embassy and staff and that we would do all we could to bring to justice the people who have perpetrated this offence. Dr Hassan Wirajuda, who is the foreign minister of Indonesia, said he very much appreciated the call. As he was with the President at the time I spoke to him, he passed the messages that I conveyed on to the President, and I appreciate that.

Our ambassador in Jakarta, Mr David Ritchie, has also conveyed these messages to senior Indonesian officials in Jakarta. We have also ensured that public statements made here in Australia by leading politicians and others have been distributed to the Indonesian media as widely as possible in order that the perspective of Australia in response to this outrage can be properly conveyed more broadly to the Indonesian people.

Unfortunately, this is not the first time there has been any threat to Indonesians. There was an incident a few months ago which was quite widely reported when a bullet was sent to the consulate of Indonesia in Perth. It is important to reiterate yet again that the Australian government—and, I know, the whole of the Australian parliament—condemns these threats, which serve no practical purpose at all and, amongst other things, are damaging to international perceptions of Australia.

Next week a bipartisan parliamentary delegation from Australia will be visiting Indonesia. The *raison d'être* of the visit is really to go to Aceh and look at the reconstruction work there, but that delegation, which is to be led by the parliamentary secretary for foreign affairs, Mr Bruce Billson, will also be in Jakarta and will have an opportunity to meet with senior government ministers there and, I hope, with many members of the Indonesian parliament in order to convey some of the very same messages that both sides of the House have been giving in relation to this incident at the Indonesian embassy.

Can I just say in conclusion that, as the Prime Minister has already made clear, the Federal Police have instituted a joint investigation team, including the ACT and Australian Federal Police national police component. The Indonesian police have agreed to provide some officers to assist this investiga-

tion. Three Indonesian national police members and one representative from the Indonesian Ministry of Agriculture will travel to Canberra to form part of the joint investigation team.

#### **DISTINGUISHED VISITORS**

**The SPEAKER** (2.07 pm)—I inform the House that we have present in the gallery today members of the International Department of the Central Committee of the Communist Party of China. The delegation is led by His Excellency Mr Wang Jiarui and accompanied by the Chinese Ambassador Madam Fu Ying. On behalf of all members I extend a very warm welcome to our visitors.

**Honourable members**—Hear, hear!

#### **QUESTIONS WITHOUT NOTICE**

##### **Transport Security**

**Mr McCLELLAND** (2.08 pm)—My question is directed to the Deputy Prime Minister and Minister for Transport and Regional Services. Will the minister confirm that the special investigator that he announced yesterday will have statutory independence and powers of investigation including the ability to use search and electronic surveillance warrants and to carry out undercover operations? Will the investigator be funded from resources diverted from other crucial security areas in the minister's department? Will his powers and ability to act be superior to those of the \$400,000-a-year Inspector of Transport Security whom the minister removed from office in February of this year?

**Mr ANDERSON**—I thank the honourable member for his question. I make the point at the outset, in relation to the last part of the question, that I did not remove Mr Mick Palmer from his office—far from it.

**An opposition member**—Who did?

**Mr ANDERSON**—He has not been removed from the office—it is as simple as

that. In relation to the former part of the question it will be my intention to ensure that the individual who will head this—and I hope to make an announcement on that in the next few days—will have the powers that he needs to conduct an effective and thorough review.

#### **National Security**

**Mr LINDSAY** (2.09 pm)—My question is to the Attorney-General. Would the Attorney-General inform the House of steps the government is taking to deal with potential chemical, biological and radiological incidents?

**Mr RUDDOCK**—I thank the honourable member for Herbert for his question. Obviously his question has implications in relation to the matter that we were dealing with earlier. Australia obviously deplores the serious criminal act which has caused disruption and concern for the safety of staff and members of the public at the Indonesian embassy. As the Prime Minister has already mentioned, exhaustive analysis of the exact nature of the substance requires ongoing investigations but preliminary reports are that it is unlikely to be of pathogenic significance.

Regardless of the outcome of those inquiries, I want to make it clear that the action by whoever undertook this activity constitutes a criminal offence which can attract very severe penalties. In 2001 we increased the maximum penalty for a hoax mail offence under the Criminal Code from five years to 10 years. There are also serious federal offences that deal with persons who send a dangerous product through the post. If such an act resulted in harm or death to a person then a range of other offences, including possible manslaughter and even murder offences could apply. Obviously, the Australian Federal Police are investigating this very serious criminal act and I would not want to intrude in relation to that investigation.

I want to thank and place on record our gratitude to the Australian Federal Police and the ACT Emergency Services Bureau Hazmat crews who were involved in this emergency response yesterday. Their prompt action in securing the site and undertaking decontamination of 44 staff members highlights the very effective coordination and cooperation that exists for handling such an emergency if it arises. It demonstrated the way in which the specialist equipment that we rolled out to all states and territories, under the \$17.8 million chemical, biological and radiological enhancement program, is operating. This sophisticated equipment, which includes detection, decontamination and protection systems, complements the existing equipment managed by states and territories. The equipment was instrumental in the emergency response yesterday. It was very effectively used. It ensures that the first responders, in an event of an emergency such as this, are in the best possible position to protect us from the potentially devastating consequences of such a tragic act.

#### **Transport Security**

**Mr HATTON** (2.12 pm)—My question without notice is to the Deputy Prime Minister and Minister for Transport and Regional Services. Will the minister confirm that the government is yet to provide a copy of the Customs report detailing serious security breaches at Sydney (Kingsford Smith) Airport to the New South Wales police minister? Minister, isn't the government's approach to protecting Australia's national security as fragmented, fractured and uncoordinated as in the United States prior to lessons learnt from the September 2001 terrorist attacks?

**Mr ANDERSON**—As the former shadow minister, who asked a question a moment ago, would well know from his briefing yesterday, that was an internal Customs report that was put together for their own internal

use and instruction. It was not intended for release. Let me make this point again because the Labor Party does not seem to want to understand the key point in this. The report at the heart of those questions was put together in 2003. That was confirmed again yesterday by the head of Customs. It does not describe the current situation at Sydney airport.

Furthermore, it was put together before the latest round of 65,000 background checks was conducted on staff working in security sensitive areas of Australian airports. As I have said to this place, in those checks ASIO did not identify any individual as having a history of politically motivated violence. But in the unfortunate climate that we now have, where the opposition is more intent on playing the politics of this issue, I again refer the House to an independent person who knows more about aviation security in this country than anyone opposite. I do not think anyone would challenge that assertion. There would be no-one in this country better equipped than Neil Fergus, who was responsible for aviation security at Sydney airport during the Sydney Olympics, who was a consultant in Athens for the games last year, and who has reviewed 40 airports, internationally. He said:

I am hard stretched to think of another airport internationally that is of a similar standard to Sydney or Melbourne in relation to these matters.

That is the message that I think should be heard by the Australian people. There is no complacency or smugness on our part. I have made it quite plain, at all points, that we get very regular updates, very regular reports on aviation security. We benchmark as often as we can. We have the Office of Transport Security taking forward the government's policy. The government sets these policies. They are then taken forward by our agencies. We seek to learn, at every point, where changes need to be made and we make those changes

as quickly and efficiently as we possibly can in the interests of the safety of the travelling public of Australia.

#### **Economy**

**Mr KEENAN** (2.15 pm)—My question is addressed to the Treasurer. Would the Treasurer outline to the House the data released today on building approvals and international trade? What does this data indicate about Australia's economic outlook?

**Mr COSTELLO**—I thank the member for Stirling for his question. I can inform him that the building approvals data for April released today showed an increase in approvals for medium-density residences, that approvals for private sector houses were flat and that approvals for private sector dwellings overall have fallen over the course of the year by around 15.6 per cent. This shows that the moderation in the housing market is well under way. House prices are showing moderation, there has been a fall in new housing finance commitments and yesterday's national accounts indicate that the unsustainable price rises we have seen in the housing market over recent years are now unwinding in a mild way, which the government welcomes.

Also released today were the data on international trade in goods and services for the month of April. They showed a dramatic improvement in the trading position in April compared to March. The deficit on the balance of goods and services halved from \$2.6 billion to \$1.3 billion in April. Exports were up 9.3 per cent and were 16.2 per cent higher than a year ago, led principally by mining exports. In addition to that, imports fell by 0.4 per cent. Obviously, there have been dramatic price increases in relation to coal and iron ore in particular.

**Mr Crean**—Volume exports have gone down.

**Mr COSTELLO**—Actually, over the March quarter, volumes have increased.

**Mr Crean**—Not in those areas.

**Mr COSTELLO**—Metallurgical and coal exports have increased 17.3 per cent and the volume of iron ore exports in the year to March has increased by 16.5 per cent. So, over the year to March, the volumes have increased—

**Mr Crean**—Over the year to March. What about the month?

**The SPEAKER**—Order! The member for Hotham!

**Mr COSTELLO**—The sound-effects man shoots his interjections about volumes. When one points out that the volumes have gone up 17.3 per cent and 16.5 per cent over the year, I think that should answer his interjections. The fact that Australia's exports are up and imports are down is good news which I believe will be welcomed by all, with the possible exception of the member for Hotham. It shows that the economy is re-weighting out of the domestic sector and into the export sector. I believe that that will be consistent with continuing and more sustainable growth over the year ahead.

#### **Economy**

**Mr CREAN** (2.19 pm)—My question is to the Treasurer. Having now recorded the 42nd monthly trade deficit in a row, which no other government in our history has done; our largest ever current account deficit of \$15.4 billion, which is equivalent to 7.1 per cent of GDP; our largest ever foreign debt of \$425 billion; and a flat-lining of export volumes since 2001, when will the Treasurer stop this complacency, admit that Australia's woeful trade performance is a long-term structural and unsustainable problem and commit to change the government's export policy?

**Mr COSTELLO**—I thank the member for Hotham for his question. I think he would make a very good shadow Treasurer. I welcome the fact that at least somebody on the Labor front bench is prepared to ask me a question.

**Mr Howard**—Julia wants that.

**Mr COSTELLO**—He might have to walk over the member for Lalor to get there!

*Opposition members interjecting—*

**The SPEAKER**—Order! The House will come to order.

**Mr COSTELLO**—I did say earlier that, of the five shadow Treasurers the Labor Party has had in the position since 1996, unquestionably the worst is the member for Lilley. I indicate to the member for Hotham, who is prepared to ask questions—

*Mr Stephen Smith interjecting—*

**The SPEAKER**—The member for Perth is warned!

**Mr COSTELLO**—that, as I said in answer to the previous question, all members of the House, with the possible exception of the member for Hotham, will welcome the fact that there was a dramatic improvement in Australia's trade performance in the month of April—not only a halving but, in value terms, a nine per cent increase in exports and, in value terms, a fall in imports. I think all Australians of goodwill will welcome that particular outcome. As I said yesterday, this will mean an improvement in the balance of payments in the June quarter. The budget forecasts that the balance of payments will decrease to something like 5½ or 5¾ per cent over the course of 2005-06. The most important thing, of course, is that the government itself is making no call on savings.

What is different between what occurs today and what occurred under the Labor Party? When we had high deficits under the Labor Party in 1995 and the early 1990s the



Australian government was borrowing, the Australian government was running down savings. The difference today is that the Australian government does not run down savings; the Australian government adds to savings. Why? Because we got rid of the Leader of the Opposition as the Minister for Finance, we have balanced the budget and we have retired \$90 billion of net Commonwealth debt, and Australia is much stronger for it.

### Taxation

**Dr JENSEN** (2.22 pm)—My question is addressed to the Treasurer. Would the Treasurer advise the House why business must have immediate certainty on tax cuts to properly pay employees after 1 July? What is the impediment to this action?

**Mr COSTELLO**—I thank the honourable member for his question. It is of no small importance to business as to what they do with their payrolls on 1 July. One side of Australian politics wants Australians to have a tax cut on 1 July and the other side of Australian politics, the Australian Labor Party, opposes tax cuts on 1 July. The instruments that can put this into effect have now been tabled in this House and the Labor Party did nothing to disallow them last Thursday and has done nothing to disallow them on Monday, Tuesday, Wednesday and Thursday of this week. This is no small matter.

Here is the set of schedules that employers have to put in place on 1 July if the Australian Labor Party does not disallow them. It consists of 22 separate schedules with weekly, fortnightly and monthly pay withholding amounts. It shows those amounts with and without leave loading and for those paying the Medicare levy and those not; it has special tables for employees with HECS debts under the Student Financial Supplement Scheme; it has particular tables for particular industries such as actors, variety art-

ists and other entertainers; and it has tables for age pensioners and low-income persons. If the Australian Labor Party will give an assurance that it will not disallow this schedule in the Senate, that is what employers have to be ready to apply on 1 July.

If they do not give that assurance, this second set of schedules, which has also been prepared by the Australian Taxation Office, will be the one that will apply. That too has 22 different schedules: with or without dependants; with HECS debts, without HECS debts; with Medicare, without Medicare; for senior Australians and without them. There they are.

MYOB, which prepares these schedules in a software system, says that it needs to know—the cut-off date is 6 June—whether you load that one on your computer or you load that one on your computer. If the Australian Labor Party cannot decide by 6 June MYOB will load that one with a manual override and password for that one depending on what the outcome will be. And these have to be applied to each and every employee.

The Leader of the Opposition was asked about this on *Lateline* last night. He was asked whether he had made up his mind yet whether he will be voting to disallow these schedules. Alas, notwithstanding that the budget came down on 12 May, he is yet to make up his mind. He is still determined not to be determined in relation to this matter. He had the hide to say on the *Lateline* program last night, ‘Oh, well, we disagree with MYOB. Employers don’t need from 6 June to load this into their computers and get ready.’ As if the Leader of the Opposition has ever met a payroll in his life!

**Mr Beazley**—As if you have!

**Mr COSTELLO**—As if I have! When I was employing people you used to go down to the Australia Post Office and buy the tax

stamps and lick them and put them on the back. And anyone who has employed anybody, including me, knows what it is like and they know that you need certainty. In relation to MYOB the Leader of the Opposition said last night, 'Oh, well, they've got plenty of time to do all of this.' He was not always so dismissive of MYOB. When he was trying to pretend that he knew something about small business he went to the Small Business Summit in Sydney on 17 May. He tried to show that he knew something about small business. He said:

This broader economic backdrop may seem obscure ... to a small business owner who is sitting down at the end of the week—

this is the Leader of the Opposition—

... with the calculator and the MYOB printouts, trying to work out what's left after paying the wages ...

Never was a truer word spoken but when they sit down with MYOB print-outs from now on he will have given them that set and that set. Why? Because he cannot make up his mind. He cannot make a decision. He cannot show any leadership and behind him sits a backbench who are following him down this track to this folly. I say to each and every one of them: get out of the way of small business; let people have their tax cuts; no more of these stunts; show some understanding of what small business in this country wants.

#### Taxation

**Mr SWAN** (2.28 pm)—My question is directed to the Treasurer. Does the Treasurer recall in question time on 23 May defending the government's unfair \$6 per week tax cuts for families on average incomes by claiming: ... a single income couple with one child under five ... effectively pay no net tax until they earn \$46,000.

Does the Treasurer accept that such a family loses \$383 of their fortnightly gross wage in

tax and faces a marginal tax rate of 51.5c in the dollar for overtime work? Is the family paying \$383 in tax? Yes or no.

**Mr COSTELLO**—I appreciate the question, but I must say I thought the member for Hotham put in a better performance. The reality is that if you have a single income family with two children, one under five, you do not pay tax in net terms until you go above \$40,000.

**Mr Howard**—You said that.

**Mr COSTELLO**—I said that, and the reason for that is—

**Mr Swan**—Not real!

**Mr COSTELLO**—Oh no, it is very, very real. And the reason for that is they qualify for family tax benefit A in relation to both children and they qualify for family tax benefit B in relation to the person that is not in the work force. The consequence of that is very, very real payments—cash out their tax liability. And I have got more news. They get \$600 per child per annum. And it is real money. It goes into bank accounts and it comes out again. When you go to the supermarket you can exchange it for goods and services. It exists, it is real; and, yes, the earth is round.

#### Workplace Relations

**Mr JOHNSON** (2.31 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the people of Ryan how a national workplace relations system will lead to improved efficiency in workplaces and the Australian economy?

**Mr ANDREWS**—I thank the member for Ryan for his question and I can inform him and the House that tomorrow the government will be asking the premiers of the states other than Victoria to refer their workplace relations and industrial relations powers to the Commonwealth. Today we see a report in a

newspaper which highlights again the inefficiency of workplace relations systems in the states which are costing new investment in Australia. Indeed, on page 1 of the *West Australian* newspaper today, under the heading 'IR fears see Japan pull out of power bid', it is reported:

One of Japan's biggest electricity companies has pulled out of the race to build a \$400 million power station in the South-West at the 11th hour, citing fears about WA's industrial relations climate.

The article goes on to say that Japanese giant J-Power, which has conducted business in some 59 countries around the world, teamed up with the Australian company Wesfarmers almost three years ago to tender for the right to build the new base load power station for Western Power. In this article a spokesman for Wesfarmers says that the reasons behind the company's departure included:

... perceptions of heightened industrial relations risk in WA.

That led J-Power to see significantly increased project risk from their international perspective.

This, in one sense, is not surprising. Since the Gallop government came to power in Western Australia in 2001 and reinstated a regressive industrial relations system—

**Mr Wilkie**—What about your new laws?

**Mr ANDREWS**—the rate of industrial disputation in Western Australia has almost trebled from 32 working days lost per thousand employees to 77 working days lost per thousand employees in 2004.

*Mr Wilkie interjecting—*

**Mr ANDREWS**—Indeed, during that period Western Australia has become the strike capital of this nation. As the Managing Director of Alcoa, Mr Wayne Osborn, recently said:

WA has the reputation for being an increasingly difficult industrial relations and regulatory envi-

ronment. This makes it a less attractive place to invest or grow business in ...

Here is an example of that today, with J-Power pulling out of this investment in Western Australia. When otherwise it is a good time to invest in Australia, given the sound economic management of this nation, we have this pulling down of the industrial relations system which is turning investors off Australia. No doubt it is the reason why the Managing Director of Wesfarmers, Michael Chaney, recently said:

Australia's productivity performance has slowed and remains below that of many of our key competitors, making further labour market reform a necessity if growth and rising living standards are to continue.

*Mr Wilkie interjecting—*

**The SPEAKER**—The member for Swan is warned!

**Mr ANDREWS**—We have got six confusing, costly and complicated industrial relations systems operating in Australia. The time is right to have one national system. The premiers tomorrow should see the sense of that and refer their powers to the Commonwealth.

### Immigration

**Mr RUDD** (2.35 pm)—My question is addressed to the Minister for Foreign Affairs. I refer to the revelations in Senate estimates yesterday that in September 2004, when approached by the Department of Immigration and Multicultural and Indigenous Affairs, the minister's department refused to provide Ms Alvarez's passport details. Why, one year after his department had first been told by the Queensland police that Ms Alvarez was an Australian citizen, did the minister's department refuse to cooperate with the inquiries of the department of immigration regarding Ms Alvarez or, like yesterday, does the minister simply regard this as laughing matter?

**The SPEAKER**—In answering that question the Minister for Foreign Affairs will ignore the last part.

**Mr DOWNER**—First of all, I am advised by my department that it was approached in September 2004 by the Department of Immigration and Multicultural and Indigenous Affairs for Ms Solon's passport dossier.

*Ms Macklin interjecting—*

**Mr DOWNER**—That is not the question. He asked the question—

*Opposition members interjecting—*

**Mr DOWNER**—You do not want to hear the answer; you just want to talk.

**The SPEAKER**—The minister has the call.

**Mr DOWNER**—No reason was given for the request at the time.

**Mr Martin Ferguson**—Mick Young was right about you.

**Mr DOWNER**—I will start again.

*Opposition members interjecting—*

**Mr DOWNER**—You asked the question. Do you want an answer or is it just a time for interjections? My department was approached in September 2004 by the immigration department for Ms Solon's passport dossier. No reason was given for the request at the time and DIMIA did not provide the necessary privacy authorisation required by the Privacy Act, so the information was not passed on and DIMIA did not pursue the request.

The member for Griffith, at a doorstep this morning, revealed that he is ambivalent about unfair dismissal laws because he opposes our changes to unfair dismissal laws. But he says that I should be taking the axe to people in my department and that heads should roll over this affair—that I should be sacking people in my department. This only reminds us of the time when the member for

Griffith worked in the Queensland government and was known as Dr Death because of the number of people he used to sack.

### **Drought**

**Mr FORREST** (2.37 pm)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister inform the House what support the government is providing to drought stricken farmers? Is the minister aware of any alternative policies?

**Mr TRUSS**—I thank the honourable member for Mallee for the question. He represents some of the seriously drought affected farmers in Australia. I expect to visit some of them tomorrow and the next day as we look at some of the issues confronting drought affected farmers in the state of Victoria. There has been a lot of attention on the drought in New South Wales, but it is important to note that it has also been severe in Victoria, Queensland and parts of South Australia and Western Australia. There are drought declared areas in all of those states. The honourable member for Mallee has been at the forefront in drawing attention to the plight of farmers, particularly in the Mallee and Wimmera regions. Many of them are in receipt of prima facie EC assistance at present while their application for a full declaration is under consideration. We are very conscious of the particular needs in that area and the special concerns that they and other grain-growing areas are facing, with the risk that the lack of winter rains may prevent the planting of the winter crop altogether this year in the eastern states. That would have enormous implications for many regional communities.

The government is providing significant assistance to Australian drought stricken farmers. Nearly 34,000 applications for income support and 16,700 applications for interest subsidies have been approved. They

represent 65 areas in Australia which have had EC declarations at some time since the drought reached its worst in 2002. These families receive income support, concessions, access to youth allowance, health care cards and the like. That contribution is already worth about three-quarters of a billion dollars. Assistance has been real and substantial. In parts of northern Victoria, up to three out of four farmers have qualified for assistance. Three out of four farmers have met the criteria and received assistance. There are some places, not just in Victoria but in New South Wales and Queensland, where the majority of farmers have been able to receive some assistance.

I acknowledge the work of Centrelink and its staff, the Minister for Human Services for his role in ensuring that the payments are made promptly and the Centrelink drought call centre. All of these people have done a tremendous job to help farmers through these difficult times, to respond promptly to their concerns, to deal with the often complex issues associated with the declaration and to make sure that the funds flow as smoothly as possible to farmers in distress. The new package of measures will require additional effort on the part of the Centrelink people and the rural adjustment authorities. Everyone is working in a really sterling style to deliver these benefits as quickly as possible.

In relation to alternative policies, unfortunately we are not receiving a lot from most of the states. In fact, most of the state budgets that have been brought down over recent times have actually got reduced allocations to their agriculture departments. It will only take about two to three weeks for the federal government to pay the farmers in drought areas in New South Wales what the state has budgeted for the entire year. I think there is room for some of the states to recognise that this drought has reached enormous propor-

tions and they have a bigger share of the load that they should bear.

**Ms Vivian Alvarez**

**Mr KERR** (2.42 pm)—My question is to the Minister for Foreign Affairs. Minister, given that you did not dispute that the Philippines embassy contacted your department in July 2001 about Ms Alvarez and that the Queensland police told your department in September 2003 that she was an Australian citizen, why did alarm bells not ring in your department and why did your department decline to cooperate with an immigration department request concerning her passport details? Will the minister now concede what he refused to concede yesterday—that people did not put two and two together and something has gone terribly wrong for this to have occurred? Minister, has an internal departmental review been conducted on this matter and has any disciplinary action been recommended?

**The SPEAKER**—Before I call the Minister for Foreign Affairs, could I remind the member for Denison that the use of the words ‘you’ and ‘your’ are to be desisted from.

**Mr DOWNER**—I thought my department did a stalwart job in Senate estimates of explaining any contact it had in relation to this matter. All of this information has been passed to the Palmer inquiry, and the Palmer inquiry will make recommendations. Obviously, the Prime Minister and the cabinet will consider those recommendations and appropriate action will be taken. I regret to inform the honourable member that he did not listen to what I said in answer to my previous question. He asked why it was that in September 2004 my department did not act on the request in relation to the passport dossier. I explained in my answer to the previous question. The honourable member used to be the Minister for Justice, I think, so presuma-

bly he would be very, very focused on adhering to the rule of law and the law of the land. I would have thought so, as he was the justice minister. I did actually explain that the Department of Immigration and Multicultural and Indigenous Affairs did not provide the necessary privacy authorisation which was required by the Privacy Act. Whatever the opposition may think of DFAT—and the opposition is very happy to use its services—my department does not act in breach of Australian law. It is as simple as that.

#### **Industry: Investment**

**Mr MICHAEL FERGUSON** (2.44 pm)—My question is addressed to the Minister for Industry, Tourism and Resources. Would the minister inform the House and the people of Bass of recent government measures to support industry and infrastructure investment in Australia?

**Mr IAN MACFARLANE**—I thank the member for Bass for his question and congratulate him on his very strong support of industry in the seat of Bass, particularly the forest industry. Of course Australian industry is a key driver of jobs, exports and infrastructure investment, and this government continues to stand right behind industry as it goes forward. Through long-term industry plans, business grants, incentives and other measures we are working in partnership with industry to ensure it grows and prospers. This morning we ensured that that strong record continues with the announcement of major project facilitation status for the \$1.5 billion pulp mill proposed for Bell Bay in regional Tasmania. This measure recognises the project's national significance and ensures streamlined partnerships with government to bring it to reality. The economic benefits expected to be generated are substantial. Initially some 8,000 jobs, direct and indirect, will come in the construction phase, followed by a further 1,500 direct and indi-

rect jobs during its operational phase and some \$350 million worth of export earnings for Australia, along with import replacement. All in all, the pulp mill is expected to add about two per cent to GDP growth in Tasmania.

It is amazing how much is going on in Bass now that we have a member for Bass who sits on our side than when the member for Bass sat over with the opposition. Even the member for Batman is supporting this project. He has issued a press release supporting this project—a press release, unfortunately, that is not worth the paper it is written on because the member for Batman, along with all the members of the opposition, plans to abolish Invest Australia, the very agency that is working on this project to ensure it comes around. While the Labor Party would stand there and watch jobs, export opportunity and infrastructure investment go overseas, this government is getting on with the job of developing economic opportunities in Australia.

#### **Baxter Detention Centre**

**Mr LAURIE FERGUSON** (2.47 pm)—My question is directed to the Prime Minister. Does the Prime Minister recall saying of his Minister for Immigration and Multicultural and Indigenous Affairs that there has been an 'attempt by her to be totally open and transparent'? Can the Prime Minister explain why no response has been given by the minister or her department to a letter sent back on 19 April by a priest who wrote to the minister regarding female detainees being in full view of male guards at Baxter when showering and going to the toilet? Can the Prime Minister also explain why a representative of GSL, the principal contractor at Baxter, refused to respond to the priest's serious concern or give an undertaking that female detainees would not continue to be subjected to this treatment?

**Mr HOWARD**—I certainly do remember making that comment about the minister. It was made in the context of the referral of the 201 cases to the Palmer inquiry, and I would repeat my view that, given that there is no evidence that any of those 201 cases disclosed any administrative failure or wrongdoing, her determination to refer all of them to the inquiry demonstrated a high order of transparency. I think she is to be commended for that. As to the details you raised in relation to the inquiry from the priest and the follow-up by GSL, not surprisingly I do not receive all of her correspondence, which is very voluminous. I will make inquiries about that matter and if there is anything further that should be provided it will be.

#### **Whaling**

**Mrs GASH** (2.49 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on action the government is taking to oppose Japan's plans to increase its whaling program?

**Mr DOWNER**—Firstly, I thank the honourable member for Gilmore for her question. As the House knows—there was discussion about this last week—the Japanese have submitted plans to the scientific committee of the International Whaling Commission that would expand their whaling program in the Southern Ocean, and our government is strongly opposed to all forms of commercial and scientific whaling, particularly while whale stock numbers remain under threat. Australia's diplomatic missions around the world have been coordinating with like-minded countries—which is a lot of countries—to make known to the Japanese our concerns about their proposals. Our ambassador in Tokyo will today be leading a joint delegation of diplomats to Japan's Ministry of Foreign Affairs to urge Japan to cease its scientific whaling program.

*Mr Rudd interjecting—*

**Mr DOWNER**—The honourable member for Griffith mocks this initiative by our ambassador. He mocks our ambassador and mocks our diplomatic service. It is hardly surprising that if you ask DFAT officers what they think it would be like having him as the minister you note they think of it with trepidation. Anyway they do not need to worry for at least quite some period of time.

The Australian ambassador, who is a fine Australian, will be joined by 15 others, including representatives from Britain, France, Germany, Ireland, Italy, Sweden, Mexico, Brazil, Argentina and New Zealand. Similar representations will be made next week to the Japanese fisheries agency. Senator Ian Campbell will be meeting his counterparts this week and he will be travelling to the Pacific next week to build support for Australia's position on Japan's scientific whaling. The Prime Minister has also written, as the House knows, to Prime Minister Koizumi, urging Japan to reconsider its proposal. All of the governments that are participating in this demarche, as it is called in diplomatic terms, believe that this is a sensible way to approach the Japanese government. We very much hope that the Japanese government as a whole—not just the fisheries agency but the Japanese government as a whole—will reflect very carefully on the representations that have been made.

#### **Aircraft Maintenance Personnel**

**Mr BEVIS** (2.52 pm)—My question without notice is to the Minister for Veterans' Affairs and Minister representing the Minister for Defence. Is the minister aware that the Air Force's board of inquiry into illnesses and injuries suffered by ADF personnel involved in the deseal-reseal of the F111 fuel tanks reported in July 2001? Nearly four years later and after the deaths of some of those personnel, why haven't any of those who have suffered serious, and in some cases

life-threatening, illnesses received any compensation? Will the minister guarantee to the parliament today that these victims will be compensated before the fourth anniversary of that report?

**Mrs DE-ANNE KELLY**—I thank the honourable member for his question. The study of the health outcomes in aircraft maintenance personnel finally reported, and in December last year the government, as the member would know, made a response to that report. The commitment from that was that there would be a lump sum benefit paid to all those who were exposed. That benefit would not distinguish between military personnel, public servants and civilians. In the interim, I understand that there has been a period of time in which affected personnel could feel frustrated.

**Mrs Irwin**—Four years!

**Mrs DE-ANNE KELLY**—I will get to that in a moment. Can I just say, though, that there are complex policy issues in finally determining the nature of the lump sum payment—its interrelationship with existing compensation payments, including Work-Cover in Queensland, where the majority of those people are based. But it is not true to say that people have not received compensation in the interim. The reality is that any former or serving member of the Defence Force is entitled to make a claim with the Department of Veterans' Affairs. In fact, the total number of claimants with the Department of Veterans' Affairs under the Safety, Rehabilitation and Compensation Act is 439. Under the Veterans' Entitlements Act it is also 439. Of those, the liability accepted for the total number of claimants is 173. Depending on the severity of the service related illness or injury that people have had a claim accepted for, they can receive substantial lump sums, income support and of course health support. So it is not true—

**Mr Bevis**—When?

**Mrs DE-ANNE KELLY**—There are people now whose claims have been accepted and they are receiving compensation, income support and health support. The other point to make in relation to this is that there is an interim health scheme in place. People in group 1—those who were inside the tanks and most severely exposed to the solvents—are already under the health interim scheme, receiving full health care for whatever illnesses they have related to reseal-deseal. The Department of Veterans' Affairs has had a repatriation system in place for 87 years. The final details of the lump sum amount will be known shortly. It has been worked out such that it does not interrelate poorly with other schemes in place. However, it is not true to say that those who have been exposed do not have full health care for any illness related to their exposure in the tanks. Nor is it true to say that people have not had claims submitted and fully accepted by the Department of Veterans' Affairs.

#### **Small Business**

**Mr CIOBO** (2.56 pm)—My question is addressed to the Minister for Small Business and Tourism. Would the minister inform the House of recent budget initiatives to assist small business?

**FRAN BAILEY**—I thank the member for Moncrieff for his question and for being such a strong advocate for small business in his electorate. Australia's 1.2 million small businesses continue to benefit from the very strong economic management of this government. The budget delivered to small businesses, on top of all of the tax cuts, \$30 million to the Small Business Assistance Program, which provides a range of practical assistance to small business; \$36 million to Business.gov.au, which is the most up-to-date and comprehensive online range of support and assistance available to small busi-



ness 24 hours a day, seven days a week; and, in addition to that, \$9 million for mentoring and succession planning and funding 57 field officers who can work face to face out in areas where small business needs that assistance most.

This government understands the needs of small business and we deliver on our commitments to small business, unlike those who sit opposite. For once I agree with Mr Paul Keating, who said:

The Labor Party has given up the middle class, middle ground, sole employer, self-employed and small business voter ...

He is right: they have no commitment to small business.

#### Social Welfare

**Ms PLIBERSEK** (2.58 pm)—My question is to the Prime Minister. Could the Prime Minister tell us whether a single parent with a seven-year-old, forced to look for work under the new welfare rules after 1 July 2006, will be in breach of their work force obligations if they turn down a job because they cannot get child care?

**Mr HOWARD**—The rules that will apply in relation to that are the same rules that now operate under Newstart.

#### Taxation

**Mr WOOD** (2.58 pm)—My question is to the Treasurer. Has the Treasurer seen the testimony of the Commissioner of Taxation in Senate estimates today? What does the commissioner say about possible delays to tax cuts and about the possibility of removing impediments to the delivery of these tax cuts?

**Mr COSTELLO**—I thank the honourable member for La Trobe for his question. They are the schedules the tax commissioner has made, which, if they are allowed, will give every Australian a tax cut on 1 July. They are the schedules which will prevent

them getting a tax cut if the Australian Labor Party disallows the other set and Australians will not get a tax cut on 1 July. In Senate estimates today the Commissioner of Taxation was asked a question about what would happen if the Australian Labor Party disallows the schedules. He said that, by definition, they would not get the tax cuts. They would have a choice—either waiting 12 months to lodge their tax return to get those tax cuts or there could be a variation lodged by seven million Australians individually for the schedules to catch up. People want to know whether or not they are going to get that tax cut on 1 July.

Amid extraordinary scenes in Senate estimates, where Senator Conroy tried to prevent the commissioner from answering questions, the commissioner was asked what would be necessary for him to instruct employers to use the schedule that gives the tax cut. He was asked this question in relation to the schedules: 'For you to have the certainty to communicate with employers that the 2005 schedules will apply, would it be sufficient for the Leader of the Opposition to stand up in the House today and say that the opposition will not disallow the 2005 schedules? Would that be sufficient certainty for you if that were to happen today?' The commissioner said, 'If that were to occur I would feel comfortable advising employers to proceed on the basis that the 2005 schedules would apply on 1 July.' The Leader of the Opposition can get on his feet before this parliament rises and with one statement make sure that every Australian can have their tax cut on 1 July 2005, or, if he does not, deny them a tax cut on 1 July, requiring mass variations and the filing of their 2005-06 tax return before they catch up for the period that they have missed out.

Why is every Australian employer and every Australian income tax payer put in this place of confusion today? Because the Aus-

tralian Labor Party on budget night made the wrong call. They said they would oppose these income tax cuts. Since then, every step has been backing and filling, trying to pretend that this has nothing to do with them and somebody else can sort this problem out. I say to the Labor Party: this is a problem of your own making. There is only one thing for the Leader of the Opposition to do for Australians as this parliament gets up after the two-week session after the budget: take up the invitation of the Commissioner of Taxation, walk to that dispatch box, say he will not disallow these schedules and let every Australian have a tax cut on 1 July.

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

*Government members interjecting—*

**The SPEAKER**—Order! Members on my right!

### QUESTIONS TO THE SPEAKER

#### Taxation

**Mrs BRONWYN BISHOP** (3.04 pm)—Mr Speaker, the microphones were not on for the Leader of the Opposition and we were unable to hear whether or not he was going to give the undertaking to let the tax cuts through.

**The SPEAKER**—The member for Mackellar is correct. The Leader of the Opposition did not have the call and therefore he has not been recorded. The Leader of the Opposition is seeking the call?

**Mr Beazley**—Give them \$12, a decent tax cut—

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

### AUDITOR-GENERAL'S REPORTS

#### Reports Nos 48 to 50 of 2004-05

**The SPEAKER**—I present the Auditor-General's Audit reports for 2004-05 entitled Audit report No. 48, *Performance audit: in-*

*ternationalisation of Australian education and training: Department of Education, Science and Training; Audit report No. 49, Business support process audit: administration of fringe benefits tax; and Audit report No. 50, Performance audit: drought assistance.*

Ordered that the reports be made parliamentary papers.

### SPECIAL ADJOURNMENT

**Mr ABBOTT** (Warringah—Leader of the House) (3.06 pm)—I move:

That the House, at its rising, adjourn until Tuesday, 14 June 2005, at 2 pm, unless the Speaker or, in the event of the Speaker being unavailable, the Deputy Speaker, fixes an alternative day or hour of meeting.

Question agreed to.

### DOCUMENTS

**Mr ABBOTT** (Warringah—Leader of the House) (3.06 pm)—I present documents on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House.

Relating to free mammograms—from the member for Banks—28 Petitioners

Supporting Christian minorities in Iraq—from the member for Prospect—48 Petitioners

Relating to dental care and treatment in the electorate of Calare—from the member for Calare—240 Petitioners

Relating to indigenous health standards—from the member for Lowe—262 Petitioners

Relating to a refugee in Villawood Detention Centre—from the member for Chifley—483 Petitioners

Concerning procedures for asylum seekers—from the member for Higgins—10 Petitioners

Seeking a national registry and data base for sufferers of autism—from the member for Sturt—700 Petitioners

**MATTERS OF PUBLIC IMPORTANCE****National Security**

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

The Government's maladministration of Australia's national security, in particular in the crucial areas of immigration, border control and transport security.

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 BEAZLEY** (Brand—Leader of the Opposition) (3.07 pm)—It is a very good choice indeed, Mr Speaker. We are now witnessing in these two critical areas of Australian border protection—the area that affects the Department of Immigration and Multicultural and Indigenous Affairs and the area that affects transport security in the Deputy Prime Minister's Department of Transport and Regional Services—a complete shambles, a suppurating mess. The simple fact of the matter is that you cannot have border security in this country and have a shambles in those areas supposed to operate it.

As we have watched the Minister for Immigration and Multicultural and Indigenous Affairs go through endless iterations of excuse after excuse, being unable to answer the questions in her department, as we have watched the Minister for Foreign Affairs get up in this place and laugh at errors that his department has committed which meant that

an Australian citizen illegally sent overseas had her sojourn overseas lengthened as a result, as we have watched the Deputy Prime Minister stand up in this place unable to give any meaningful guarantees whatsoever about the standard of security at our airports, what we are witnessing here is the death of ministerial accountability. I fear we are reaching an historical low in this regard in Australian politics, a dynamic with clear and present consequences. Consider the department of immigration scandal and consider the confusion and complacency at our airports, then measure this against arrogant question-dodging ministers rapidly becoming a law unto themselves. I fear we have entered an era of chronic ministerial incompetence, and no accountability for it. Ministers not only use ignorance as a shield but wear it as a badge. Where does the buck stop in this cabinet? Indeed, let me rephrase that: does the buck stop anywhere in the cabinet at all?

Consider all the workplaces in Australia—the factory floors, hospitals, workshops, boardrooms, police stations and the rest. It is not possible to imagine a less accountable workplace than the cabinet of the Howard-Costello government. Any other worker in this country would have been sacked if they performed at the level of the Deputy Prime Minister, the Minister for Foreign Affairs or the minister for immigration. A dynamic, as I said, with clear and present consequences—consequences for Australian citizens being illegally detained and deported, consequences for Cornelia Rau, consequences for Vivian Solon and consequences for babies and children in detention centres. We found, from a question asked by my colleague the spokesperson on immigration matters, yet another problem associated with detention centres related to their failure to respond to a priest who saw gross violations of privacy of the women in detention. There are consequences for our national security when po-

rous borders are exposed and consequences for national safety when airport security is so confused. A lack of accountability breeds incompetence, and incompetence means weakness.

Two things need to happen immediately. The first is that the Palmer inquiry should be shut down and replaced by a royal commission properly empowered to investigate all of those issues which have been referred to the Palmer committee but that the Palmer committee has refused to consider. It is not good enough for the Prime Minister simply to sit there and say that there is transparency because the minister refers 200 cases to the Palmer inquiry, and then Mr Palmer comes out and says, 'All I'll do is point to how you might consider investigating those 200 cases.' That is not actually an answer. It cries out for a royal commission. The second thing that ought to happen—and this is how those two crises relate—is that the Palmer inquiry should transform itself into the Palmer Inspector of Transport Security, a job for which he is well qualified. We do not need to bring in somebody from overseas to do that job; we have an expert on hand immediately to handle that job himself. Those two steps do not require a great deal of prime ministerial initiative or activity, but they do require a deal of prime ministerial focus—and prime ministerial focus has not been present at all in the course of the last few months when we have come to dealing with these things.

You can get any amount of royal commissions out of this government when it suits their political interests to do so. We saw \$60 million spent on a royal commission into the building industry—precious little came from it but \$60 million was spent. We saw thousands of dollars spent on a second judicial inquiry into Centenary House which found exactly what the first inquiry had found 10 years earlier. The government will do inquiries which suit them politically but they will

not do a royal commission where they fear what might be the conceivable consequences of it. They do not want that correspondence between the department of foreign affairs and the immigration department on the situation of Solon examined. They do not want what passed between ministers and the departments on that case or the Rau case, or on the numerous other cases that are under consideration, to be examined. They do not want their standards of ministerial responsibility tested or looked at—not under any circumstances.

We in this country have forgotten what royal commissions are for. They had a long and honoured tradition in this country until this government came into office. When from time to time a culture has developed in a government department to a point where its operations have become intractable, or when some other area of government policy has produced a level of intractability, in the past, it has been the job of royal commissions to step in from outside and cut the Gordian knot. That is classically what royal commissions are required for, and that is classically what is required here.

How sorrowful you feel when you see Bill Farmer, the head of the Department of Immigration and Multicultural and Indigenous Affairs, shaking his head, putting his hands on his head and saying: 'You know, the culture in my department—I just simply can't cope with it. Neither can the minister cope with the culture in the department.' That is fine; if that is the case, resolve the problem. You do not resolve the problem by having an underpowered inquiry into it by Mr Palmer. No matter how worthy a person he may well be, you do not solve it by having such an inquiry and then having him tell you, 'There are matters here which I simply don't have the time for and cannot inquire into.' You do not resolve it like that. Classically, this is exactly the set of circumstances which re-

quire a royal commission, and the government ought to go about the business of providing one.

They do not want to do so because they do not want the possibility that somebody might say to them for the first time in their 10 years, 'You are responsible; the buck stops with you.' In just the same way that they can only think about royal commissions in terms of their political interest when their political interest arises, so they think about public administration. This is a government brilliant at spin. This is a government with a magnificent relationship between their polling and their presentation, with a capacity to look at the many and various problems in our society, cauterise each of them to make sure nothing arises as a serious political problem for them and make folk think for a time that everything is okay. But the problem is that spin is one thing, reality is another. No matter how well you spin a matter, sooner or later you confront reality, and you confront reality on this issue of border protection when you see a department that manifestly cannot handle the rules that the government have set for it in a satisfactory and humane way. That is when spin hits the wall, and what bounces off it is decent government in this country and the government's reputation.

So that is why, against all the precedents suggesting it is obvious, we are not seeing the Palmer inquiry turn into a proper royal commission. It is from that point, that status, that situation of Mr Palmer that we go over to the issue of airport security. It would be all right for the Deputy Prime Minister to stand up here and defend himself in public against that leaked report—a report the facts entailed in which apparently never found their way to the New South Wales police force, the Australian Federal Police or anyone else, so it seems. It would be all right if he could demonstrate for all of us in this place that the issues that were raised in it have been dealt

with—the possibility of people working at the airport having linkages and associations with fundamentalist organisations which may be of interest to those investigating terrorism; the fact that there are black spots throughout Sydney airport, and presumably others as well, where very well funded surveillance operations do not in fact reach, therefore providing opportunities for people to smuggle goods, explosives or anything else that they care to at those points; the possibility of materials being transferred out of the international transport section of an airport into the domestic transport section without proper investigation, again with consequences for smuggling and possibly for terrorism; and the fact that people could work at the airport with criminal offences against their names, including criminal offences in the particular areas of most interest and concern when it comes to dealing with the potential violations of aviation security. None of this was good enough for his department to pass on to the New South Wales Police or, for that matter, to anyone else who seemed to be involved in law enforcement in that regard. It would be all right if we could believe the Deputy Prime Minister when he stood up here and said: 'Those are problems in the past. By September 2004, when this report was finally compiled, they had all been ended by the decisions we took a year earlier.'

The difficulty, however, is this: almost all the issues raised in that report are now being raised on a near daily basis as continuing scandals in relation to airport security—the problems associated with the fact that people who have been given security related jobs have those offences behind them; the problems related to the fact that there are still black spots where people can pass smuggled goods around Sydney airport and, for that matter, probably every other airport; and the fact that there are still not yet in place the

proper levels of control in relation to things passing from the international to the domestic transport segment. Think of the scandals we have seen in the papers over the last month and you will find every one of those situations referred to not in past, historic terms but in current and immediate terms. The senior people around—be they in charge of airports or people in positions of authority who want to make absolutely certain that the transport sector is secure—are all saying: ‘We don’t know enough about this. We are worried about the security issues here. Please do something about it.’

The government did create a position to do something about it. They created the position of inspector. They put Mr Palmer in it after a 12-month delay and then took him out of it two months later. I would say quite frankly that it would be more important for Mr Palmer to do that job than to protect the government’s back on the Rau case. It is also important that Mr Palmer be properly empowered. Neither Mr Palmer in his position nor the person whom he is appointing to the international investigation—God knows why we need that when we have a man as expert as Mr Palmer—has been correctly empowered or given the authority to receive the sorts of materials that people involved in contemporary intelligence surveillance are now allowed to receive. There is an absolute requirement here that Mr Palmer, properly empowered, return to do this job. It is a shambles—a shambles affecting ministerial responsibility. It is a shambles that can be resolved by recourse to our suggestion for a royal commission and for properly empowering and situating Mr Palmer—and it is time the government got on with it.

**Mr RUDDOCK** (Berowra—Attorney-General) (3.22 pm)—I read carefully the matter of public importance that we are asked to address today. It talks of the government’s maladministration of Australia’s

national security. It then identifies three crucial areas where it thinks national security has been impugned. I listened very carefully to the Leader of the Opposition’s speech, and it was not a speech about national security. The Leader of the Opposition certainly raised the issues of Ms Rau and Ms Alvarez. These are difficult matters in terms of the personal impact upon the individuals involved, about which the government has expressed its own concern, but I have to say that they do not go to national security. They do not go to border protection. They may go to issues of identification of Australians, but they certainly do not go to the question of national security. Equally, when you go to the issue of transport security, certainly a report was prepared for training purposes to identify risks that might be involved. It was prepared some time ago and before many steps that the government had implemented that go directly to national security had been put in place.

What I want to do in the context of this matter of public importance today is to indicate very clearly that the government takes a holistic approach to dealing with national protection and national security. Australia has well-practised counter-terrorism plans and procedures that have been developed and instituted over many years on a whole-of-government basis. These arrangements have worked well in the aftermath of September 11, 2001 and the Bali bombings in October 2002.

The government’s approach is one that has identified our security needs and what needs to be done. We have put in place arrangements for effectively protecting Australia. One of the things we regret is that the opposition, rather than looking at the effectiveness of those measures, seems to want to argue that we would be well placed by implementing a bureaucratic reshuffling exercise, which I think, if instituted here in Aus-

tralia, would undermine the effective and proven systems that we have in place. I note that the opposition, even when it developed its proposals for a homeland security portfolio, which was designed to bring various elements of government responsibility together, still left quite separate a number of discrete areas, including immigration and transport. The opposition shadow minister for security, the member for Barton, in a speech said:

An Australian 'Department of Homeland Security' would not for example, entail the Department of Transport having no responsibility for security issues. Clearly it has to.

It is important in the context of this debate, which is about national security, to focus on the way in which the government have responded to the threats that we face. We have spent over \$4 billion implementing a strategy of preparedness, prevention and response. I have said on many occasions that it is an unfinished canvas, but I think on any assessment the government's impressive record on security should be acknowledged.

The nation's ability to combat terrorism at home depends upon its ability to know who is entering and leaving the country. That is why we have invested considerable resources in protecting our borders. We have new advanced satellite communication systems fitted to all Coastwatch Dash 8 aircraft and Customs patrol vessels. We have additional resourcing which has enabled the Customs National Maritime Unit to double the number of days that its vessels are at sea each year. We have established a new regulatory regime requiring international airline operators and shipping lines to provide officials with information about passengers and crew prior to their arrival, allowing for background checks. We have installed new fraud-detecting document readers at international airports within Australia.

We have improved the container examination facilities at the ports of Melbourne, Sydney, Brisbane and Fremantle. We have trialled state-of-the-art facial recognition technology at designated points of entry into Australia. Defence and Customs are trialling high-frequency surface wave radar as part of their strategies to deploy the most up-to-date coastal surveillance technology to protect Australia. One hundred per cent of all international mail is now being X-rayed or examined by Customs or its partner agencies. Seventy per cent of all cargo consignments are being inspected, up from 30 per cent in 2001. Customs are undertaking a trial of a world-first neutron-scanning technology designed to detect explosives and drugs and other illicit substances being transported in cargo containers. Of course, Customs is putting in place a national waterfront closed television system, allowing it to monitor 63 designated international sea port locations around the country on a 24-hour basis.

I could go on to talk about the detector dogs in the maritime environment, about how Customs now boards 80 per cent of vessels at their first port of arrival in Australia, and about how the more recent budget allocated \$9.6 million over four years to improve ASIO's border control monitoring activities and \$7.9 million to help detect and deter movement of terrorists throughout the region and for better monitoring of transnational criminal activity. A sum of \$4.2 million is being provided over five years for the Australian Customs Service to commence a program to assist regional countries improve their border controls in critical areas. I simply make the point that we have a number of agencies. ASIO and the Protective Security Coordination Centre in my department work closely with other agencies to ensure that business is well aware of our response to international terrorism. We have been implementing a business liaison unit to be es-

tablished within ASIO as a focal point to help business protect critical infrastructure.

In the area of immigration, because immigration was referred to as a supposed point of weakness, the government has done much to upgrade the security measures related to those that we allow to enter Australia. Law enforcement and security agencies have access to the department's movement alerts list, which effectively pushes our borders way back beyond our physical boundaries. The MAL software has been upgraded to ensure that we are better able to identify persons of concern well before they enter Australia. There are now some 360,000 names of people of concern on that database, and 1.7 million documents—such as lost passports but also others of concern—have been identified on that database. That database is consistently and constantly updated. Officials also have access to the document alert list, which is of a very substantial nature. Our intelligence and law enforcement and border control agencies work well together. I note that Dennis Richardson, the former director-general of security, remarked that there is a high level of interconnectivity between the relevant agencies that are serving Australia's interests.

In the area of Customs activities, which also have been raised, it is important to talk about these issues in a factual way and not let the political point scoring demean a very substantial effort to ensure that in the area of airports and aviation security we have the best possible arrangements in place. It is a fact that Customs was involved in training its own staff in points of vulnerability and identifying risks that might need to be taken into account in the day-to-day activities in which their officers were engaged. It seems to me that the Labor Party does not understand that the so-called 'Customs report' at the heart of the questions that it has put over the last week or so was an internal review assessing

potential risks. It was for the purposes of training staff. It was not a report that provided information that was not known to government. My reading of the report was because it identified the sources that were used. It took information that was available in various intelligence reports to government and collated it in a way which could be useful in identifying potential risks. The fact is that, where there were points of concern about criminal activity in which people might be engaged, the relevant online organisations—whether the Australian Federal Police or Customs in the areas in which it had responsibility—were separately carrying out operations to deal with those issues where appropriate.

Of course, that report does not describe the current situation at Sydney airport. It was put together, as I said, before the latest round of background checks that were conducted on staff working in security sensitive areas of Australian airports. To date something of the order of 90,000 checks have been completed of staff working at airports. None of those has resulted in an adverse assessment—that is, ASIO, which looks at the security matters, has not recommended against the issue of an airport security pass because of involvement in politically motivated violence, including terrorism. It is very important that people know that the sorts of checks that go to those very issues were undertaken very comprehensively and have involved our security agency and did not lead to one adverse assessment from the 90,000 checks that have been completed. Significantly, it is the view of ASIO—the agency responsible for assessing threats to Australia, which bases those assessments on credible evidence rather than anecdote and conjecture—that the aviation security threat level remains unchanged at medium. Many independent commentators have commented on the level of national security protection at Australian airports.



Those experts who have looked at these matters regard the Australian system as of the very highest level.

In reviewing this matter of public importance, which I felt was a very important matter to discuss, the opposition have not advanced evidence that suggests that there is any maladministration of Australia's national security. They have failed to adduce evidence that suggests that our national security is in any way at risk. In each of the areas that I have spoken about today, it is very important to recognise the holistic approach that has been taken by the government to address Australia's national security needs and how those measures have been effective.

If you look at what has, tragically, happened around the world, we know that Australia has been targeted by people who do not have Australia's interests at heart. We know that if they could occasion some harm here in Australia they would do so. We know that Australia has been targeted abroad. I think there has been something of the order of five incidents in the last five years which have been clearly related to Australia that demonstrate that proposition. You think of the tragedy of the Bali bombing. You think of the bombing of the Marriott Hotel in Jakarta. You think of the bombing of our mission in Jakarta. You entertain the planned activities that were likely to engage our mission and missions of others, like the United Kingdom and the United States in Singapore—an activity that was aborted by Singaporean security officials—and Australia was clearly targeted then.

If you look at the activities of Mr Brigitte—and the former director-general of security has made it very clear that Mr Brigitte came to Australia with the intention of occasioning some harm here—you can see a situation in which we know Australia has been targeted. But there have been, merci-

fully, no national security breaches of substance which have endangered the lives of Australians. I think the measures that we have put in place, the effectiveness of our border protection arrangements and the working together of government authorities across the board have provided for that effective national security regime. (*Time expired*)

**Mr RUDD** (Griffith) (3.37 pm)—Yesterday and today in this place, we had the spectacle of the foreign minister treating the abuse of an Australian citizen as a matter of humour—low rent, undergraduate humour. He treated it as a joke, a jolly good giggle and a bit of third-rate humour on the side. The question I cannot find an answer to is: how could any Minister for Foreign Affairs worth his salt, from any political party, with any sense of duty and responsibility to the high office that that minister holds, behave in the way in which he has behaved? What is at stake here is the most fundamental abuse of the legal and human rights of an Australian citizen.

Vivian Alvarez Solon is one of us. Vivian Alvarez Solon is a citizen of Australia. She was a citizen of Australia when this minister's government booted her out of Australia. She was a citizen of Australia when this minister's government refused to give access to her by the Filipino community in Brisbane, who just wanted to give her a bit of pocket money before they booted her out. She was a citizen of Australia when this government, having booted her out, allowed her to be consigned to a hostel for the dying for four years, and just lost track of her.

Vivian Alvarez Solon, removed from her children and her country for four years, remains an Australian citizen today. The fact that she is one of us—an Australian—has caused people right across this great country of ours to ask themselves some pretty deep and searching questions. They have asked

themselves, 'How is it that this immigration system—the departments of immigration and foreign affairs—and the Howard government could have allowed this to happen to one of us, a human being and an Australian citizen?' Instead of answers, we have had standard political behaviour from the government. They have asked themselves: 'How do you run for cover? How do you bury this business in an administrative inquiry to remove it from public view and to remove it from scrutiny, with the overall, overriding political objective of covering your political backside?' That is what it is about.

That is standard operation procedure 101 for this government. We have seen it from this Attorney-General time and time again. If any problems emerge he buries them somewhere in an administrative inquiry. This government will not allow the full glare of Australian public opinion to be brought to bear on this matter through a properly constituted royal commission. We might get to some truth, then! And we might work out how we can prevent this from happening to Australian citizens in the future. But, no, that is not the government's concern here. Their concern is about how to take the political Bunsen burner away from their backsides. That is what all this is about.

Every now and then the foreign minister, field marshal Downer, surprises me. We are all used to the psycho babble in this chamber. We are all used to the incoherence of the public performances. Sometimes it looks as though the foreign minister is channelling Joh. He is that coherent! We are even used to those wonderful days like the day when Alexander, playing battleships in his bathtub, came up with a really big and bright new idea that somehow John Curtin lost the war! That is a brilliant new theory of historical revisionism! It is brilliant but no-one actually believes it and there is not a shred of evidence to substantiate it! But yesterday this

minister really took my breath away because, in answering some questions put to him by the opposition, he lashed out at us because we had the audacity to make it look as though 'somebody in DFAT has done something terribly wrong.'

How could we possibly have alleged that someone in the Department of Foreign Affairs and Trade had done something wrong? How could we possibly allege that, when his department was told in 2001 about the Alvarez case—in July before Ms Alvarez was booted out of the country? How could we possibly allege that, when his department was again told, in September 2003 by the Queensland Police Service, that not only had Ms Alvarez been booted out of the country but that she was an Australian citizen? How could anyone in the Department of Foreign Affairs and Trade have possibly done anything wrong when, in 2004—in November, I think—the department of immigration rang up and said, 'We want to check Ms Alvarez's passport details because we think something wrong has happened here'? Today we had a clinical response from the minister for foreign policy revisionism when he said, 'The proper forms weren't filled out.' According to him that is the end of the story—end of human responsibility, end of bureaucratic responsibility.

As my colleague the member for Denison said to me earlier, 'Think about this in terms of obtaining the proper authorisations for the release of passport information when it comes to matters of privacy.' I presume one of the privacy release mechanisms is to obtain the consent of the person in question. That would have been a bit difficult, I would have thought, given that Ms Alvarez Solon at that stage was languishing in her fourth year in a hostel for the dying, still waiting for a Catholic priest to find her. Absent were all the agencies of the mob on the other side of the chamber, who for four years were unable

to track down one of our own whom they had booted out of the country. And we have had the audacity to stand in this parliament today and yesterday and allege to Twinkle Toes, the foreign minister, that they could possibly have done something wrong! Well, how outrageous of the opposition to make any such suggestion!

When I look at the minister's performance on this matter, I see his indifference to Vivian Alvarez Solon's human rights is only surpassed by his arrogance. Frankly, it makes my stomach turn. Vivian Alvarez Solon, a human being; Cornelia Rau, a human being—human lives with families and children. How many tens of thousands of others are there? We do not know the answer to that, and you will not ensure that we do know the answer. To the best of my knowledge, we still have no undertaking from this mob that the results of the Palmer inquiry—whenever it reports, whatever its terms of reference might be and whichever cases Mr Palmer might be able to look at—are going to be made fully available to all of us. Do we have any such undertaking? Not that I am aware of. Yet Twinkle Toes, the foreign minister, said yesterday, 'You can read the report when it comes down.' I will take the minister's statement in *Hansard* for what it says—that whenever the report is done it will be made fully available to us. But it does not stop there in terms of gross negligence in the handling of this human being's life. This minister happily stands up and misleads the Australian public about the same matters. When he made his first statement to the Australian community about this on 16 May this year—only a few weeks ago—he was asked about this on *Lateline*. He said:

I asked them—

the department—

a week or so ... when they first heard about her—  
Vivian Alvarez Solon—

and they gave me an answer. I think the date they gave was April 22.

Tony Jones then asked:

So no-one from the Department of Immigration, when they apparently discovered that Vivian Solon had been wrongly deported in 2003, evidently saw fit to inform your department?

The foreign minister answered:

My department didn't know anything about her till April 22 ...

That is what Mr Downer had to say on 16 May. Come 17 May, there is a bit of the old whoopsie setting in. The foreign minister said:

Well, my department isn't responsible for Immigration. Why ... should my department be responsible for immigration? Certainly not.

He goes on to say:

I don't think my Department had any knowledge about her to the—on the basis of the information they have given me.

Now, I will always say that. Obviously I personally didn't know.

And it goes on. You get the impression that already a bit of information is starting to flow. The bottom line is that by 18 May the formal report goes up, and we know for a fact that in 2001, 2003 and 2004, three separate agencies contact the minister's department about Alvarez Solon's case, including the fact that she is an Australian citizen, about which they have apparently done nothing. And he has the audacity to accuse us of saying that something might be rotten in the state of Denmark! The bottom line is that two weeks have elapsed since the middle of May when he made that statement. Has he stood at the dispatch box and had the decency to tell the Australian people that his department knew about this all along? No. Why? His principal objective is to save his political hide. His department needs to be rolled into this royal commission as well. (*Time expired*)

**Mr SECKER** (Barker) (3.48 pm)—I am amazed. This matter of public importance is on ‘the government’s maladministration of Australia’s national security’. The whole speech by the shadow foreign affairs minister was about Vivian Alvarez Solon and Cornelia Rau—they are not national security threats. His whole speech has been wasted because he has not addressed the matter of Australia’s national security. In fact, the Leader of the Opposition was not much better. Even by his own standards, he was weak, waffly and woeful.

I reject the proposal put forward in the somewhat convoluted MPI today. I would also like to thank the opposition for the opportunity to defend this government’s handling of our national security and highlight for the opposition’s benefit what the government has put in place to protect the people of our nation. Before I start, I would like to say that I am not quite sure what the opposition would have this government do on immigration and border control. According to the Leader of the Opposition, the opposition’s solution is to have a lawyer’s picnic of a royal commission. That would certainly catch a lot of terrorists, wouldn’t it! It would be a lawyer’s picnic. Even by the information the Leader of the Opposition provided, it would be very expensive and probably not achieve a lot. We do not know yet. We have the Palmer inquiry, which is being run by someone who knows something about national security. Judges do not know a lot about national security; Mick Palmer is an expert in the field.

The opposition are very quick to point out our supposed shortcomings, but I am yet to hear a valid, workable suggestion from the Labor Party on any of these issues. They are already soft on border protection, but now they think they can talk tough. Given the current climate and the cries coming from the opposition in the past few days, it would

seem appropriate to begin with airport security. Where has the opposition leader been? Has he ever tried to get a nail file or manicure scissors through airport security? Hasn’t he had to empty his pockets when he goes through airport security? Hasn’t he had to get rid of his mobile phone and put it in the little tray when he goes through airport security? Just where has he been? He certainly does not seem to understand what we are doing in this country about national security, because he spent his whole speech not even talking about national security. He talked about Cornelia Rau and Mrs Alvarez Solon, who have nothing to do with terrorism or national security. What he has said could not be further from the truth about the government’s actions when it comes to what we are doing for national security.

We have introduced the protective security liaison officer network and now have Australian government airport security committees at major airports. Border control stretches beyond our airports, and our maritime and land transport security measures are just as comprehensive. In fact, one of my constituents complained to me because he thought we were going too far at the ports with the stringent measures we were bringing in. We have one of the best maritime security regimes in the world. In the budget just handed down we allocated a further \$47.4 million over the next four years to ensure the effectiveness of our maritime security.

We have recently introduced an amendment bill to further improve maritime security. This will see Australia’s offshore oil and gas facilities in that maritime security regime and we will implement a maritime security identification card across the Australian maritime sector. We are actually doing things. While surface transport security is the responsibility of state and territory governments, this government is working with the state and territory governments to make sure

that we are not leaving this problem unmet. Some of these measures include the COAG intergovernmental agreement on surface transport security, the development of nationally consistent staff awareness training and workshops for surface transport operators on general terrorist threat and risk assessment, which were held in early and late 2004. We will not rest there. We know how important aviation and maritime and land transport are to trade and to our economy, and the devastating impact that a terrorist attack could have on this.

There was not one thing in the speeches by the opposition about terrorism and not one thing about national security. They are confusing the issues. Let us not judge the opposition on what they say; let us judge them on what they do. I can very well remember being in this chamber in September 2001. At two o'clock the Leader of the Opposition got up and said, 'I will support the government on the *Tampa* hijack crisis.' Let us not forget that it was a hijack by illegal immigrants on the *Tampa*. At two o'clock he was supporting us; at six o'clock that night he changed his mind. The Australian people did not forget that when it came to the 2001 election. He says one thing and then four hours later he changes his mind. What sort of a government would the Leader of the Opposition run that way? The people of Australia will never trust the Leader of the Opposition. The Labor Party are wishy-washy and they flip-flop all over the place. They cannot even stick to a decision for four hours. He is soft on security, no matter what he says, and the Labor Party always will be soft.

Over one million people apply to come to Australia every year. What are our choices? Do we have an open door policy or do we have a sensible approach like we have here? We have increased our immigration intake to about 130,000 and we have increased our refugee intake to 13,000 people. These are

genuine refugees, not necessarily those who have come here illegally and claimed asylum. We are talking about genuine refugees.

In the first three weeks of August 2001, 1,212 people arrived illegally in Australia by boat, with many more waiting to come. These people were paying heartless opportunists to travel to Australia in unseaworthy boats with the promise of a new life in a new country. That is not what they got. In fact, some 400 people lost their lives because of that. This government could not stand back and watch this happen. Our mandatory detention policy has stopped this illegal activity for the good of Australia and for the good of those paying exorbitant amounts of money to people-smugglers. Since December 2001 only four boats have arrived in Australia. This is a great policy. We are sticking to it because it works very well. Unlike the Labor opposition, we are not soft on national security. *(Time expired)*

**The DEPUTY SPEAKER (Hon. IR Causley)**—Order! The time allotted for this discussion has now expired.

## COMMITTEES

### Publications Committee

#### Report

**Mr ADAMS** (Lyons) (3.58 pm)—I present the report from the Publications Committee. Copies of the report are being placed on the table.

Report—by leave—adopted.

### FAMILY AND COMMUNITY SERVICES LEGISLATION

#### AMENDMENT (FAMILY ASSISTANCE AND RELATED MEASURES) BILL 2005

#### Second Reading

Debate resumed.

**The DEPUTY SPEAKER (Hon. IR Causley)**—The original question was that this bill be now read a second time. To this

the honourable member for Sydney 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.

**Ms LIVERMORE** (Capricornia) (3.59 pm)—Before the break I was speaking about the disincentives that the government has introduced in this year's budget for sole parents and people with disabilities who want to enter the work force after 1 July 2006, as they will be required to by the government's harsh new measures which will cut their income support and put new requirements on them to work. One of the disincentives stems from the cutting out of income support benefits for those people earlier than currently occurs under their existing payment arrangements. The parents' dole has different conditions to the existing parenting payment, which means that the income support those people receive from Centrelink will cut out much sooner when they enter the work force and earn an income. I quote from the media release of Senator Chris Evans of 23 May in which he cites one example of how this will affect families in this situation after 1 July. It states:

Under current arrangements, a single parent with four dependent children under the age of 16 who has \$800 in private income gets \$250.26 in parenting payment.

From 1 July 2006, a person in this situation will have their fortnightly benefits cut by \$236, and will only get \$13.80 a fortnight under the parents' dole.

These vulnerable families will be expected to survive on \$813.80 a fortnight, instead of the \$1050.26 that they are currently getting—a massive 22½% cut in their income.

This will result in many families—who are already suffering extreme financial hardship—being pushed over the edge and into poverty.

It is a similar story for people with disabilities. The higher withdrawal rate means that sole parents and people with disabilities who move on to Newstart will face effective marginal tax rates that are 10 to 20 percentage points higher than is currently the case. How is that an incentive for people to go out and look for work? The other disincentive for sole parents and people with disabilities who try to do what the government is asking—or expecting them to do as of July next year—and go out and try to find work is the lack of child-care places in Australia.

The same budget that introduced these new measures, these new obligations for sole parents, provided no new funding for long day care and nothing to ease the shortage of child-care places for under-fives that exists in many parts of Australia. There is also no new money for JET child care, which is the program set up to fund child-care costs for unemployed people and single parents while they undertake training and seek employment. Admittedly, the government did announce 84,300 new outside school hours care places over four years to provide before and after school care for kids while their parents are working or seeking work, but most of the new places will not become available until after 2008. Just remember that the new obligations on sole parents and people with disabilities come into force in July 2006.

The government knows that there is a current shortage of approximately 35,000 outside school hours places, so even the proportion of places that do come into existence immediately will not necessarily make it any easier for sole parents and disabled parents to get access to the child care they need while they meet these new obligations the government will impose on them from July next year. The government will not guarantee any of the new places for the sole parents and people with disabilities who will be required to find part-time work under its new meas-

ures. We also had it confirmed in Senate estimates this week that the government does not consider the lack of availability of child care to be an acceptable reason for a sole parent or person with a disability to fail to meet the job search and work requirements they will face after 1 July 2006.

In question time today the member for Sydney again asked the Prime Minister about what happens after 1 July 2006 in the circumstance where a sole parent has to forgo an employment opportunity because they cannot find child care for their children. The Prime Minister very arrogantly dismissed the question and said, 'It is just the same as for someone on Newstart.' That is not good enough, Prime Minister. You are introducing this very harsh measure in just over a year's time, and there needs to be serious consideration of what this means for people. The Prime Minister and the government are cutting their income and making it hard for them to find employment, because they know that there are not adequate child-care or training places to accommodate this very harsh new policy measure that they have introduced in this year's budget.

As I have been saying, the disincentives include the lack of child care, the lack of training and the cutting out of benefits as people start to earn an income. You would have to say that that is not a barrier to getting people into the work force—it is a 400-metre hurdles race; one hurdle after another, one disincentive after another. It makes you wonder who could have designed this as a Welfare to Work policy until you realise that it is nothing of the sort. It is just a nasty way of punishing people who do not fit into the government's nice little white picket fence world. The government is targeting some of the poorest people in Australia: single parents and the disabled. It is punishing them financially and exploiting them politically. The Labor Party will continue to point this

out every step of the way and will be in there advocating for those people as the government seeks to punish them.

The government says the measures in the Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005 are about removing disincentives for people who want to get back into the work force and help their family get ahead, so the government has recognised that it is important to make the changes to the way that family tax benefit B is calculated and to remove debt traps and disincentives for two-income families. How can the government do that when it has just passed a whole stack of bills that do just the opposite for a whole lot of people—sole parents and people with disabilities—who want to do just the same thing for their families as those families with two incomes do? They just want to get into the work force, do their best for their families and earn some extra income if they possibly can. But the government is penalising them by cutting their income support and by making the rules different for them, making it harder for them to accumulate that extra income. You have to ask yourself, 'Why is the government deliberately making it harder for them?'

The other part of the family assistance measures that this bill makes amendments to is the maternity payment. The maternity payment is the \$3,000 payment introduced in July 2004, and it is paid to parents of newborn children. The amendment in this bill makes provision for that payment also to be available to parents who adopt a child. However, there is still a restriction on adoptive parents: they are only eligible for the payment if the child is adopted or comes into their family within the first two years of the child's life. Labor has moved a second reading amendment dealing with this particular provision. We would like the amendment to

go further and to see that restriction on adoptive parents taken away altogether.

We have heard some excellent arguments put forward by a number of members, in particular by the member for Sydney—our shadow spokesperson in this area—who raised a lot of the detailed concerns of adoptive parents. The lobbying of her office has highlighted the circumstances of these families. Oftentimes families take the option of adopting children after having gone through assisted reproduction techniques, which are very costly—and the process of adoption is also a very costly exercise for families. It seems arbitrary and unnecessarily mean of this government not to recognise that, however old an adopted child is when they come into their new family, there are going to be significant costs placed on that family in preparing for that child, whether it is activities for the child to undertake or basics such as a bed or clothes. It just makes sense to make this money available to parents of adopted children no matter what age that child happens to be.

The other point that has been raised in the debate and which again underscores the necessity to remove this restriction is that adoptive parents have very little control over when the child actually comes into their family. There are paperwork, procedures and protocols to go through in the child's original country; there are travel arrangements to be made. Given the expenses associated with adoption, the expenses associated with any new child coming into a family, and the fact that it is quite discriminatory to make this distinction between natural parents and adoptive parents, we think that the government should go all the way and remove the restriction altogether.

Labor supports this bill. We think that the changes to family tax benefit part B are very necessary but very late in coming. For years

we have been raising the issue of overpayment debts. I also think there needs to be recognition by the government that they are removing this disincentive for second-income earners in families to go back to work—and expressly putting that forward as the rationale for this bill—at the same time as they are putting huge barriers in front of sole parents and people with disabilities, who are expected to return to the work force in July next year. I also give my full support to the second reading amendment moved by the member for Sydney which sets out our concerns and hopes that the government will remove the restriction on adoptive parents and give them access to the \$3,000 maternity payment.

**Mrs IRWIN** (Fowler) (4.11 pm)—The Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005 adds a couple of bandaids to a system that requires a complete revision. The measures in this bill will have some positive effects but will not go far enough in providing maternity payments for all adoptive parents. While the bill makes some changes to the method of calculating family tax benefit part B for people who return to work, there are still a number of ways in which some families can miss out on family tax benefit part A because of the way in which eligibility is calculated. In family tax benefit part A, we have a payment which cuts out when the combined income of both parents reaches \$84,000 a year. The government obviously knows this, because the measures in this bill are designed to overcome the problem faced when a parent returns to the work force and incurs a debt arising from their receipt of family tax benefit part B.

In this case, the timing of the return to work is critical. Where a parent returns to work late in the income year, the effect on family tax benefit part B is minimal, but



where a parent returns to work early in the year, or even midway through the year, the effect can be to greatly reduce their entitlement to family tax benefit part B or make the family ineligible altogether. The family tax benefit part B would continue to be paid until Centrelink were advised that the secondary earner had returned to work and expected to earn enough to affect the family's eligibility, but the family may have already received more than the annual entitlement for family tax benefit part B and would incur an overpayment debt. The changes included in this bill would make the system fairer, in that the number of days from the date of return to the workplace will be used to allow a proportion of family tax benefit part B to be paid according to the portion of the income year worked. I agree that this is a much fairer system. Given the heartache caused by overpayment debt cases, it is amazing that although this measure was proposed in the 2004 budget the government is only now getting around to fixing the problem.

To go back to what I was saying earlier about the unfairness of the system for assessing family tax benefit part A, I think we can expect the government to sit on its hands for some time before it gets around to fixing that problem too, because that would require applying the same method to family tax benefit part A. Given that the costs of the changes to the method for calculating part B amount to around \$200 million a year, changes to part A would be much more costly. Until this method is introduced, our family assistance program will be operating on the mistaken belief that families have the luxury of an annual income budget. Clearly this is not the case. As I have seen with the many cases of overpayment that I have dealt with in my electorate office, the annual income method of calculating entitlements will always cause problems.

While it is good to see the government at least fixing family tax benefit part B, the part A benefit will continue to operate under the flawed system of calculating annual income. The unfairness of this can be seen whenever you look at affected families. These families depend on their weekly and fortnightly incomes to put food on the table. Their annual income does not mean much if there is no money left to pay the rent. The government would have done better if it had made the whole system fairer by using this method to calculate eligibility for family tax benefit part A. This would cost money, but it would be money better spent than the present family tax benefit part A supplement.

When we look back over the past year that this legislation has been delayed, we should not forget that it was an election year and that the government were throwing away money like a drunken sailor. The government knew there was a big problem of overpayment debt because the member for Lilley had been reminding them and the Australian people at every opportunity. But instead of introducing these measures back then, the government decided to give a handout by way of a \$600 supplement. This overcame many, although not all, overpayment debts but it did not make the system fairer. Now at last we are making the part B method fairer, but we will still have the problems with family tax benefit part A. Until the government stop playing politics with family income support, these unfair methods will continue to discriminate against many Australian families.

I will turn to other measures in this bill. At present the legislation allows for maternity payment to be made to adoptive parents provided the child is adopted before 26 weeks of age. Given the much longer time frame for overseas adoptions, this has effectively prevented parents adopting overseas from receiving maternity payment. This bill pro-

poses to extend that time to two years. But there is concern that two years may not be sufficient in some circumstances, and a good case can be made for making the maternity payment available for all adoptive parents regardless of the age of the child.

The House of Representatives Standing Committee on Family and Human Services, of which I am deputy chair, is currently conducting an inquiry into overseas adoption and this issue has been raised in a number of submissions. I do not want to steal the committee's thunder or to prejudge the issue, but the submissions suggest that the cost of overseas adoption is a problem and that the assistance available through the maternity payment would be most welcome. I should also point out that the total number of domestic and overseas adoptions in Australia is quite small, so any extension of the maternity payment to this group would not be costly. To the adoptive parents who face the high costs of adoption, especially those adopting overseas, the maternity payment would be a very welcome boost at a time of financial strain.

The Human Rights and Equal Opportunity Commission, in its paper *A time to value: proposal for a national paid maternity leave scheme*, noted the special needs of adoptive parents and found that such schemes should include at least one adoptive parent. Submissions to the family and human services standing committee inquiry have drawn its attention to the unique nature of the bonding process with adoptive children, many of whom have to deal with severe separation anxiety, and also the requirement for both parents to travel overseas. In the words of one set of adoptive parents in their submission:

The maternity benefits accorded to parents of biological children do not apply to adoptive parents. When the government gave the \$3000 baby

bonus to all babies born after July 1st 2004, they did not consider adoptive parents in this instance.

Adoptive parents rarely have a child placed at less than 12 months of age. Adoptive parents not only have all the costs associated with bringing a new baby into their family but also the high costs of the adoption itself with no government assistance.

We believe that all maternity benefits afforded to biological parents should be made available to adoptive parents within the guidelines more applicable to the nature of adoption, therefore taking into account those children placed at an older age.

That submission is typical of the many submissions that the family and human services committee has received in its current inquiry. When the maternity payment was introduced last year, it restricted eligibility to adoptive parents where the child being adopted was less than 26 weeks old. This bill increases that to two years of age. But, as I mentioned earlier, for many overseas adoptions this restriction will make a number of adoptive parents ineligible even though it is clear that their expenses involved in the adoption are at least as great as those of birth parents. I should add that some Australian states require one parent to remain at home with the adopted child for one year or more after adoption. This reduces the parents' income and makes life that much harder for adoptive parents. Given the compelling case for the maternity payment to be extended to older children and the relatively small cost to government, it is hard to see why the age for family payment to adoptive parents cannot be lifted to at least five years. But even that restriction could be lifted for the very small number of adoptions above that age. I will be supporting the amendments moved in this House dealing with this aspect of the bill.

I will now return to the central issue in this bill, dealing with family tax benefit part B. As members would be aware, this measure provides up to \$2,989.35 a year, or \$114

per fortnight, for a family with a child under five years old or \$2,084.15 where there is a child between five and 18 years old, provided the child is a full-time student. The benefit is payable in full to a family where the secondary earner has an income of less than \$4,000 a year and tapers to zero where the secondary income is \$18,947 a year for a child under five or \$14,421 where the youngest child is between five and 18 years old.

But, unlike family tax benefit part A, family tax benefit part B does not have an income test. We could have a situation where someone has a partner with a salary of a million dollars a year and, if their secondary income is below \$4,000 a year, they will be eligible for family tax benefit part B—even if they have one child of, say, 17 years of age who is able to take care of themselves before and after school. That person will still receive \$2,084.15 a year and their child could earn up to \$10,948 a year working at McDonald's without it affecting the benefit—although I doubt they could earn that much working at McDonald's. That is \$2,084.15 a year, courtesy of the Australian taxpayer—thank you very much—for stay-at-home mums. It could pay for the gym membership. It could pay for the fees at the tennis club or the golf club. That is all it would be used for. Is that what social welfare payments in this country have come to—paying welfare to women in high-income families to pay for their gym memberships or golf club fees? That is what social welfare has become under this Howard Liberal government.

That would not be so bad, but the Treasurer keeps telling us that we need to get people back into the work force—not playing tennis or golf. And sole parents with children over the age of six—that is, over the age of six, not up to the age of 18 as is the case with the tennis mums claiming family tax benefit

part B—will face, under the same budget that announced these reforms, a weekly cut of \$22 and, for every dollar they earn in whatever employment they can get, they will pay a marginal tax rate of 75c. Mums with 17-year-olds can go to the gym or play tennis or spend their leisure time on the golf course, and the government will pay them \$2,084.15 a year. That is the upper-class welfare that this government stands for.

If this legislation were to be based on fairness, it would allow adoptive parents to claim the maternity payment regardless of the age of the child adopted. It could extend the formula for calculating family tax benefit part B to family tax benefit part A. But this government is not about fairness in our welfare system. It is about upper-class welfare. It should be ashamed of itself.

**Mrs ELLIOT** (Richmond) (4.27 pm)—I rise to speak on the Family and Community Services Legislation Amendment (Family Assistance and Related Measures) Bill 2005. I would firstly like to address Labor's amendment to this bill regarding the access of adoptive parents to the maternity payment. Whilst I welcome the extension contained in this bill particularly recognising the many grandparents who raise their grandchildren today, the government have missed yet another opportunity to fix problems with this payment. They have simply slapped an arbitrary age of two years onto the eligibility criteria for adoptive parents who want to access this maternity payment. This means that parents who adopt a child over the age of two will often not have access to this financial support—but of course will still suffer the significant financial burden of a new child within their family. When you consider the small increased cost of the extension that the government is proposing, it simply does not make sense for the government to place an age restriction on adoptive parents' access to this payment. So I urge the government to

take up Labor's amendment for the benefit of all adoptive parents.

This is an important piece of legislation for my electorate because families in Richmond are indeed doing it tough. The statistics paint a damning picture of the Howard government's record on supporting local families. Ten thousand families in Richmond earn less than \$500 a week—the fourth highest number of any electorate in the country. And we have the fourth lowest median weekly family income, at just \$654. But probably the most shocking statistic is that 15.5 per cent of local children are living in poverty. It is both disappointing and horrifying that this government has simply ignored Australian children living in poverty.

While the improvements in changing the method of calculating family tax benefit B are indeed welcome in the case of those returning to work, the government has missed an opportunity to address the crucial policy problems of measures like the maternity payment in this bill. This payment remains without an income test, for example. This means that the family of the company executive living in Sydney's North Shore and earning \$5,000 a week will get the same \$3,000 maternity payment as the 10,000 families in Richmond who earn just \$500 a week. To any reasonable person, this is simply not fair. How can the government justify giving the same payment to rich Sydney families that it is giving to struggling families in my electorate? The Prime Minister has just abandoned all those battlers. Instead of providing the assistance to families who need it for the basics—for things like food, clothing and nappies—the government writes a cheque for \$3,000 in public funds for rich Sydney mums to buy the latest designer outfits for their babies.

Make no mistake: I will always stand up for the families of Richmond. I do not be-

lieve that it is fair for rich city families to get the same government support that battling families in my electorate receive. A struggling single mother from West Tweed should rightly expect more support from the government than the wife of a rich north Sydney executive. They should not only expect it; they indeed deserve it.

Debate interrupted.

#### ADJOURNMENT

**The SPEAKER**—Order! It being 4.30 pm, I propose the question:

That the House do now adjourn.

#### Parliamentary Week

**Ms GILLARD** (Lalor) (4.30 pm)—I am pleased to announce that 'wrap of the week' is back. It has morphed into 'wrap of the fortnight'—and what an amazing fortnight it has been. The minister at the table will no doubt identify with these remarks. I know that government members have spent the last fortnight discussing what they are going to spend their tax cuts on. I am reliably informed that after last night they are going to spend their tax cuts as follows: a third of them are apparently planning to bid for those negatives of Dennis Shanahan and the Prime Minister on sale on eBay; a third of them are planning to bid for those negatives of Glenn Milne and the Treasurer on eBay; and a third, who are already over the leadership struggle, are planning to invest in 7,000 units of alcohol each. That is where the tax cuts of government members are going. They are a sorry lot, and we have seen that on display this fortnight.

But I would have to say that the sorriest of them all is the Minister for Health and Ageing. He is simply and tragically a broken man, limping around this parliament, his blood pressure elevated to 135/95—I know that for a fact—and his credibility in absolute tatters. And the truth is: he knows it. There

have been reports in the media that the minister is back, but I would have to say that you cannot believe everything you read in the newspaper. The minister has so lost his confidence that he no longer keeps his transcripts on his web site, no doubt in fear of being held to his word if his transcripts are available.

Apparently he is quite philosophical about the state he is in, wandering around saying, 'It's been a tough year, but that's life.' But I remember the glory days when the minister for health, as leader of government business, was in here as the government's hitman. Do we remember that? Do we remember Centenary House? He would take all the MPIs. He went so far in MPIs that periodically the Prime Minister had to discipline him. They were the glory days. Now he is a shadow of his former self. He is reduced in question time to answering questions about health—something he never used to do. He is reduced in question time to answering soft questions about health to which he gives very short answers. His average length of answer for a question on a dorothy dixer has been one minute and 48 seconds. He cannot even give a big answer about health. On my calculations, in 2003 the minister made 30 speeches in the first six months of the year, in 2004 he made 23 speeches, and in 2005 he is down to just 11—a shadow of his former self.

But while the minister for health has been on the interchange bench the Minister for Employment and Workplace Relations has played a shocker. In fact he has revealed the whole government game plan. In a press release yesterday—and I know you will be concerned about this, Mr Speaker—Minister Andrews indicated to the media that he would be asked a question in question time. I understood they were questions without notice, but he actually told the press gallery that he was going to be asked a question in question time and he told them exactly what an-

swer he was going to give as well. I do not know why we bother to have question time. Maybe it is the old truth that if you ask a stupid question you get a stupid answer—and that is what happened with the Minister for Employment and Workplace Relations.

The question of how answers are given in this place in question time is not just one about the Minister for Employment and Workplace Relations. I can reveal today, from original research conducted by the opposition, that there is a remarkable difference—I can see that the shadow parliamentary secretary at the table is very interested in this—between the length of answers ministers give to dorothies, when presumably they have practised, as opposed to the length of answers they give when they are asked questions from us. Alexander Downer bumbles on for four minutes and 19 seconds on average on a dorothy, but when he is asked a question from us one minute and 29 seconds is all he can do. The Prime Minister is not much better: three minutes and 26 seconds on a dorothy and one minute on a question from us. This is not good enough and we want the performance to improve.

The own goal of the week goes to the Minister for Agriculture, Fisheries and Forestry who literally said in answer to a question:

Mr Speaker, it is easy to ignore the last part because the first part had enough infertile material in it to have an effective response.

He then went on to use the amazing term 'a normal drought'. I do not know what a normal drought is but we obviously do not have a very normal minister when he is in this place talking and using terminology like that.

#### **Detective Sergeant Arthur McCarthy**

**Mr WOOD** (La Trobe) (4.35 pm)—I rise to acknowledge a great member of the police force who is retiring after serving many years as a great detective. Arthur William

McCarthy, registered No. 17794, is retiring from the Victoria Police Force as a detective sergeant from the Boronia Criminal Investigation Unit. Arthur joined the police force on 15 January 1973 as a constable. He subsequently worked at the Russell Street police station on beat duty and then was transferred in 1973 to Richmond as a general police officer. In 1978 he started his great career as a detective with the Nunawading Crime Car Squad. He subsequently transferred to the CIB at Elsternwick and in 1983 he started his great connection to the electorate of La Trobe, commencing duty at the Ferntree Gully CIB where he was promoted to the rank of sergeant. He then had a short period at Knox CIB and was subsequently transferred back to Boronia CIB.

On 12 November 1975 Constable McCarthy was commended for initiative, alertness and prompt effective action which resulted in the arrest and conviction of three persistent offenders on charges of car stealing, stealing from cars and unlicensed driving. On 11 November 1977 Constable McCarthy was commended for alertness and intelligent and persistent interrogation and investigation which resulted in the convictions of five persons for a number of offences involving, again, the theft of motor cars and similar offences. On 23 August 1978, this time as a senior constable, Arthur was commended for his dedication to duty, intelligent investigation and initiative displayed in a matter which led to the successful detection, apprehension and conviction of six male offenders for a number of serious offences including burglary, handling stolen goods, deception and obtaining financial advantage by deception and also, again, for recovering stolen goods.

The Australian Labor Party will be very interested to note that Arthur was a chief investigator in Operation Carousel, which was really a circus of a riot committed by union

members. After a union rally outside Johnson Tiles in Bayswater in 2000 they decided to ransack the office and they caused damage. Subsequently 17 offenders were charged for serious offences including riot and affray. It is also interesting to note that Arthur was the lead investigator along with Lance Travers, who has also since retired from the police force, in the case which subsequently saw Craig Johnston convicted for this crime.

Arthur has also been a great ambassador for community service. He has been heavily involved in the Eastern District Football League for over 20 years. He regularly trains with the league umpires as well as continuing to umpire games on weekends. Detective Sergeant McCarthy was named in the Basin Football Club Legends side, 1947 to 1996. He also received the Eastern Football League Recognition Award in 2002. He has received two consecutive biannual Ken Myles Memorial Trophies for service to umpiring, in 1996 and 1998.

Arthur McCarthy was also a fine athlete. In the Emergency Services Games he is the current record holder for males in the 45 to 50 age group in the 100 metres, 200 metres, 400 metres, 800 metres, 110-metre hurdles and 400-metre hurdles. He is also the current record holder for males in the 40 to 55 age group in the 110-metre hurdles and the 400-metre hurdles. Arthur also did great service for blue light discos.

On a personal note, I worked with Arthur and I remember he bent over backwards to start my career in CI as a very young constable. I will never forget Arthur's great efforts in helping me out as a young constable. I wish him all the best in his future. He was a great detective and a great ambassador for the Victoria Police Force. I wish him the best in life.

### **Cranbourne Information and Support Service**

**Mr BYRNE** (Holt) (4.40 pm)—I rise to talk about a problem in an area that I represent. It is a problem because we have a very large number of people that live within a fantastic community who pay their taxes and expect the appropriate social infrastructure in their area. I am specifically talking about the Cranbourne Information and Support Service. This is a service that provides emergency relief in particular to the people of Cranbourne and assists other areas such as Lyndhurst, Lynbrook, Hampton Park, Cranbourne and Clyde, which are in my electorate.

Emergency relief in this growing area is a significant part of the crisis intervention services. When someone has no money or cannot pay their bills the Cranbourne Information and Support Service provide food vouchers, prescriptions, baby formula, MET tickets, toiletries and fuel vouchers to those most in need. This is a measure of last resort for people who have no money.

Cranbourne is an area that has special needs. It is a fantastic area. It has a thriving racing industry and it has a very large number of young families coming into the area. In fact, within the City of Casey we have between 50 and 55 families shifting in per week. There is enormous population growth. When you have enormous population growth you need to have the social infrastructure to underpin that growth. That is where federal governments and governments generally have an essential role. People in Cranbourne pay their taxes and the families in the City of Casey pay their taxes, and that should guarantee that government will provide the social infrastructure.

The Cranbourne Information and Support Service is an essential part of that social infrastructure to a huge community. I am talk-

ing about a community of around 65,000 people, including large numbers of young families. Interestingly, within that community the service assists between 5,400 and 6,000 people a year. That is a worry—that is a very large number of people. These people do not just go there because they feel like going there; they go there because they are financially stressed. They may have experienced family or marriage break-up. They simply cannot pay their bills and they need to go to this service to get some of the fundamentals. This service is funded by the federal government to provide emergency relief. There is huge population growth in Cranbourne—for example, from 2001 to 2006, Cranbourne itself will grow by 5.4 per cent, Cranbourne East by 1,200 per cent, Cranbourne North by 16 per cent and Cranbourne West by over 50 per cent. Given the largesse that has been distributed in the federal budget, the Cranbourne Information and Support Service should be awash with money, particularly in view of the fact that they see between 5,400 and 6,000 people per year who are looking for emergency relief.

It may stun the member for Melbourne to know this but, effectively, what they were given in the last financial year was \$11,440. This is to provide assistance to between 5,000 and 6,000 people per year. Could someone explain to me, on the basis of justice and fairness, how that could possibly be? This is an essential community infrastructure. The people going to this particular service are in need. It is not as though the service have not applied to the federal government seeking support. They have received \$11,000 per year, but they are disbursing anything up to \$38,000. I must have some misjudged sense of equity but I believe that is completely inequitable, and the people of Cranbourne think that too. The consequence of this lack of funding is that the service can only afford to give food vouchers of \$25 for

a family and \$10 for a single person and, what is worse, they are turning people away.

In this day and age, turning away people who are looking for the provision of this essential service, particularly people who have come upon difficulties in life, is a disgrace. More concerning is that, of the 489 people provided with emergency relief in April, 55 per cent were children. It is an absolute disgrace that this organisation has not been provided more funding. I ask the federal government, if it has any humanity, to provide the funding that the Cranbourne Information and Support Service deserves and that the people of Cranbourne need.

#### **New South Wales: Tourism Funding**

**Mr BARTLETT** (Macquarie) (4.45 pm)—One of the disappointing and worrying features of the recent New South Wales government budget—and there were many—is the failure of the state government to address the previous cuts to tourism spending in New South Wales. In fact, tourism spending in the New South Wales budget is only \$50.3 million, compared to \$56.9 million just three years ago, and they have done nothing to address that. Tourism is vital not only to the Australian economy but also to local economies such as those of the Blue Mountains and Hawkesbury.

I notice the Minister for Small Business and Tourism is at the dispatch box and I thank her for her visit to the Blue Mountains just last weekend. Any cuts in funding for the promotion of tourism will have an impact on visitor numbers and serious consequences for tourist based businesses and local employment. Already there is anecdotal evidence that this is happening in the Blue Mountains and Hawkesbury. I have been approached by numerous local residents and business owners who are very concerned about the falling number of visitors and the seeming lack of commitment of the New South Wales gov-

ernment to living up to their responsibilities to help promote our local area.

Consider what is at risk here. In the Hawkesbury, there were 1.1 million visitors to the Hawkesbury city LGA in 2003 and \$100 million in tourism expenditure. In the Blue Mountains, tourism contributes an estimated \$102 million annually. It directly affects 6,400 local jobs, and approximately 40 per cent of jobs in the area and an estimated 28 per cent of all businesses are indirectly related to tourism—providing services to the tourism industry and so on. So we are not dealing with isolated individuals or businesses but with a substantial engine room of our local economy. Even a moderate decline in visitor numbers has a huge impact on local employment and residents' living standards.

An area cannot rely totally on its reputation and natural features. Governments should be spending more to promote tourism, not less. I am delighted that the Australian government are living up to their responsibilities here. The Australian government tourism white paper commits \$235 million over four years. We are serious about promoting tourism in Australia. Yet the state government is letting us down badly.

I would like to bring to the attention of the House an article by Lisa Allen in the *Australian Financial Review* of 21 January this year. In this article she describes the decline of tourism in New South Wales in recent years. She says:

Tourism New South Wales, the government body responsible for promoting the state to international and local visitors, is losing its international market share of the nation's \$73 billion tourism pie.

She points out that New South Wales's share of international tourism fell from 58.5 per cent of visitors in 1999 to 55.5 per cent just four years later. Sydney airport arrivals also dropped by 3.6 per cent in the two years to



October. Yet, at the same time, Brisbane recorded a 2.7 per cent increase and Melbourne was up 1.3 per cent. The news on the domestic front is little better. For the year ended September 2004, New South Wales attracted 25.8 million domestic visitors—well down on the 27.6 million domestic trips for the year ended March 2003.

Why is this happening? The fact is that the funding cuts for tourism made by the New South Wales government are having a detrimental effect. Funding for tourism has dropped from \$56.9 million in 2002-03 to \$50.3 million in this year's budget. It is not even keeping up with inflation. The New South Wales government is cutting money from tourism in straight dollar terms, let alone in real terms. According to the budget papers, the average number of government tourism staff dropped from 161 just four years ago to 136 this year.

I would point out to the House that the New South Wales government has no excuse for cutting this funding. This is in the context of record levels of revenue from GST and in the context of the massive windfall from their property taxes, vendor taxes and stamp duty. This penny pinching in the promotion of tourism by the New South Wales government is just not acceptable. It might be okay to those in Macquarie Street, Sydney, but it is not acceptable to those in the electorate of Macquarie, which covers the Blue Mountains and the Hawkesbury. I call on the New South Wales government to take its responsibilities seriously and to match the commitment of the Australian government to promoting tourism for Australia and for our local regions.

#### **Australian Flag**

**Mr TANNER** (Melbourne) (4.49 pm)—Few Australian prime ministers have wrapped themselves in the flag like the current Prime Minister. Such is his reverence

and his respect for the flag that he even amended the Flags Act to ensure that a referendum was required before the flag could be changed. He is providing all schools which have not already got them with flags and flagpoles and has demanded that dedication ceremonies be undertaken by Liberal and National Party MPs. Years ago he referred to the Australia flag as 'the most precious and sensitive of our national symbols'. At his National Flag Day address on 3 September 2001 in Melbourne he said, 'My personal commitment to the flag as an appropriate symbol of the Australian nation is based on both history and tradition,' and he referred to 'our respect for the Australian national flag as a symbol of the achievements of the Australian nation'.

Yet it appears that the Prime Minister has double standards, as he has recently participated in a particularly tawdry and possibly even unlawful use of the Australian flag. On 20 May this year the member for Fisher, Mr Slipper, held a function for the Fisher Seniors Council, which he chairs, at the Caloundra RSL. The program for this function states '3.20 pm Raffle draw. Prizes include two Australian flags signed by Prime Minister John Howard.' The Prime Minister has gone from wrapping himself in the flag to raffling the flag.

The member for Fisher needs to explain whether the flags were provided at taxpayer expense under the members entitlement 6.9.2, the flags entitlement, which entitles MPs to Australian flags to distribute to community groups but makes it clear that this is for the purposes of display, not fund-raising. The member for Fisher needs to explain what has happened to the proceeds of this raffle and whether any of those funds are to be used for Liberal Party campaign purposes.

But, most importantly, the Prime Minister needs to explain why he of all people thinks it is appropriate for him to sign flags to be raffled at a local RSL, whether he ascertained if the flags were provided under members entitlements—in other words, at taxpayers expense—whether he asked what use would be made of these flags and whether he asked what use would be made of the proceeds of the raffle. He needs to explain to the Australian people why it is an appropriate use of what he described as ‘the most precious and sensitive of our national symbols’ to be put up for raffle at a local RSL after he has signed it. The Prime Minister parades himself as a great patriot and a reverent supporter of the Australian flag, yet he is an active participant in a highly dubious use of the flag for fundraising purposes. The great national patriot is now exposed as the great national hypocrite.

**The SPEAKER**—Order! I ask the member for Melbourne to withdraw that last remark.

**Mr Tanner**—No, Mr Speaker, I am not going to withdraw.

**The SPEAKER**—The member for Melbourne will withdraw that last remark.

**Mr Tanner**—I decline to withdraw. I do not intend to withdraw. It is an accurate description.

**The SPEAKER**—The member for Melbourne will remove himself under standing order 94(a).

*The member for Melbourne then left the chamber.*

#### **Cook Electorate: Cronulla Sharks**

**Mr BAIRD** (Cook) (4.53 pm)—I am sure that members of the House would be aware of the great results which the Cronulla Sharks NRL team have achieved so far this season. The Sharks have won eight of their 11 games and sit in equal second place on

points, with only the Broncos in front. The Sharks are a wonderful club and team and are a point of unity amongst shire residents. Given the great affection by which the Sharkies are regarded by residents in my electorate, I am fascinated to watch the progress of their application to redevelop part of their ground. The Cronulla Sharks are the only National Rugby League club that owns its own ground. Shark Park is a large property located on the shores of Woollooware Bay, developed without any assistance from federal or state governments or the local council. The Sharks President, Barry Pierce, and the Liberal Mayor of the Sutherland Shire, Kevin Schreiber, have been working hard on plans to develop the site to incorporate a 120-room hotel, a conference centre, as well as aged and self-care accommodation for the ageing. Each of these facilities is badly needed in our area, as there is little quality accommodation or conference facilities with which to attract tourists to southern Sydney. My electorate of Cook has one the highest proportion of ageing people in the population, with more than 18 per cent of electors older than 65.

Given all of this, I am amazed by the lack of action by the local Labor Party, particularly the Labor member for Miranda, Barry Collier. For more than 4½ years, the old, Labor-shirewatch dominated council frustrated moves by the Sharks to develop their ground. The Sharks are relying on this development to safeguard their financial security into the future. This development will bring in badly needed funds to help the Sharks reshape their club structure and to give them a stable financial base. With the council now in support of the Sharks redevelopment plans, it has progressed over the past 15 months since the new Liberal council took office. The redevelopment plans have now, after extensive delays in the New South Wales Department of Infrastructure, Planning and Natural Re-

sources, been approved by the New South Wales Labor government for a section 69 certificate, which allows the plans to be put out for public exhibition. The plan will go on exhibition for 21 days, before being referred to Craig Knowles, the New South Wales Minister for Infrastructure, Planning and Natural Resources.

Given that the New South Wales Labor Party, via their representatives on council, have already delayed the Sharks' plans for more than four years, I will look with interest at the length of time that it takes Minister Knowles to determine the Sharks' application. His track record for speedy determinations is not good. It may interest some members to note that a major and unwanted development on the environmentally sensitive Kurnell Peninsula has been sitting on the minister's desk since 2000. The development to which I refer is for 500 homes on the Wanda Sandhills, behind Cronulla High School. The New South Wales Labor Party are keen to see this development proceed, but the minister is no doubt waiting for a 'politically' suitable time to approve it.

I wonder if Mr Collier and Mr Knowles are aware of the backlash against them if they delay moves to safeguard the future of the NRL team that are a focal point for much community pride in our area. It would not be unlike the New South Wales Labor member for Miranda to forget that residents in the shire do not think of their area as being an artificial boundary drawn by the state electoral office. The Sutherland shire is a special part of Sydney and we think of ourselves as residents of the Sutherland shire, not as residents of the state seats of Cronulla or Miranda or indeed the federal seat of Cook.

Barry Collier has been delivering for the people of Miranda in one regard. Due to his influential position in the Labor caucus as a marginal seat member, he has amazing pow-

ers to sequester money from the New South Wales Treasury. By his own proud boast, Mr Collier managed to convince Treasury to spend half a billion dollars in Miranda. This spending has, unfortunately for the remainder of the shire, come at the expense of the areas surrounding the seat of Miranda.

Some time ago, I was approached by the principal of a primary school in the New South Wales seat of Cronulla. This principal was deeply concerned that for some years his schools requirement for an assembly hall and a library, not to mention clean toilets, had been ignored. Because his school fell just outside the Labor electorate, the requirements of the young students at his school were deemed less important than those in the schools a few hundred metres away in Miranda. The school concerned has now received confirmation that its funding will come through. But the only way to do it was to get the Australian Minister for Education, Science and Training to weigh into the matter directly and ask the New South Wales minister to ensure that this necessary work be done.

It is a shame that Mr Collier and his government undertake the allocation of funding in such a partisan manner. I applaud the introduction of infrastructure across the shire, but I strongly condemn the use of taxpayer dollars in a naked attempt to curry electoral favour in a marginal seat. I call on Barry Collier to vocally show his support for the Sharks, and I look forward to confirmation that the Sharks' proposal is moving along. *(Time expired)*

#### **Rockhampton**

**Ms LIVERMORE** (Capricornia) (4.58 pm)—It has been a very tough couple of weeks in my home town of Rockhampton, so I am really pleased to have the opportunity in the remaining minutes of the adjournment debate to give our community a bit of a pep

talk. The news in Rockhampton has been filled with some shocking crime stories over the last couple of weeks. There has been a shooting, which resulted in the death of a man; a subsequent siege; some young people from Rockhampton have been charged with serious crimes in Toowoomba, including murder; and grave fears are held for the safety of a young woman who is missing. In the midst of all this, I want to remind the people of Rockhampton that these are very isolated incidents in our town. We have a city to be proud of. It is a place where people still know their neighbours. People still say hello to one another in the streets. We should remember amidst this dark time in our history that we are a great community and a community that cares about one another—and that is not something that can be said about every place.

To the people of Rockhampton: I give you my support as one of your community leaders in this difficult time. Let us hang in there. Let us show a good face to the world and remember that we are still a fantastic city and have so much to be proud of. Do not let these events define us. Let us go out there and hold our heads high.

**The SPEAKER**—Order! It being 5 pm, the debate is interrupted.

**House adjourned at 5.00 pm until  
Tuesday, 14 June 2005 at 2.00 pm, in  
accordance with the resolution agreed to  
this sitting.**

#### **NOTICES**

The following notices were given:

**MR KATTER** to present a bill for an act to amend the Fuel Quality Standards Act 2000. (Fuel Quality Standards (Renewable Content of Motor Vehicle Fuel) Amendment Bill 2005)

**MR BOWEN** to present a bill for an act to provide for the establishment and administration of a scheme to guarantee the payment of wages and other accrued liabilities owed to employees in

the event of employer insolvency, and for related purposes. (Employee Protection (Employee Entitlements Guarantee) Bill 2005)

**MS ANNETTE ELLIS** to move:

That this House:

- (1) recognises that building insurance is an essential service and must be regulated;
- (2) supports and encourages:
  - (a) the principle for building insurance to be valued on either:
    - (i) agreed value (a value agreed between the insurer and the insured and not less than the market value for special inclusions); and
    - (ii) market value (the building cost based on figures from a quantity surveyor);
  - (b) settlement policies that reflect market or agreed value at the date a rebuild contract is signed and that takes into account the delay between the period of the incident and the time the rebuild commences;
- (3) calls on the Government to expand the role of the Australian Valuation Office to set the market rates for building costs annually within regions for which insurance companies should base premiums and values and remove the CPI as an index;
- (4) calls on the insurance industry to implement terminology that is standardized and simplified industry wide; and
- (5) calls for Government and insurance industry funded prevention strategies, such as home fire risk reduction programs, in order to help keep insurance premiums low.

**MR EDWARDS** to move:

That this House on the 60th Anniversary of Victory in the Pacific notes the direct threat World War II posed to Australia; and

- (1) acknowledges that the valour, courage and war sacrifice of the men and women of the Australian Defence Forces was all that stood between Japanese forces and invasion of Australia;

- (2) recognises the support Australia received from allied countries, in particular the USA, in the defence of Australia; and
- (3) expresses its gratitude and heartfelt thanks to all who contributed to Australia's war effort, to all who served and lost their lives and to all who suffered and sacrificed in the defence of this nation.

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Thursday, 2 June 2005

The **DEPUTY SPEAKER (Hon. IR Causley)** took the chair at 9.30 am.

### **STATEMENTS BY MEMBERS**

#### **Acceptable Behaviour Contracts**

**Ms HALL** (Shortland) (9.30 am)—While on a study trip to the UK in 2003, I met Sergeant Paul Dunn MBE, who implemented acceptable behaviour contracts for the Metropolitan Police Service, initially in the borough of Islington. Sergeant Dunn had phenomenal success in tackling bad behaviour problems in housing estates and on the street with the worst offenders—young people—in the worst areas. This led to the successful implementation of acceptable behaviour contracts right throughout the UK, with an 89 per cent success rate in London and a 95 per cent success rate in Greater Manchester.

Sergeant Dunn's holiday in Australia last April was a timely coincidence, given some behavioural incidents on the Central Coast in my electorate. He generously accepted my invitation to meet with police, counsellors and key agencies on the Central Coast. The local state member, the member for Wyong, Paul Crittenden, also met Sergeant Dunn. They were interested in hearing about how he successfully implemented the acceptable behaviour contracts in the UK. This meeting generated a lot of interest and was a very successful starting point.

Acceptable behaviour contracts are flexible written agreements between local agencies and young people aged 10 to 17 involved in antisocial behaviour. They are agreed to and signed at a meeting with the individual and the agencies, with parents encouraged to attend when a young person is involved. The advantages of acceptable behaviour contracts are that they enable partnerships between involved agencies to intervene quickly—people can be signed up in days—and flexibility, which allows for cases to be dealt with individually.

On the Central Coast, Wyong Youth Service is very interested in becoming involved in this program and setting up acceptable behaviour contracts with youth on the Central Coast. It has support in the Central Coast domestic violence court support scheme and it is raising it with the Children's Court as well. The police and Wyong Shire Council rangers are very supportive, as is the home-school liaison office with the department of education and the department of community services. They are all very keen to see that this is implemented.

On Monday night this week, there was a show on *A Current Affair* that depicted the bad behaviour of one young person on the Central Coast. If these ABCs had been in place, there would have been an intervention strategy and this young person would have had to face the consequences of his actions. I believe that these ABCs are the way to go, and I will be talking more about them in the House. I urge Wyong Shire Council to become involved in this scheme and to embrace the ABCs, because I see them as the way of the future and a way to deal with antisocial behaviour. *(Time expired)*

#### **Shipbuilding: Tenix**

**Mr HUNT** (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.33 am)—This morning I call upon the Victorian Premier, Steve Bracks, to apologise to the people of Victoria for the inadequate way in which he and his government failed to

support Victoria's bid for the shipbuilding project in Victoria. It was a poor bid. It was inadequately carried on—

*Mr Brendan O'Connor interjecting—*

**The DEPUTY SPEAKER (Hon. IR Causley)**—Order! I know it is a touchy subject, but I want order.

**Mr HUNT**—and it is an amazing achievement that he has now gone on to blame others for that loss. The shipbuilding project should have come to Victoria. If it had been given adequate support, it would have been successful. Tenix put forward a good bid. But let me make this absolutely clear: the Victorian government was late, tardy, slow and inadequate in supporting that bid. What occurred in Victoria was a clear example of something which would not have occurred under Jeff Kennett and will not occur under Robert Doyle.

We find that there is a clear failure here. That failure came about from a late, inadequate and tardy approach. There was a certain degree of arrogance in the way the Victorian government approached the bid. On that basis, what occurred was simply unacceptable. Going forward, I want to make this point. Up to 70 per cent of the bid is still available. I urge the Victorian government to move away from its culture of blame—blaming other people for its failures.

**Ms Hall**—We want it in Newcastle.

**Mr HUNT**—Well, you had better bid for it. This is a project which would contribute to the Victorian economy. Victoria could contribute on a positive basis to the nation, but there are two big constraints. Firstly, the industrial relations conditions in Victoria, the way the unions carry out their activities in Victoria—

**Mr Brendan O'Connor**—It is under the federal legislation—

**The DEPUTY SPEAKER**—The member for Gorton might have two minutes, if he is lucky.

**Mr HUNT**—I am utterly aware of that, my friend the member for Gorton. Secondly, the South Australian government provided a far more significant contribution to this bid than the Victorian government. To blame others is folly. To blame others is shifting the blame. I call upon the Victorian Premier to apologise for blaming others and for the way he and his government failed to adequately support this bid.

#### **Commonwealth Grants**

**Mr BRENDAN O'CONNOR** (Gorton) (9.36 am)—Can I reflect upon the comments of the Parliamentary Secretary to the Minister for the Environment and Heritage, Mr Hunt, and congratulate Mike Wran. I am from Melbourne; I am disappointed with the decision. I guess in the end the influences of the Minister for Defence, Robert Hill, and the Minister for Foreign Affairs, Alexander Downer, managed, in a partisan way, to make that decision. Mike Wran is a great Labor Premier, and I am sure he will do a great job in Adelaide.

What I would like to raise this morning is in line with jobs for the boys, I guess. In this case it is grants for the girls. I am talking about the budget allocation for the seat of McEwen. The Howard government's recent federal budget, in my view, was as much a political document as a financial statement. It was designed primarily to ensure that the government held onto the seats it already has and to give candidates a substantial advantage in the marginal

seats the government will attempt to win at the next election. Rather than using the funds paid by ordinary taxpayers to alleviate poverty and attack disadvantage where it exists, the government is simply putting its money where its own interests lie.

Out of 27 Commonwealth grants across the country to sporting and recreational organisations, 15 went to the marginal Liberal electorate of McEwen. More than half of the grants allocated by the Commonwealth went to the seat of McEwen. I can list them: \$20,000 went to the Hurstbridge Junior Football Club; \$15,000 to the Alexandra Recreational Reserve; \$20,000 to the Wallan Cricket Club; \$15,000 to the Romsey Tennis Club; \$10,000 to the Gisborne Netball Club; \$10,000 to the Healesville junior football and soccer clubs; \$10,000 to the Kilmore Bowling Club; \$10,000 to the Macedon Football Club; \$10,000 to the Seymour Junior Cricket; \$10,000 to that Wallan Football Club; \$10,000 to the Warburton Cricket Club; \$10,000 to the Woodend/Heskett netball, football and cricket facilities; \$10,000 to the Woori Yallock junior football and cricket teams; \$10,000 to the Yarra Glen Cricket Club; and \$10,000 to the Yarra Junction Memorial Reserve.

All, I am sure, are worthy of those allocations. The point is that 15 out of the 27 grants allocated went to this electorate. There are 150 electorates in this country. I am sure the members opposite would have liked some of that money. I guess their seats are not marginal enough—Liberal members though they might be. The point is that, when you have 27 grants allocated, and more than half of them are given to one seat, you have to start questioning why the government allocates in that manner. McEwen also received \$2 million under the Regional Partnerships program out of a total of \$4.8 million. So almost half of the Regional Partnerships program money that was allocated to Victoria went to McEwen. (*Time expired*)

#### **Beattie Government**

**Mr CIOBO** (Moncrieff) (9.39 am)—I am pleased to rise this morning to register my concern at the lack of foresight of the Beattie state Labor government with infrastructure in South-East Queensland. Of particular concern to me is the fact that on the Gold Coast, an area which arguably has the most need for careful and considered investment in infrastructure, the state Labor members have been wandering around with their eyes and mouths closed. I can only assume that they have their eyes and mouths closed because, when the recent South-East Queensland 20-year infrastructure plan was released, there was very little for the Gold Coast.

When you compare the region of the Gold Coast against Brisbane, Ipswich and the Sunshine Coast, across key areas of infrastructure demand, health, education, roads and hospitals, you see that the Beattie state Labor government has placed the Gold Coast basically last of those four regions. It is an absolute travesty. At a time when the Howard government is continuing to invest record amounts of money in the local tourism industry, tertiary education and new medical schools at Griffith and Bond universities, as well as providing record amounts of money that will flow in the form of family tax benefits and family tax cuts and investment in state run programs such as the public hospital system, you need to question why the state Labor government does not in some small way at least make some considered investment in the Gold Coast.

Following the budget, I recently circulated a newsletter to everyone in my electorate. As a consequence, thousands of surveys that I included in the newsletter have been returned to me. The single issue that has come up most frequently on all of those returned surveys is traffic, traffic, traffic. I am completely disgusted at the lack of investment in road infrastructure by



the state Labor government. I am appalled by the complete abrogation of their responsibilities to provide public transport on the Gold Coast. I question why the state Labor government, and in particular state members Dianne Reilly, Peta-Kaye Croft and others, insists on seeing only a \$6 million subsidy from the state government on public transport on the Gold Coast when in Brisbane the subsidy is hundreds of millions of dollars. This is a city with twice the population but for some unknown reason it receives more than 10 times the investment in public transport. It has gone on for too long. I stand up on behalf of my constituents in Moncrieff and the people on the Gold Coast to say to the state government: 'It is time to do what you ought to do. You have record GST surplus funds. Invest some of that money, please, into the area's fastest growing city and ensure that residents on the Gold Coast are able to enjoy infrastructure.' (*Time expired*)

### Tertiary Funding

**Ms BIRD** (Cunningham) (9.42 am)—I want to take the opportunity to put on record in this House my personal support for the actions taken by staff at the University of Wollongong, Wollongong TAFE and Dapto TAFE in the Illawarra. Yesterday, as recorded in today's *Illawarra Mercury*, there was a meeting of over 400 workers from these various sites to express their concern that the proposed new funding arrangements for both universities and TAFEs are to be linked to proposed changes to industrial relations.

While I am happy to have the debate on industrial relations, and obviously in this House we will have widely different views on both sides on those issues, my concern, which I would have expressed to those staff had I been able to be there, is the growing tendency of the government to tie industrial relations requirements to funding not only for infrastructure but also, increasingly, as indicated by the TAFE and university funding, for education.

I really feel that is an inappropriate way to progress the government's industrial relations issues. Clearly they should be dealt with in industrial relations portfolios and then, if we are truly talking about choice, places like TAFEs and universities would have the capacity under legislation to choose to move towards a different industrial agreement. But tying the government's education funding to those proposals potentially damages not only the staff who may be the target of it, and I have an issue with that, but also the students who seek to further their opportunities in life by getting further education at university or TAFE.

I spent seven years as a teacher at the Wollongong TAFE and one of the great memories I bring away with me is that the people teaching at that TAFE had a great deal of camaraderie, collegiate spirit, dedication to their profession and to their students. We had enough of a battle at the time changing the word 'students' to 'clients'. The nature of the relationships that go on in tertiary and postsecondary educational environments relies very heavily on staff supporting each other, sharing their resources, sharing their ideas, providing professional support and guidance to each other. That is achieved through a system that says that you are all equally valued. I do not believe these are the sorts of environments to import individual contracts into because what you then do is reward independent achievement and, to be honest, if you are a teacher who is doing really well and you are going to get bonuses from that, why would you share your resources? So I endorse the action taken by the staff yesterday.

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**Whole of School Intervention Strategy  
Home and Community Care Program**

**Mrs GASH** (Gilmore) (9.45 am)—In the Illawarra there is a pilot apprenticeship program running. I do not often commend people on the other side of the House, but I would like to say thank you to Jennie George, the member for Throsby, who, in conjunction with me, the member for Gilmore, ran this pilot program very successfully. It has been running for something like 12 months and has been very successful, with 120 placements having been made. This week we met with the Minister for Employment and Workplace Relations and I am very pleased to say that he has assured us that he will find a way to give this program an appropriate funding placement.

I also want to mention Nowra High School. The Australian government has contributed \$75,000 to Nowra High School under the Australian government's Whole of School Intervention Strategy. The funds have been directed for the Nowra High School's Koori Dance and Didj Cluster Project. The project will involve 115 students across five schools—Nowra, Bomaderry and Vincentia high schools, St John the Evangelist and Lyrebird Preschool. It is a very exciting project and it certainly deserves our support.

The Whole of School Intervention Strategy is designed to bring about better outcomes for Indigenous students in our schools and this is one project that is sure to make a difference. The Koori Dance and Didj Cluster Group is designed to improve educational success, including attention, retention and overall performance for Aboriginal youth, through a cultural dance program, didgeridoo playing and language and leadership development. It is a very exciting project and I know that the Deputy Principal of Nowra High School, Suzi Williams, is extremely excited about that.

While I am talking about Australian funding being announced, the HACC funding in our area has been very well received. Most people do not realise that HACC is funded 60 per cent by the Australian government and 40 per cent by the state government. The new round of funding will see money flow to the Wingecarribee Food Services Cooperative and Kiama Municipal Council. The Wingecarribee Food Services Cooperative, in the southern part of my electorate in the Wingecarribee shire, has received \$25,000 to replace a blast chiller at the Moss Vale Community Centre in Queen Street and the Kiama council has been allocated \$10,000 to help fund the Kiama Shellharbour multiservice outlet. The community support for a new community centre in the Moss Vale area of the Southern Highlands has been very strong. I commend the community in working together to try to obtain this new facility. The multiservice outlet for Kiama provides personal care, domestic assistance and social support for the HACC community and it is a one-stop shop based at Kiama council for HACC inquiries in the Kiama-Shellharbour area.

**Voluntary Student Unionism**

**Mr GRIFFIN** (Bruce) (9.48 am)—I rise this morning in the House to talk about the growing divisions within the coalition regarding Brendan Nelson's plan for voluntary student unionism. VSU, which is a very ideologically driven policy, will have an impact on Australian universities in a range of areas. It will lead to the destruction of a range of services provided by university unions such as advocacy services, aspects of legal aid, child care—all things that are very important in providing students with the opportunity to get the support that they

need to be able to complete their degrees. I would like to focus particularly on the issue of university sport and some of the changes that will occur there. The fact is that if what is proposed goes ahead we will see a situation where university sport will be gutted. This is an issue which has caused a range of concerns. Just the other day in Senate estimates, Senator Lundy asked the Minister for the Arts and Sport, Senator Kemp, a series of questions:

**Senator LUNDY**—Have you spoken to the minister for education about this—that is, VSU—

or conducted a review within your department about the impact of the VSU on university sport?

**Senator Kemp**—I have had discussions with the minister for education. Of course, I want to see how the policy plays out. The government is very committed to VSU, as you know.

**Senator LUNDY**—Is it prepared to sacrifice university sport for it?

**Senator Kemp**—You make assumptions.

**Senator LUNDY**—They are not my assumptions; they are universities' assumptions.

**Senator Kemp**—There are claims being made, and I can understand people establishing positions on that, but this debate has a considerable way to go.

The policy has been out there for quite some time now and, in terms of how far it has to go, frankly the main way it has been going is that more and more concern has been raised within the coalition. There was a quote in the paper from Liberal MP Kym Richardson, who is a member of the government backbench education policy committee. He told the *Age* that Dr Nelson was reviewing aspects of his plan. I quote:

“Dr Nelson is reviewing a number of areas that have been identified by backbenchers in respect to the VSU ...” he said.

The perennial adjuster of government policy Senator elect Barnaby Joyce has also made a number of comments criticising aspects of VSU, particularly in relation to sport. He has said that he will be pushing for amendments. I quote:

“We will be suggesting amendments in such form that sporting facilities are covered by a fee or some form of structure,” he said. “The essence of this legislation, and it's primarily very good legislation, is to get rid of compulsory student unionism and the militant aspects that it represents. No one has got an argument with that.

He went on to say:

“... ‘When this legislation hits the ground it's going to have an effect that is not currently apparent’, and that is on sporting facilities of universities, especially regional universities.”

He is pushing for amendments. There have been criticisms from Peter Hall of the Victorian Nationals, Lawrence Springborg of the Queensland Nationals and Phil Honeywood, the deputy opposition leader in Victoria. A range of coalition concern has been raised right across the country about the impact this issue will have on universities, particularly in the area of sport. There is no doubt about it: something has to be done. (*Time expired*)

#### **Mobile Police Patrols**

#### **Dunkley Drugs Plan**

**Mr BILLSON** (Dunkley—Parliamentary Secretary (Foreign Affairs and Trade)) (9.51 am)—I rise to talk about two issues of significance to the electorate of Dunkley. The first relates to mobile police patrols. People in this chamber and certainly our local residents are

aware that the Mornington Peninsula and Greater Frankston area has been changing in its nature. There has been significant growth in population and, combined with changing characteristics in the community and a huge visitor population that comes to our area, that points to an increasing need for a well-resourced and responsive local police outfit.

Some public disorder hotspots have arisen. There have been some rather concerning episodes, one of which was drawn to my attention by Mr Kevin Wright and his family. A very serious and quite frightening assault, seemingly more relevant in a movie script than in our local community, occurred after family members hosted an engagement party at the Mornington Yacht Club. We have a vast area and a very considerable population, but during so-called off-peak times there may be as few as two or maybe three patrol cars available right across the vast area of the Mornington Peninsula and the greater Frankston area.

I am told by police officials that, while they have the manpower, the human resources, to increase the availability of mobile patrols, they do not have the tools. We are in desperate need of further police vehicles to support proactive community and preventive policing in our region. In that light, I have written to the police commissioner Christine Nixon calling for an allocation of those resources. In the absence of the police force being able to provide those resources, I asked what I could do to generate fundraising activities and assistance from the community, given that this is such a community concern. I asked how we might be able to make sure our police personnel have the tools available to provide the kind of support our citizens expect for our community.

I have received an initial response from the acting chief of the staff to the police commissioner, thanking me for my letter. However, there is some protocol. I am supposed to have written to the Minister for Police and Emergency Services. I stand corrected; it is not my intent to do anything other than get an outcome. That letter was soon followed by a letter from the minister, thanking me but saying it is an operational issue and has been referred back to the chief commissioner. However one needs to go about addressing this issue, I hope something happens soon, and I will continue to work on that project.

The other issue relates to alcohol and drug harm. You would probably be aware, Mr Deputy Speaker, of the Dunkley drugs plan that I put in place a number of years ago. Nearly all of its elements have been implemented, but the final one was to do a needs analysis. The federal Howard government provided resources to do that needs analysis, and that work has been completed by Turning Point Alcohol and Drug Centre. It identifies a number of recommendations that I hope to talk about at another time. (*Time expired*)

#### **Community Information Strategies Australia**

**Ms KATE ELLIS** (Adelaide) (9.54 am)—I recently had a chance to visit an outstanding not-for-profit organisation in my electorate. Community Information Strategies Australia, or CISA, provides community information services, information management services and technology consultancy and training to the South Australian community. Their flagship publication, the *Directory of Community Services*, is a comprehensive catalogue of services across all sectors, from health and education to legal services and transport services in South Australia. Since 2001 the directory has been made available online free of charge at [infosearchweb.com](http://infosearchweb.com). This is evidence of not only CISA's commitment to serving the community but also its awareness of the power that information technology has to help the community sector.

In October 2003 CISA established the CommuNIT Project to assist the South Australian community sector with IT issues. CommuNIT is a gateway that provides information on computer and associated technology issues such as computer software and hardware, IT security, email, spam and the internet. CommuNIT also negotiate with IT vendors for discounted IT related equipment for their member organisations, providing an easy and affordable way for community organisations to obtain the technology that they need to best service their clients.

As well as being an online resource, CommuNIT conducts workshops around South Australia, giving expert advice and training to organisations which might not otherwise be able to access such programs. Of particular interest are the AccessABLE workshops, which are conducted in partnership with the South Australian government. These workshops explore the issue of how technology can be made available to people with physical disabilities who experience difficulty using things that most of us take for granted such as reading text on a computer screen or navigating using a computer mouse. Providing this information to organisations in the community is of great importance in ensuring that everyone has access to technology, no matter what their physical abilities.

On the national stage, for the past two years CISA's CommuNIT project has conducted Australia's only national conference on community IT issues—Connecting Up. Connecting Up brings together community, government and business delegates from all over Australia to share knowledge and experience in making a difference in communities through better use of technology. The international significance of CISA's pioneering work in this area can be judged by the guest keynote speakers who have travelled from the UK and the US to address this year's conference in Adelaide.

The importance of the work undertaken by CISA and its CommuNIT project cannot be underestimated. As we move forward in the information age, government and the private sector have seen the benefits technology can bring. It is important that the community sector is given similar opportunities to avail themselves of technology. I believe IT can be of great benefit to community organisations in helping them to provide their vital services. I commend CISA to the House for the excellent work that it is doing in this field.

#### **Local School Programs**

**Mr NEVILLE** (Hinkler) (9.57 am)—I often tell the House of outstanding schools in my electorate, and today I want to talk about two innovative new government programs getting under way in two local schools. Bundaberg Christian College was recently selected to be part of the government's Values Education Good Practice Schools Project. The college will work together with four other schools across Queensland to promote and encourage good personal values amongst their students—values they will carry with them throughout life. I have visited the school on a number of occasions and they certainly have the framework and personnel to deliver on this program.

Each school cluster will receive between \$40,000 and \$100,000 from the government to fund their trials and, in turn, they will become models for schools further afield. Even though the college only opened in 1996, it has seen its primary enrolments increase by 32 per cent this year and its secondary enrolments by 22 per cent. The college has also earned for itself a fine reputation in turning out students with strong values and ethics, and I am sure it will build on this with the Values Education Good Practice Schools Project.

Along similar lines, Toolooa State High School in Gladstone is one of only 61 schools across Australia chosen to take part in the government's Family-School Partnerships Framework program. I note that the Minister for Vocational and Technical Education is in the chamber. He knows of this school. It is innovative in delivering school-to-work education models. The government has invested \$1.2 million in this program, and Toolooa State High School will use a \$15,000 grant to find new ways of building strong school and family partnerships.

We all know families have a major influence on their children's achievements in school—and through life itself, for that matter. When schools and families work in partnership, children tend to perform better, stay at school longer and, most importantly, enjoy their time at school more. Investing in building these strong unions will pay dividends, not just for the students and their families but also for the schools, in the form of improved learning, behaviour, engagement and community relations. We all know that high levels of parental involvement relate strongly to improved school behaviour, an improved sense of wellbeing, improved school attendance levels and lower dropout rates. I congratulate Bundaberg Christian College principal, Mark Bensley, and Toolooa State High School principal, Roger Atkins, on their front-line leadership in education and the commitment they have made to giving local students the best education possible.

**The DEPUTY SPEAKER (Hon. IR Causley)**—Order! In accordance with the resolution agreed to on 30 May 2005, the time for members' statements has concluded.

**APPROPRIATION BILL (No. 1) 2005-2006**

Cognate bills:

**APPROPRIATION BILL (No. 2) 2005-2006**

**APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2005-2006**

**APPROPRIATION BILL (No. 5) 2004-2005**

**APPROPRIATION BILL (No. 6) 2004-2005**

**Second Reading**

Debate resumed from 1 June, 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 condemns the Government for a Budget which:

- (1) delivers grossly unfair tax relief which favours the highest income earners at the expense of ordinary Australian families;
- (2) ignores the crippling effect of punishingly high effective marginal tax rates on workforce participation;
- (3) imposes harsh conditions on the income of the most vulnerable members of the community;
- (4) fails to invest in skills and infrastructure disregarding repeated warnings from the RBA and OECD about skills shortages and infrastructure bottlenecks;
- (5) exposes Australians to the risk of higher interest rates as a result of capacity constraints and escalating economic imbalances;

- (6) predicts a significantly slowing rate of real GDP growth to below the Australian long-term average and considerably below world GDP growth;
- (7) confirms continuing unsustainable current account deficits into the future;
- (8) predicts a continuing increase in Australia's foreign debt;
- (9) predicts import growth to exceed export growth; and
- (10) contains a proposed Future Fund which is focused on offsetting the superannuation liability of Commonwealth employees at the expense of sensible long-term investment in vital infrastructure".

**Mr HARDGRAVE** (Moreton—Minister for Vocational and Technical Education and Minister Assisting the Prime Minister) (10.01 am)—As the federal member for Moreton, I am very pleased and greatly honoured to rise in support of the Appropriation Bill (No. 1) 2005-2006 and related bills for the expenditure of taxpayers' money and the redistribution of those moneys back into the hands of the Australian people through effective government programs and through enormous cuts in personal taxation. This underscores, I firmly believe, a very strong principle of our government: we trust individual Australians to make decisions which affect them directly, and to make them best of all. So it is important that we resource those decisions, returning to them the money that they have earned through their daily toil and through their own personal investments and other endeavours. I believe that we can trust the people. We do not need to have, as we had under the previous government, a regime of legislation and taxation which demonstrates that there is no trust. More opportunities to return money into the hands of individual Australians mean that the decisions they make, the expenditure choices they make, are very important.

My part of the southern side of Brisbane has an enormous number of high-mortgage belt and new mortgage belt suburbs, such as Drewvale, Calamvale, Parkinson, Sunnybank Hills, Stretton and Algester. I know that in those suburbs in particular, and in the further developments through Eight Mile Plains, we will see people following the government's lead and using whatever additional money they see in their pay packet—money delivered to them through cuts in personal taxation. I am optimistic that people will use those additional funds towards repaying their own personal debt. It is a sensible thing to do—follow the government's lead.

Mr Deputy Speaker Lindsay, I know that your electorate, particularly in and around the cities of Townsville and Thuringowa, is also burgeoning with new development. That is a strong vote of support from individual Australians for a stable and growing economy. They are backing themselves by taking on personal loans and commitments and home ownership opportunities. The same thing is happening in suburbs in my electorate, areas which are new to me as a representative in this place but areas that show that people are ambitious to build a future for themselves and their children. They are ambitious in an environment of stability, certainty and steady growth, an environment which we set out as a government to create. When it is all said and done, it is a primary task of government to create an environment in which people are able to make their own choices, an environment where there is a sense of trust and where hard-earned money is returned to the hands of individual citizens. At the end of the day, that is the main feature of this budget: we are returning, on the political investment that people have put in us, a real, tangible result into the hands of many average, everyday Australians.

For instance, contractors in the electrical and plumbing trades in my electorate have said to me that there was additional work that they could have taken on. The workers within their

small businesses could have taken on the additional work but said, 'No. We don't want to pay all the extra tax on the overtime you want to pay us.' What happens? The result in the community is that certain tasks that could have been taken on, money that could have flowed into those businesses, wages that could have been paid—plus the economic multiplier effect of that which could have been generated in my local area—have not happened and people have waited to get jobs done. People are saying to me now that, with the promise of tax cuts, workers are going to feel as though they might want to do that bit of extra work and take on that extra money, because they know they will get to keep more of it.

It makes you wonder why the 'once was workers party' are so hell-bent on creating doubt on the question of tax cuts. I appeal to the Australian Labor Party to back Australian small business by allowing the certainty that we demand—to make a decision and allow the schedules which will gear up the tax cuts that we want to deliver on 1 July to appear. This is about average Australians with mortgages, kids attending school and plans for the future. They want to be able to build those plans and finance them in a responsible way. That is what these tax cuts are about. This is a sign, as I said, from government about delivering on that. We know that, in this environment where we have the lowest level of unemployment in this country for almost three decades, there is a lot of determination amongst average Australians to get on with the job. I do not think it reasonable that some in this place on the opposition side are trying to slow that process down.

So many of the government programs that have been delivered and will be delivered through this budget process are about building a sustainable future for our ageing population. It is well established now that the demographics of this country show an ageing of the population, and that is something we need to prepare for. What has this government done? Mr Deputy Speaker Lindsay, you and I were elected on the same day in 1996 and we understand what the environment was like leading up to that election. We understand that a \$96 billion government debt was established by the previous government. It is interesting to note that we were told prior to the 1996 election that there was a surplus. When is a surplus a deficit? When it is in the hands of the Australian Labor Party. And who was managing the books? It was the current Leader of the Opposition, the member for Brand.

**Mr Neville**—If he was at all.

**Mr HARDGRAVE**—We all have our suspicions, and people exercise those suspicions when they vote. The risks associated with the return of a Labor government and the mismanagement were evidently in the minds of people when they voted at the last election. Mr Deputy Speaker, you and I in particular, as members who came to this place in 1996, have an enormous responsibility to our electorates to deliver on people's expectations: managing debt and delivering real, tangible benefits to average Australians. While it is always a bit dangerous for us to make judgments on ourselves, the feedback we get suggests that people want to see us get on with the core tasks that we set out to do. It is important that we always reaffirm those tasks.

The repayment of \$90 billion of the \$96 billion Labor Party debt is a significant thing. It means that the government is not in the marketplace borrowing money, that the government is not out there saying that as a country we are a greater risk, that the world judges us in a far better way, that those of us who do have our own personal levels of debt—and there are not many people, even within the parliamentary ranks, who would not have some form of debt—



are paying a lower level of interest rate because the government is not adding to the overall debt burden of the country through its own activities, and that the government is living within its means.

We are going to see over the next decade or so the creation of a \$90 billion asset. So we have taken a debt of \$90 billion in the red and have turned it into being \$90 billion in the black. That gears us up as a nation to prepare for our ageing population. It means that my children and my grandchildren are not necessarily going to be paying for the retirement of people in my generation through their taxes and that, as we go, we are preparing for the future. This is an enormous return on the great investment that people have made in us as a government. Along the way we are not shirking the day-to-day responsibility of government to return taxpayers' dollars in effective programs.

I wanted to report to the House how the electorate of Moreton has received funding from a variety of government programs that are about targeting assistance, about generating a sense of personal enterprise, effort and return and about helping those who are least able to help themselves in our community. It is amazing, when you think about it, that individual people in this nation are so generous in the way they furnish money for charitable organisations—from the Salvation Army and the Red Cross to local church groups and community groups—and in helping their school P&Cs. I know that Warrigal Road Primary School had their Warrigala—their school fete—just last weekend, which generated \$49,000 in proceeds. That is a marvellous credit to the local community who came out to help. Having the most culturally diverse electorate in the entire state of Queensland—as the member for Hinkler and you, Mr Deputy Speaker Lindsay, as the member for Herbert, would know—I was very pleased to see the South African and Zimbabwean-born Muslim community out there. Warrigal Road Primary School is the most Islamic state government school in Queensland. These people were out there selling their halal treats and sitting beside the Greek community, who were selling their Greek sweets, and the Chinese community, who were selling their Chinese food. The kids were being kids together, enjoying the rides at the fair. It was an amazing event which generated \$49,000. I give full points to Warrigal Road Primary School for that marvellous effort.

We have also been backing very strongly a variety of projects, some large, some small. In fact, local companies in my electorate have received more than \$127,000 recently in funding from the Australian government as part of the government's New Industries Development Program. There were two projects of the 37 nationwide that share in this marvellous \$2.6 million project. An amount of \$94,600 in funding was allocated to Creative Cuisine at Salisbury. They have an innovative processing method which uses organic compounds to alter the muddy flavour of freshwater Barramundi and extend its shelf life. That in itself is very creative, and I welcome it. It allows what can be poor tasting freshwater Barramundi to be sold in all markets at a cost that is competitive with sea-harvested fish. I know that both of the coalition members in the chamber at the moment—the members for Shortland and Hindmarsh—have a large ocean front and may be challenged by the work of Creative Cuisine in their own electorates. I think they are fantastic.

Another company, Barambah Organics, at Coopers Plains, are using \$32,791 to build their successful organic dairy products and further develop their range of cheeses and yogurts. These are absolutely innovative programs, which show you—

**Mr Neville**—Cutting edge stuff.

**Mr HARDGRAVE**—It is. At the end of the day, it shows you that we are value adding our reputation as a clean food environment, a clean production environment, in these sorts of clever ways. The government is backing this initiative with some real assistance in creating jobs in my electorate.

Export development grants in the second quarter of 2004-05 were announced formally a month or so ago. Everybody from Performing PCs at Moorooka to Ross Jensen and associates at Yeronga, S&A Pty Ltd at Parkinson and Transcale Pty Ltd at Salisbury were granted assistance. The EMDG scheme provides financial assistance programs to people marketing goods and services overseas. In the process, it creates jobs here in Australia, and we see Australian companies able to go out and show the world what they can do.

The Australian Labor Party have a variety of views on work for the dole. I have reflected in this place on many occasions over the years on the fact that the biggest employer in my electorate is probably the Brisbane City Council, in a lot of ways, and yet the Brisbane City Council never really took on work for the dole under the previous lord mayor. Thank heavens, we have a new lord mayor, and Campbell Newman's team are now starting to do something about it. A few weeks ago I went to the Tech Tackle graduation, a work for the dole activity. Civic Solutions have been a marvellous organisation and are now in the electorate of Bonner at Upper Mount Gravatt. I know that the member for Bonner would be very much involved with them. Nevertheless, they have helped to provide a variety of very creative work for the dole projects.

This is a beauty—\$36,360 for the activity was sponsored by the Sherwood-Indooroopilly sub-branch of the Queensland RSL. We had 33 work for the dole participants working to repair donated computers to an internet-connective level. These computers were presented to organisations as diverse as the RSL, Dutton Park State School and Bayside Adolescent Boarding Inc., again based in the member for Bonner's electorate. They also helped the Oxley-Chelmer History Group redesign their publications and create a historic archive of photos on CD-ROM. Each of these participants had their effort rewarded by certificates of participation. Seven went on to earn training credits worth \$800 per person. Speaking to them, I found they were ambitious to move on and get involved in these sorts of activities again. It is a credit to these young people, and some who were a little older, that they were able to learn new skills and then want to go on to further learning to expand upon that.

Small amounts of money make a difference too. Under government programs, \$3,500 in volunteer small equipment grants has gone to organisations such as St Brendan's Catholic Parish at Moorooka. When we have had discussions in this place about school funding, I have often thought of St Brendan's. I have many fine parish schools in my electorate. In the past I had Clairvaux McKillop, which is now in the electorate of Bonner—nevertheless, many people in my electorate attend that school. It is the biggest Catholic system high school in Queensland.

**Mr Neville**—You will be a papal knight soon.

**Mr HARDGRAVE**—I suspect not, but there may be a conversion on the road to Damascus; we will see. Nevertheless, St Brendan's Catholic Parish school has been, by comparison, a small and intimate school with a lot of issues and challenges. Yet their generosity to their parish roll—the way they have involved the community by allowing them access to school facilities—is a credit to them. So purchasing portable fans for them—after giving ceiling fans

and other pieces of small equipment to them in the past—has made a difference. The Indians Baseball Club was allocated \$1,732 for things like gardening tools and office equipment. Nyanda State High School was given \$663 for tables, toasters and blenders. I rang them, and I have to say that the difference of that \$663 to parents at Nyanda State High School cannot be underestimated. It made a difference for them.

The point I make is that funds large and small, through good economic management, make a difference at the grassroots of the communities we are elected to serve. Then there is the Home and Community Care program. It always amazes me that state governments love it so much. They put their badge all over it, but 60 to 65 per cent of the Home and Community Care programs in each of our electorates are funded directly by the Commonwealth. It is important that we talk about that. There was something like \$12.8 million in recurrent funding and \$6.5 million in capital one-off funding for Queensland HACC projects. Those to receive additional funding in my area included Blue Care at Yeerongpilly; the QEII District Home Care Service; Soubirous Place at Sunnybank, which was originally under the auspices of our Lady of Lourdes Parish at Sunnybank; the Brisbane South Flexible Holiday Program through the Kyabra Community Association; and the Islamic Home and Community Care Service—funding in the order of an additional \$850,000 in my electorate alone. Each of these programs is making a difference for the constituents who are seeking assistance through those services. Sister Bridget at Soubirous Place, for instance, has been providing respite services for, often, elderly parents of disabled people. The Islamic Home and Community Care network underscores, in my culturally diverse electorate, the fact that as people from different backgrounds age they need specialist care and help, and the Commonwealth is providing that.

The last point I want to make in reflecting upon this budget is the importance of the infrastructure side of things. The Brisbane Urban Corridor which runs through my electorate is still carrying heavy amounts of interstate truck traffic. Indeed, the member for Bonner now shares the pain of constituents who are confronted by B-double trucks thundering through at all hours of the night. Currently there is a pilot program to—

**The DEPUTY SPEAKER (Mr Lindsay)**—Order! The member for Hinkler will turn his phone off.

**Mr Neville**—I apologise to the chamber.

**The DEPUTY SPEAKER**—The chamber accepts the member for Hinkler's apology.

**Mr HARDGRAVE**—The member for Hinkler has never been technically challenged; I am glad he found the off switch on that offending mobile.

We in Moreton—and, indeed, I can speak for the member for Bonner—are incredibly challenged by the amount of heavy truck traffic through the day. But at the moment at night, because of a government program worth about \$1.3 million, we are subsidising the cost of heavy interstate trucks using the state government toll road—the extension of the Gateway and Logan motorways, the southern Brisbane bypass. I think it is a worthwhile investment that between 10 pm and 6 am each night trucks are having their toll paid for them. It is making a huge difference in that truckers are finding that there is a purpose-built road which they refused to use in the past but which is now available to them.

We have put extra money into looking at engineering solutions for the busy intersection of Kessels and Mains roads. We do not want to see anything built, though, until the big interstate

trucks are permanently off the Brisbane urban corridor. Local people are impatient for this to happen. I am optimistic that, with the effective work of the Minister for Local Government, Territories and Roads, Mr Lloyd—and, indeed, now with state government cooperation—we will see some progress.

However, the Australian Labor Party federally still want to put more trucks down that route. The Australian Labor Party still have not learned their lessons of the last election. They must realise that that is not the road for trucks, yet Labor are still persisting with a policy that the Ipswich Motorway, Granard Road, Kessels Road and the Mount Gravatt-Capalaba Road is the best route for trucks to use. We do not believe that. As a government, we are putting programs forward to try to mitigate some of the immediate problems. Long-term solution funding is there too. We are just now looking for the state government to take up the offer.

**Mr GEORGANAS** (Hindmarsh) (10.21 am)—Given the announcements of the last few weeks regarding the budget and other issues, I stand here today to talk about the budget and the news for average workers in my electorate of Hindmarsh. And the news is not good; it is bad news. It is bad news for workers on average incomes, who will miss out on the tax cuts that will be offered to high-income earners. It is an issue that affects the majority of workers in the electorate of Hindmarsh. They will not be receiving the tax cuts that people on very high wages will be receiving, people who are in the \$100,000 bracket, such as the members of the House.

There was another announcement last week. Given last week's announcement on industrial relation reforms, I think it is timely to look at the issue of how parents balance the needs of their families with the demands of their work. At the outset, I want to voice my concern about so-called flexibility. What we have been talking about in this debate is flexibility. We hear that word over and over again. I notice that the workplace flexibility that the government has in mind is of a variety that only goes in one direction. The government calls it 'flexibility' if it applies to employers, but if it applies to employees the government calls it 'out of date'. The concerning thing is that this brand of so-called flexibility will not just hurt employees; it will hurt business.

This government allowed the Business Council of Australia to write its workplace reforms, but it missed some crucial evidence in that process. Bad IR policies are bad for business. These changes do not encourage employers to be flexible with their employees, and that results in costs to business in the form of increased staff turnover, lower staff satisfaction and reduced loyalty. Successful businesses will make sure that they have an edge by being genuinely flexible, but many less competitive businesses will see these reforms as a green light to take mutual flexibility out of their workplaces.

For working parents, this is a serious concern. There has been much debate about the struggle which faces working parents. Given that in most families domestic duties are still done by women, it is not surprising that maternity leave is a key aspect of the debate. Where it exists, it significantly increases the number of women returning to work after the birth of a child. Several businesses have chosen to provide paid maternity leave to stop their skilled women leaving the workforce. For example, one of our big insurers, AMP, boosted its retention of women employees after the birth of a child by 90 per cent.

I am also concerned about what workplaces do after that. How do they address the needs of employees and enable them to cope with the competing demands on their time? As a father

with two boys, I get tired of people thinking that the need to balance work and family time is a woman's issue. I believe that men are just as entitled as women to reclaim their lives from work and give something back to their families.

There is no doubt that the fight for gender equality has been an important one, and the great influx of women into the workplace and men's desire to be more heavily involved in their families have changed the landscape of family life. We have to think about how our workplaces address the realities of workers' multiple roles as workers and carers. We need to become much more relaxed about how we share that workload between men and women. Fathers who want greater involvement at home should be just as acceptable to society as mothers who choose that path.

We have a record number of people in the workforce in this country and, while that delivers national economic prosperity, it is not a measure of the level of wellbeing amongst most Australian families. Too many families are leading a lifestyle that gives them prosperity—we can all buy the big-screen TVs and the mobile phones and the computers and the gadgets and everything you can think of—but is it prosperity with a purpose? In these families, both parents work and their jobs leave little time or energy for their children. We can pay the mortgage but can we remember the last time we played with the kids in the garden?

Two things need to change if we are to make room for our families in our cluttered lives. Firstly, more workplaces need to get serious about offering family-friendly arrangements. That means not only having the policies in place but also encouraging employees to use them. Make no mistake—this benefits employees and employers. Secondly, we need to take a stand against unpaid overtime. Employees are working longer and longer hours, not just because there is too much work to do but also because there is a culture of overwork. Those who reject it, for example by choosing to work part time, may be viewed by their employers as perhaps not taking their work seriously.

Neither of these changes would threaten our nation's economic prosperity. Workplaces which respond to the needs of their employees have lower staff turnover. Unpaid overtime is a false economy, as research has shown that productivity increases as working hours are reduced. Employers who think that they can get away with fewer staff because everyone puts in an extra unpaid hour or two are fooling themselves. Such employers will pay the costs of staff burnout, reduced productivity and high staff turnover. In the longer term, it is cheaper just to put on another staff member.

I have been alarmed to hear the minister for workplace relations talk about flexibility in the context of this government's reforms. We have been hearing that flexibility leads to greater productivity. It does—but that is not the kind of flexibility the government has in mind. A two-way, mutually beneficial version of workplace flexibility leads to productivity increases, but when the flexibility is only for the employer we cannot expect the same results. There can be no doubt that families will be the ones to suffer with these reforms.

While employment rates are high, most employees will not negotiate away their basic rights, but those with limited skills and experience who struggle to find work may accept a slightly worse deal. They are the people who work in the production lines, on the assembly lines and in factories, and unskilled labour. It is a slippery slope for workers once that starts to happen. Mums and dads will have to work longer hours to make ends meet. They may well have to work through family time, weekends and public holidays without any additional pay.

They may have to work split shifts, which suits the employer but which means they have to find and pay for child care at the beginning and end of each day.

While we are thinking about the increasing demand for child-care places, I would like to say something about how we pay these people. We expect well-trained professionals to look after the most precious things in our lives, our children, and yet we pay them less than they could earn working in a supermarket at a checkout. I will not dwell on that because the issue deserves more attention than I have time for today, but we cannot continue to expect quality child care if we do not pay workers properly.

Australia has been making slow but steady progress when it comes to family-friendly workplaces. In Victoria, for example, 98 per cent of public sector employers offer flexible work options. Nevertheless, public sector workers, like other Australian workers, still struggle to find a balance between work time and home. Flexible working arrangements in Australian workplaces are not new. In 1862, long service leave for public sector employees was introduced to allow employees to return to their British homeland. But it has been the increased involvement of women in the workforce over the past two or three decades which has brought new policies such as purchased leave arrangements, paid and unpaid maternity leave, carers leave and part-time and job-sharing arrangements. Although women use these options more than men, I think it is important to understand that they can be valuable to all employees, not just those with family responsibilities. In fact, I do not think these policies should be called family-friendly policies. Rather, they are about the quality of life that we have in this country.

In the South Australian public sector, 60 per cent of employees are women. Of those employees, 14 per cent use either part-time or job-share arrangements, but only two per cent of men do. Although there is still a community expectation that women will take primary responsibility for domestic duties and bringing up children, the culture and expectations of our workplaces also influence how many employees and what type of employees take up flexible working arrangements. Sadly, employees often fear that taking up the options will send a message to their boss or their colleagues that they are not committed to their work. That fear is not without justification.

Many women say that they feel that they have to choose between having a job and having a career. However, men who choose to balance the demands of their families and their work face even greater challenges because of the lack of understanding from colleagues. A father who leaves work on time to pick up his kids from after-school care is often thought to be slacking off, whereas there is a greater acceptance that women need to do such things. Fathers who stay at home with their children, toddlers or babies are assumed to be unemployed rather than making a choice to care for their children. We constantly undervalue the role of fathers and in doing so contribute to the enormous pressure on them not to take on a significant parenting role. Ironically, society also complains that men are not taking their domestic responsibilities seriously.

Long working hours have exacerbated the intensity of the home-life juggling act, with some employees saying they have taken up part-time hours and are paid for those part-time hours even though they work a standard working week. All of this contributes to the breakdown of the fabric of our society. When people work long hours, no-one has any time to volunteer anymore, which means that the connection between people in communities is not as strong, and informal social works are diminished. That means that informal child care, infor-

mal support for the sick or depressed and informal care for the elderly are virtually nonexistent. And that means greater dependence on the government to provide these services. This is not necessarily a bad thing. It means that unpaid work, as we once knew it, has become paid work. But, as I mentioned earlier in reference to child-care workers, it nonetheless remains the most badly paid work available to these people.

I suppose because of the myth that Australian workers had it easy—for many years, there was a myth that we were lazy, perhaps—we were made to feel ashamed of our right to leave work at the end of a shift and go home; and, somehow, by 2002 we had the second highest working hours in the developed world after Korea. Our working hours are 20 per cent higher than those in France, where, in the name of attacking high unemployment rates, the 35-hour working week was introduced. Thirty-one per cent of full-time workers in Australia work more than 48 hours per week. One-third of these work for more than 60 hours per week.

Back in 1856, the standard working week was six days a week, 10 hours a day, with two one-hour meal breaks. We have made some progress since then. Today, a full-time employee working 37½ hours a week, taking four weeks annual leave and approximately 14 days of public holidays a year, should work 1,695 hours a year. However, the actual hours worked are higher than that. The annual hours for an Australian worker between 1990 and 2003 ranged from 1,886 hours to 1,814 hours. Fortunately, they are trending down slightly, but I am not convinced that that trend is going to continue once these industrial relations reforms are introduced. Not only are people working longer hours than they should; most of the extra work is unpaid. That is the sad part about this. Employees stay back at work for an hour or two every day so that they can just keep up with the workload, and there is no pay for that.

For parents who work more than 45 hours a week, there is a double-whammy effect. Not only are they absent from their children for long periods of time but they are also too exhausted to interact with their children when they do get home. We all know the issues of both parents working long hours: you come home, you are exhausted and you fall asleep on the couch.

Another concern is that many workers are not aware of their entitlements. They are not aware of those entitlements to flexible working arrangements. A 2002 survey of South Australian public sector employees found that only two per cent of respondents were aware that they could purchase up to four weeks of extra leave every year or one year of leave every five years. These are measures that could help parents cover school holidays or even plan ahead for when they wanted to have a child.

Given the huge difference in the numbers of men and women who take up flexible working arrangements, it could be argued that offering these arrangements currently reinforces the domestic agenda divide because it allows women to take primary responsibility for the domestic duties. Research has shown that women themselves often think of their own wages, in a two-income household, as covering extras rather than being essential to the household, even though the income of women makes a significant and often greater contribution to a family's total income.

But the debate is not just about parents struggling with child care. Sick children, housework, cooking and the emotional struggle between being a good employee and being a good parent mean that the workplace also suffers. Some employers have argued that flexible hours create difficulties in scheduling meetings, increased workloads for other staff and increases in

the cost of administration and employee benefits. But if normal hours are so important, why do only seven per cent of workers now work what we call 'normal' hours—that is, all of their work is between 9 am and 5 pm, Monday to Friday?

Arguments against flexible arrangements also wrongly assume that such changes will lead to employees doing less work. Clearly this government has not been listening to the best-practice employers, who know that mutual flexibility—flexibility should be mutual, not one-way—which gives employers and employees a say in the scheduling of work hours and the length of the work day will benefit everyone. The government assumes that just giving flexibility to the employer will improve business outcomes. How will that approach attract, motivate and retain workers? It is a false assumption that flexible working arrangements equal less work, and it also ignores evidence that employee productivity may actually increase if working hours are reduced.

Many employers use unpaid overtime to get work done without hiring additional staff. The 2003 Australian Bureau of Statistics figures show that shorter working hours can contribute to increased productivity. For example, in the electricity, gas and water supply industries between 1992-93 and 2000-01, there was an average annual decrease in hours of 3.1 per cent and a corresponding 5.6 per cent average annual increase in labour productivity. Long working hours and a lack of workplace flexibility contribute to high levels of workplace stress, which is a leading occupational disease in Australia, estimated to cost more than \$1.2 billion a year. The Victorian Chamber of Commerce has identified a number of costs associated with failing to recognise the needs of employees. In 1994 the chamber warned that ignoring the needs of employees would lead to increased sick leave, absenteeism, lower productivity and high staff turnover.

Another effect of flexibility—when the flexibility benefits both employees and employers—is that employee loyalty is higher. I have heard of employees who work for an organisation with an on-site child-care centre saying that the service makes them feel more like wanting to work there, even though they do not actually use the facility! And think of the countless employees who have refused promotions or have not applied for more demanding roles because of their family responsibilities, which reduces the pool of applicants and, no doubt, means that employers do not always get the best person for the job.

The needs of caring for children dominate this debate, but there is a rapidly emerging need to consider employees who care for elderly relatives. In 1998, ABS figures showed that about half of primary carers are in the labour force, compared with about 77 per cent of noncarers. The solutions that workplaces find to support working parents will become increasingly important for those same employees as they become carers for their own parents. If people are to juggle their work lives and their home lives, employers are going to have to take a serious look at their workplaces, and employees are going to have to stand up for the rights of their children, who want to see them, or their parents, who have come to rely on them. That fight is about to become fiercer and more difficult.

Given the demands on employees—the increasing hours they work and the demands of looking after their children and their parents—we are overdue for industrial relations reforms which protect the rights of people to care for their families, whether it be their children, spouses or elderly parents, and to spend time with their families and to work to live instead of living to work. With all the information we have, this government turns around and introduces



reforms which will change the lives of employees under the misnomer of workplace flexibility. According to the Oxford dictionary, 'flexible' means easily bent, pliable, manageable, easily varied. There is no mention of flexibility being something that only bends one way or in one direction.

I have previously called on my parliamentary colleagues to look at the needs of their own staff and their families, but these changes will not be most destructive to those fortunate enough to work in skilled, well-paid jobs. These changes will make the lives of Australian battlers the toughest, and the productivity gains will be the gains of businesses and not the gains of employees. These changes say so much about what this government values and give the lie to the alleged commitment to families. There is no doubt that economic growth is important and there is no doubt that real workplace flexibility supports economic growth. But we are about to become a much poorer nation, because the true measure of this country's prosperity is not how rich its people are but how happy we are as a nation.

**Mr SCHULTZ** (Hume) (10.40 am)—Thank you for the opportunity to comment on Appropriation Bill (No. 1) 2005-2006 and the cognate appropriation bills and to share with you some of the reactions to this budget within the Hume electorate. Can I say at the outset that the Labor Party have learnt absolutely nothing. The carping, negative nonsense that they are carrying on with at the moment and their abject, pious hypocrisy in blocking tax cuts for people is one of the reasons why they lost the last election and why they will lose the next election. They cannot get their minds around the significant changes in the community today. More importantly, they cannot get their minds around the reality that people do not want the sort of politics that they practise anymore. People want good, open, honest and productive government, which they are getting from the Howard government.

Treasurer Peter Costello's 10th federal budget is a generous but responsible budget for the community and to date it has been extremely well received in the electorate of Hume, which I represent. With so many demands on the government's resources, I must congratulate the Treasurer on putting forward a budget that addresses not only our needs for today but also our needs for the future. That is very important, because one of the worst possible things you can do is leave a legacy of huge debt to your children and your grandchildren. Fortunately, this government addressed that particular issue when it was elected in 1996 and has been addressing it through sound, responsible economic management ever since.

This budget once again provides a surplus—this year of \$8.9 billion. This has been achieved while delivering further personal income tax cuts and introducing significant reforms to the welfare system. Can I just dwell on the income tax cuts for a minute. I cannot believe that a political party in Australia today would deny ordinary people an increase in their pay packets through a reduction in tax. I cannot believe that a political party, such as the Labor Party today, could piously stand up in this parliament and condemn the reduction in taxes for members of parliament and ordinary people. It is interesting to note that, whilst they are playing populist politics, not one member of the Australian Labor Party has come into this place and said to the Speaker and the parliamentarians: 'I am going to donate all of the concessions that I get in the way of increased take-home pay to a particular charity. This is when it is going to start and this is where it is going to.'

**The DEPUTY SPEAKER (Mr Lindsay)**—Is the member for Shortland seeking to intervene?

**Ms Hall**—No, I am seeking to make a point of order. My point of order relates to the fact that the member has included incorrect information in his speech. I would like to refer him to my speech. I have already offered to do that.

**The DEPUTY SPEAKER**—The member for Shortland knows that that is not a point of order.

**Mr SCHULTZ**—An offering is not as positive as actually doing it.

**Ms Hall**—I'll send you a copy of the text.

**The DEPUTY SPEAKER**—Order!

**Mr SCHULTZ**—I can understand the sensitivity of members of the Labor Party. Taking into account the tax cuts provided last year and now again this year, the government has provided more than \$36 billion in tax cuts to the Australian people. While the Labor Party has criticised the government—and, in fact, me for supporting these tax cuts—in my electorate of Hume people are happy. If they were not happy, they would be telling me about it. To date I have received only positive feedback about this budget. That is an indication of what is happening right across Australia. People at the grassroots level are letting their local members know in a very quiet way that they are happy—because when they are not happy you certainly hear about it. People are happy that they will be receiving more in their pay packet each week and they are happy that the government is pressing ahead with welfare reforms that will provide incentives for thousands of people to move from welfare to work. The hardworking taxpayers of the electorate of Hume deserve to know that others who are capable of work are at least looking for work in return for their taxpayer funded welfare payments.

This budget will invest \$3.6 billion to increase work force participation for people with disabilities, parents, the long-term unemployed and people who are mature aged. Under the Welfare to Work program there will be additional specialist help for people with disabilities, rehabilitation services for those requiring help in returning to work and a new employment preparation service to provide tailored services to parents. In my eyes, welfare is a two-way street. As a government, despite popular belief, we do not have bottomless pockets. Big buckets of money are not just lying around. Those who receive assistance from the government should be expected to give something back in return. Work for the Dole already achieves this in part, but these new reforms take that one step further.

**Ms Hall**—I seek to ask the member a question.

**The DEPUTY SPEAKER**—Member for Hume, will you accept an intervention?

**Mr SCHULTZ**—Yes, of course I will.

**Ms Hall**—My question to the member is: within his electorate will there be a sufficient number of child-care places to cover the people that will be required to return to work? Is there currently a waiting list for child care within his electorate? How will this impact upon those single parents seeking to return to work?

**Mr SCHULTZ**—One of the interesting things to note in response to that is that every time the Labor Party wants to play cheap political games it gets up and obstructs a member of parliament trying to put forward views on behalf of his constituency about their reaction to the budget. I am coming to the issue of child-care places. If you listen patiently, you will hear about it. I move now to the salt of our community: our families. The budget not only delivers

personal tax cuts, sets the scene for low interest rates to continue and provides opportunities for employment but also provides an extra 87,800 child-care places. It provides assistance for low-income families to meet the gap in child-care fees. It increases the family tax benefit threshold to ensure that 400,000 families will receive an extra \$12 per week in higher family tax benefits.

Let me now address the specific points made by the member for Shortland. Yesterday I very happily announced some funding for a number of long day care places in my electorate. Crookwell long day care, which is a new service, has been allocated a maximum of \$347,766 under the Long Day Care Incentive Scheme. This will provide long day care services for 29 children in a small rural community. This includes places for five children aged less than 24 months. In Marulan, another small rural village, the Taralga children's centre will establish a new long day care service with \$361,215 in federal government funding. This will provide another 29 children with care, including five aged less than 24 months. The Howard government funding is going to contribute to the cost of running the services and will assist both centres to remain viable while they continue to build their client base and utilisation rates to sustainable levels. I do not think anyone with any sense of decency, or any sense at all, would bemoan the fact that the government is doing just what it should be doing to help our parents to put their children into long day care centres.

Our children will benefit from a record investment in education, science and training, including more money for capital works and the day-to-day funding of schools. More apprenticeships are being created and additional help is being provided to young people who would like to complete apprenticeship training but have experienced barriers to that employment.

Going back to the issue of schools, I will make an observation and issue a challenge to those on the other side. Two weeks ago I visited the Bowral Public School. I was absolutely appalled at the condition of that school and the conditions that teachers and children have to operate in. There is a kindergarten section of that school that does not have any fire escapes. There is an open drain with a concrete cover over it running beneath a classroom. In the summertime, the smell from that drain permeates the classroom. That is a state government responsibility, and it is about time members of the Australian Labor Party in New South Wales got on to the state government and told them to tidy up their own schools instead of preaching to the federal government about it.

Small businesses in Hume have welcomed this budget, with \$1.8 billion of tax relief to enhance the competitiveness of Australian business. Small businesses in the simplified tax system that have an annual turnover of \$50,000 or less will be eligible for a 25 per cent discount on their income tax in respect of their business income. We have also extended the help programs available to small businesses, to ensure they remain strong and competitive.

As I said earlier, this budget is not just for today; it is for the future. In this budget we have taken steps towards addressing the challenges of our ageing population. Our spending on health and aged care has more than doubled since 1996 and will be more than \$44 billion this year. That is more than the total budget for the state of New South Wales and more than the annual GDP of 65 per cent of the world's countries. It is no good having state ministers in this country trying to flick pass the disgraceful state of their hospitals on to the federal government. They have the control of them and the responsibility for looking after them. A classic example, which I know Deputy Speaker Lindsay will think about, as he always does, is the

Queensland health system. By keeping the health system affordable we have been able to further enhance cancer care and make dementia a national health priority, and I am very pleased to see that. I know that is something that carers and families of the elderly right around the electorate of Hume will welcome.

In recent weeks there has been much said in the local press about the drought and about water. In Goulburn, in the heart of my electorate and the location of my electorate office, the shortage of town water is now critical. Pejar Dam, the main storage facility for a city of 25,000 people, is now nothing more than a dry, cracked hole in the ground. Since November last year I have been working on this issue with various ministers of the Crown and parliamentary secretaries. In particular I have been working with the Parliamentary Secretary to the Prime Minister, Gary Nairn, the member for Eden-Monaro. Unfortunately, because of a very sad happening in his family, he is not here today, but I want to put on the public record my deep appreciation for the professional way in which he carried on his assistance to me and my constituents, despite the fact that his wife was very ill.

Again, this fund is about planning for the future and about conserving and protecting this valuable resource. In this budget \$48.2 million has been allocated for community water projects that conserve or reuse water. In Goulburn I will be pushing for a number of projects to receive funding. One will ensure that this drought does not put an end to sport in Goulburn by installing rainwater tanks and related infrastructure at one of the city's major sporting complexes to take full advantage of the available rainwater—when it comes. Another will help Bradfordville Public School become more water wise, through the installation of tanks and water efficient toilets. It will also help rehabilitate the school's playground, which has deteriorated significantly during the drought, to the point where it is unfit to be played on. In recent years it has become clear that planning for our future water needs is a big priority. In Goulburn we need immediate solutions; around Australia we need further planning and a bigger investment in water conservation measures.

While there have been many positive things to come out of the budget—and I again congratulate the Treasurer and the Prime Minister on the magnificent contribution they have once again made to the people of Australia—I must say that I am disappointed and frustrated that funding was not made available for the Murrumbateman bypass on the Barton Highway. I am in the process, once again, of trying to rectify that, and hopefully some good will come out of it. This road has been identified as a concern by the community, by the police and by road user groups, including the NRMA. I have been trying to achieve an outcome in the best interests of the community since I first came into this place in 1998.

I understand that there are priorities that need to be addressed in the interests of road safety right around the country. To be quite frank, I do not care whether the money goes into a Labor, a Liberal, a National or a Callithumpian Independent seat as long as it is being put to good use and provided it addresses the issue of road safety. It is in our best interests as individuals in this place, and collectively as a group, to ensure that we use taxpayers' money very responsibly and make sure that the issues of road safety are addressed on the basis of need—not on the basis of pork-barrelling, which seems to be an ever-occurring incident in this place from successive governments. I remain hopeful that my colleagues in the ministry will see fit to finally give priority to this urgent project at Murrumbateman, and I will maintain my pressure on the ministers to ensure that they do.

I once again congratulate the Treasurer on this excellent, commonsense budget and commend these appropriation bills to the chamber. In closing I should mention that last night I once again raised the issue of the Child Support Agency, giving a disgraceful example of its double standards. This is one area of government responsibility that we really need to have a look at. I believe that hundreds of millions of dollars are being wasted because of the way in which it is being managed. People do not seem to be accountable for what they do in the agency. I will continue to highlight any discrepancies relating to the Child Support Agency, and hopefully in the next couple of months, with my researcher, I will be able to bring into this place a pretty compelling story about it and about what it is doing to men and women and, more importantly, to children. I will do this so that all the members of parliament whose constituents are experiencing problems with the Child Support Agency and who are telling me about the problems of their constituents will understand what a deep, serious problem it is and how it is creating massive social problems in our country. Hopefully that will be another area that the government can constructively look at to ensure that the taxpayer is getting value for money. We need to make sure that all our departments are running efficiently and that people are made accountable for running them, rather than being allowed to move backwards and let the person who happens to be in charge at the time take the can for all the negatives coming out of the department.

Finally, I conclude by quoting the last words of the budget presentation by the Treasurer:

This Budget is about sharing the benefits of strong economic management not just with more Australians, but with all Australians. It is about:

- increasing participation in the work force;
- increasing and building skills;
- rewarding effort;
- enhancing security; and
- funding the future for Australians.

That spells it out pretty succinctly. I commend the government for the direction it has been taking over this budget and previous budgets—and for the direction that I know it will take in future budgets. I can assure the chamber that, given the way the Labor Party is going now, this government is going to be delivering budgets for a long period of time.

**Mr HATTON** (Blaxland) (10.58 am)—I rise to speak on the Appropriation Bill (No. 1) 2005-2006 and related bills. What was not handed out to members on the night that the Treasurer delivered his budget speech was Budget Paper No. 1. If that had been handed out towards the end of proceedings—rather than his speech and Budget Paper No. 4, which is almost completely incomprehensible—we might have got a better view, not from the government but from Treasury, as to the outlook for 2005-06. We would have got a better view, not only of the strengths of the economy but of the dangers and perils that might lie ahead, than we got from the Treasurer's speech. It is one view but it is a pretty solid view in terms of what is being put forward.

The Treasury secretary, Ken Henry, is a great servant of the people and someone with a tremendous grasp of economic theory and practice. He is someone who has taken a close view of just how serious some of the potential problems that we face are. He has certainly taken a far closer and far more serious approach to the current account deficit problem and to the for-

eign debt problem than most have. I spoke in yesterday's MPI about those two elements that exist within the shoals of problems facing the country right now. The fact that this country's economy could founder on those elements is underlined by two records. One is that the current account deficit has now reached 7.25 per cent. Only Bulgaria and Hungary, of all the other economies around the world, are in a worse position than Australia with respect to their current account deficits, and in June of this year Bulgaria will simply be excised, because in June of this year our current account deficit is going to go to 7.3 per cent of gross domestic product.

In 1986, when the then Treasurer had to confront a number of critical problems, the current account deficit was 6.2 per cent of gross domestic product. The compounding problem was that the price we were able to get for, particularly, the raw materials that we sold overseas, had collapsed. It had been collapsing—it is what is called the terms of trade—in the order of half a per cent to one per cent a year for the previous 30 years. But in the space of a couple of months there was, effectively, a collapse by one-quarter in what we were able to get from other countries for the coal, iron ore and other raw materials we were producing. Given the fact that the currency—our dollar—is absolutely and inexorably tied to commodity prices in an economy like Australia's, it was not surprising that the Australian dollar at that period fell to 49c and that our position with regard to the trade-weighted index was materially affected. We confronted the problems and put in place the major structural changes that have led to the economy's expansion, reconfiguration and strengthening—and to its multifaceted base—which has allowed 14 years of expansion.

We now face significant problems. As usual, history never repeats itself exactly. As usual, it is always more difficult to deal with it because the problems change. That current account deficit of 7.25 per cent—and it is moving to 7.3 per cent—is intimately tied to our inflation rate, but it is also intimately tied to the level of interest rates in Australia and to the value of the Australian dollar, which is now very high on the back of extraordinary commodity prices.

Because China is now the main engine for growth in the world's economy—surpassing even the United States in its demand—it has surpassed Japan as our main economic partner and prices for our raw materials—coal, natural gas, iron ore and so on—have rocketed. Commensurately, Australian companies are getting major returns they could not have dreamt of just a few years ago. But that links into a strengthening of the Australian dollar and the fact that the cost of the goods that we are sucking in from overseas adds to increased debt, both on the current account and in terms of the imbalance between what we are taking in from overseas and what we are exporting. Since 1996, this government has not really focused on the problem of how to generate significant new ways of manufacturing more goods or exporting more services in order to create, first of all, a greater capacity to look after ourselves instead of importing some of these—and, secondly, a greater ability to export our capacity to the region and the rest of the world. In the MPI yesterday I alluded to one of those fundamental failings: the government's fundamental failure in adopting stopgap methods. It uses the old ad hoc style of just filling in the bits where the problems occur rather than taking even a mid-range tactic. We should have a really strategic approach to this problem.

There have been enormous numbers of people coming into Australia under the four-year temporary entry permit program. Those people are qualified tradespeople from Britain, Ireland and Europe, and some are from the United States. In the old days, when we were provid-

ing more of our own skilled people and skill capacity, we were not as dependent on bringing people in. We have even got to the point, again, where the government has had to consider the question of whether or not guest worker status should be given to those people. If you look at how these programs are operating, you see we have got another measure of immigration into Australia. We have gone from 70,000 people coming into Australia in the last four years of the Paul Keating government to over 110,000 now—and climbing. That is official; there is an increased emphasis on skills. The unofficial part is that we have extraordinary numbers using the temporary entry program and, at the end of the four-year period, they are getting into Australia with a reduced points test requirement. If they had applied straight up then they would not have made the points test, but because they have been working here for four years they are able to do it.

Although we benefit from the skills those people bring into the country, there are people who are missing out. They are the people who cannot get support through full trade training in a proper apprenticeship program rather than the reduced traineeship programs we have got now. Even with the importing of other people, we still have the significant problem that the average age of tradespeople in Australia is 53. We know the average age for our farmers is even higher than that; I think the average is 58. For tradespeople, there is a significant gap between trained capacity and what the education system, at all levels, is turning out. I do not think we have properly addressed that problem at all. The government has a very strange, inverted and twisted propaganda style approach to this as it argues that there is something wrong with Labor and Labor does not really support tradespeople. It is entirely bizarre.

This is a fundamental and serious problem. We are on the cusp of being able to forge ahead with training tradespeople to deal with the deficiency not only here in Australia but also overseas. We could have increased our capacity and earned a great deal of foreign income by building up trade team capacity in Australia and taking these firms into Asia, as we have done through our foreign aid programs. We could take Australian companies in to build and rebuild areas in the region. They would not only get work and export their expertise but also bring the benefits of that, in money terms, back to Australia. The fact that that has not been grasped has a number of deleterious impacts and they are being felt within this economy, which is now slowing significantly.

There is another aspect of the problem. If you look at both the *Australian* and the *Sydney Morning Herald* today, you get an indication of just where we are. The national accounts for the March quarter came out yesterday. The Treasurer, in question time, heralded a rebound in Australia's national accounts. What did the rebound consist of? The fact that, for the previous quarter, there was a rejigging of the figures and growth went from 0.1 per cent to 0.3 per cent. I am sure we should all be immensely joyful for the fact that there was that rejigging! What was it in the last quarter? It was 0.7 per cent for the quarter. Annualised over the year, it was 1.9 per cent growth. That is a significant slowing of the economy. It is a major problem that needs to be properly dealt with, but not in the way this government has chosen.

We have gone from sustained four per cent growth to 1.9 per cent. We have also gone to a very differentiated picture when you look at the accounts for the last quarter, in that some industries are in significant difficulties, more and more broadly spread than you would have seen previously. That is cause for significant worry. Some areas are in heavy backward movement, naturally—you would not be surprised that in the largest area, seasonally adjusted,

agriculture, forestry and fishing are materially affected. They are down by 14.9 per cent. The effect of the drought is so sustained and so significant that one would expect that. But the decrease in mining is 6.9 per cent; manufacturing is down almost one per cent; wholesale trade, down half of one per cent; accommodation, cafe and restaurants, 3.6 per cent; and property and business services, 0.3 per cent.

John Garnaut, at the start of his article in today's *Sydney Morning Herald* says:

The economy is experiencing its longest "soft patch" since the 1991 recession, with growth at a sluggish pace of just 1.9 per cent for the year to March.

The quarterly report card on the economy, the national accounts, showed economic growth was 0.7 per cent in the three months to March and would have been negative if not for a build-up of stock on retail shelves and in warehouses. Growth was much lower in NSW and Victoria, while Queensland and Western Australia continue to surge ahead.

The Treasurer talks about rebounding. Other people talk about the fact that, when you look more closely at these national accounts figures, you find some things that are even more worrying than we thought to start off with—that there is a substantial contribution to even that reduced growth of 1.9 per cent, annualised, from inventories. Typically, that is a very negative development for any economy. Indeed, as we know from our past experience—not only in 1990-91 but in the 1982-83 recession, when John Howard, the member for Bennelong, was Treasurer—most recessions begin with an unintended build-up of inventory which has occurred because of an unexpected drop in demand. Firms have responded to that drop in demand by cutting back production and then reducing hiring and/or employment.

There is extreme diversity in real growth across industry sectors, where five out of 17 of those sectors, some of which I have alluded to—manufacturing, electricity, gas and water supply being four of those—are close to negative or near zero growth in gross domestic product over the past 12 months. The relatively strong growth in six sectors—retail trade, transport and storage, finance and insurance, government administration, health and community service and culture and recreation—balances that up somewhat. But, unless you are running an economy at three per cent at least, we know that there are employment effects and that there is a lag in those employment effects.

We know also that there are significant problems if the government actually gets it wrong in terms of the types of stimulus it provides for the economy. This Treasurer has argued that the way forward involves the government getting out of the way and paying off its own debt—getting it down to the order of \$6 billion—and that that leaves the way for the rest of the economy to deal with this. We have a situation now where there is a coupling of the current account deficit with an absolutely massive second record foreign debt of \$424.6 billion—the foreign debt in 1986 pales into insignificance at \$180 billion—together with the strength of commodity prices and the impact of that on the Australian dollar. The probability is that in the future there will have to be a major restructuring, as pointed out by HSBC. In an article entitled 'Uncomfortable arithmetic of foreign liabilities', they said:

Neither Australia nor New Zealand can continue to run up liabilities over the next five years as they have over the last three years. The implacable arithmetic of these liabilities suggests both countries must begin running serious and continuing trade surpluses—and this probably means both will need spectacular falls in their exchange rates.



That is in order to adjust the imbalances that are currently there. But I do not see much chance of current adjustment to those imbalances. We have already had our first major warning and the first intervention by the Reserve Bank. We had a major warning in November last year, just after the election, and shortly after that we had a one quarter of one per cent increase in interest rates. And what was the Reserve Bank's reasoning? It is very unusual that a Reserve Bank Governor will come out and say, 'The reason we are contemplating an increase in interest rates is that the government overspent prior to the election.' The figures he used were in the order of \$50 billion. He did not say 'overspend', but to make it simpler this is what we would say is a classic overspend.

The extra fiscal stimulus that the government was putting in was in the order of \$50 billion. We have calculated that that climbed to \$66 billion by the time we got to the election in October. The total extra fiscal stimulus to the economy now, as a result of the tax cuts in this budget and the other measures that the government has taken—there is a string of them, when you look at the *Making Australia stronger* paper—is \$103 billion. Remember that the move from \$50 billion to \$66 billion of fiscal stimulus gave cause for the Reserve Bank not only to rethink but also to act and to increase interest rates in a country where we have the third highest interest rate regime in the world and where not only our foreign debt is significantly high but our domestic household debt is at record levels. Because the level of mortgages is so great and because the level of people's indebtedness through credit cards is so great, even small percentage movements in that interest rate now have a much greater impact than larger percentage movements had previously.

There has been a dampening of demand in the housing sector. It has also been noted here—and this goes to the national accounts—that consumer demand is really starting to come off. Jessica Irvine has an article on page 25 of the business section of today's *Sydney Morning Herald* titled 'Stockpiles grow as the economy dawdles'. She looks at the same figures and has the same rough take on the problems with manufacturing. She makes six points about what is termed by the *Herald* a 'manufacturing meltdown'. I doubt it is at that point at this stage, but there are significant problems we need to look at. The points are:

Production falls for the first time in three years

News orders falling sharply

Inventories rising as sales slow

Clothing, footwear hardest hit

Jobs growth slows

Large firms report biggest drop

Taking the current account, our record levels of foreign debt, the high level of the Australian dollar, our level of domestic indebtedness and the fact that the government has put so much fiscal stimulus into this economy that it has driven an independent Reserve Bank to say, 'We will protect this economy and its inflation rate, as we are bound to do, in the two to three per cent range,' this is a budget that was profligate in all of its parts. I do not think it has been reasoned and sensible, and I condemn the Treasurer for being so profligate. (*Time expired*)

**Mr HARTSUYKER** (Cowper) (11.19 am)—It gives me great pleasure to rise in the Main Committee to speak on these appropriation bills and the budget for Australia in the forthcoming financial year. When you look at our budget outlook, you see contrasts. You see a gov-

ernment that has a track record of strong, responsible budget management that will be delivering yet another surplus—a surplus of \$8.9 billion. What does that figure mean? It means that this government is able to deliver services and make this economy grow, whilst still providing a budget surplus. That is something that members opposite were not particularly good at. When we look at their track record we see budget deficit after budget deficit being placed upon the shoulders of the Australian people, a government unable to manage its spending or the economy.

When this government took over from Labor's administration, we were burdened with the well-known figure of \$96 billion worth of debt, some 19.1 per cent of GDP. Through responsible management and policies we have been able to reduce that figure to around \$6 billion in 2005-06, around 0.7 per cent of GDP. Whilst we are doing that, we are strengthening Medicare, making sure that Australia has a well-funded and well-resourced defence sector and making improvements in education. Good services and strong financial management are not mutually exclusive. But they are alien concepts to members opposite, who year after year delivered deficit after deficit. Their economic irresponsibility is seen even today. We are faced with an opposition that is proposing to frustrate the tax cuts, which we all know are coming. Members opposite do not want to give every taxpayer in the country a tax cut on 1 July. Why, I do not know. If you look at Newspoll, it tells them that the people of Australia want a tax cut and believe they deserve it, and so do I.

The real problem is that long-entrenched economic irresponsibility. They know they cannot stop the tax cuts and that all they can do is frustrate the tax cuts and cause additional costs to business and a waste of resources. That is the bottom line of this strategy: it is not going to achieve anything; it is going to cost businesses extra money and defer the tax cuts that taxpayers are waiting for. It is an exercise in futility, but one which the opposition are all too proud to persist with. That really is the summation of the Leader of the Opposition's administration: an exercise in futility. Perhaps it is about time that he goes off to a park and has a solo news conference because he is really showing that he is out of touch with the Australian people and what they want. The people of Australia want tax cuts. Back in October, the people of Australia voted for strong economic management and the stable administration of the Howard-Anderson government. They certainly did not vote for a confused and economically irresponsible opposition. The evidence from this latest Labor strategy indicates that they know Labor are irresponsible and do not know how to manage the economy. They know that they deserve their tax cuts and they are waiting for them.

I say to members opposite: tell your leader to arrange to have those tax cuts passed. Recently, a letter from MYOB was read out in the House, stating concerns about the problems that business was going to face, purely because of the irresponsible actions of the opposition. The opposition could face reality, do what the people of Australia want, pass those tax cuts and take the uncertainty away from 850,000 businesses. The waste of resources that will be incurred by adjusting tax schedules after the event is a waste of resources that this country is not going to get back. It has been brought about directly by the political opportunism and economic irresponsibility of the member for Brand, the Leader of the Opposition. He could work with the people of Australia, give them their tax cuts and make it easier for business to administer. I am calling on him to do that. I know that the member for Throsby and the member for Calwell—I see them sitting opposite—will be keen not to waste resources on a need-

less exercise in futility. I am sure they would be keen to see tax cuts passed on as quickly as possible. So talk to your leader and get him to pass those tax cuts on 1 July.

The notion of economic responsibility is important. This government has delivered a surplus. It has delivered \$21.7 billion in tax cuts to Australian taxpayers. The lowest marginal income tax rate has been reduced from 17 per cent to 15 per cent. The tax-free thresholds of 42 per cent and 47 per cent are rising on 1 July 2005 and 1 July 2006. The taxpayers in my electorate are enthusiastic about receiving these tax cuts as quickly as possible. Business people in my electorate do not want to muck around putting multiple tax schedules into their MYOB, into their computer program. They want stability. They want Labor's exercise in irresponsible futility to end. They want to get on with the job of producing for this country. They want to get on with the job of employing people. Labor should take note of that. Labor should read the tea leaves, because people out there are very annoyed with this process that is going on.

Within the budget we are focused on getting people into a job, on encouraging people to transfer from welfare into work and on providing opportunities. We on this side of the House believe that the best way we can build a stronger Australia and provide people with opportunities is to give them jobs. We have already created over 1.5 million jobs. Unlike the unemployment queues created by the administration opposite, which we inherited, we have created 1.5 million jobs. We want to keep creating jobs. We want to keep the economy growing. We want to encourage people to work and give them the opportunity and the skills they need to do so. It is a great policy.

I see the member for Calwell smiling. She should be supporting us to assist people with disabilities into jobs, with the associated economic benefits, enhanced self-esteem and improved outcomes. We are also reducing business taxes under this budget. The three per cent tariff applying to business inputs where there are no substitute manufacturers in Australia will be eliminated. Our focus is on making it easier for business to prosper and for wealth to be generated. We have been focusing on the health system. In my electorate I have a great many aged people. I am delighted to see that the budget allocates funding to make dementia a priority. Dementia is an important priority for our nation—

*A division having been called in the House of Representatives—*

**Sitting suspended from 11.27 am to 11.40 am**

**Mr HARTSUYKER**—Before the suspension I was talking about health. I am pleased to note that \$45 billion is provided in this budget to ensure that Australia has a world-class health system. I was also talking about making dementia a national priority. Some \$321 million is provided in this budget to make dementia a national priority. It is a vitally important issue, certainly in my electorate where we have a somewhat older demographic. It is a really tragic ailment and those with dementia and their carers suffer greatly. To live with someone with dementia, to see someone you know degenerating over time, must be a very sad experience. Too many resources cannot be put into the tragedy of dementia, so the \$321 million in funding will be money very well spent. This budget has provided \$196 million for cancer screening. Cancer is a disease that afflicts so many people in our community. I do not think there would be anyone in this House who would not know someone who has been touched by the terrible disease of cancer. The \$196 million in funding will be money well spent.

The budget aims to place the PBS on an even more sustainable footing. No-one wants to pay more for their pharmaceuticals, but this government is focused on maintaining the viability of the PBS not only now but into the future. Tougher decisions made now to ensure the viability of the PBS will ensure that all Australians have access to life-giving drugs well into the future.

I think the unsung heroes of Australian society are carers, who give up so much to look after loved ones. I am delighted to see that this government, in some small way, recognises the great contribution of carers through providing an additional \$1,000 to recipients of the carers payment and \$600 to recipients of the carers allowance. I think it is a great gesture by the government to provide this additional support to carers, who are most deserving. Carers in our community climb mountains every day. They give up so much to look after their loved ones. They save our government huge amounts of money through the care they give, which is due to their commitment. Many of the people in their care would have to go into formal care if it were not for the unselfish acts of carers.

With regard to support for families, this budget provides an increase in the maximum rate of family tax benefit B, a welcome change so that people can earn more before their family tax benefit starts to phase out. The future fund is a vitally important measure in this budget. The future fund, making provision for unfunded superannuation liabilities—currently estimated to be in the order of \$91 billion—puts Australia's budget on an even more sustainable footing. This government is very much focused not only on the needs of today but also on the needs of tomorrow through initiatives such as making the PBS sustainable and the future fund. These are vitally important initiatives that will bear fruit in the years to come. The government has a great record of economic management, delivering budget surplus after budget surplus. It is a record which is the envy of governments around the world. We were able to provide tax cuts and deliver a surplus. We were able to improve the health system and deliver a surplus. This government has a great record.

One of the key things that has come out of recent weeks is that Labor's proposal to get in the way of the tax cuts, to delay the tax cuts that are well deserved by the people of Australia, is a policy which is costing them dearly. The community are angry about that. The community want to see their tax cuts on 1 July. I call on members opposite to pass the legislation to ensure that every Australian gets their tax cut on 1 July. I think it is time that the Leader of the Opposition either passed the tax cut or whizzed out to the local park for a media conference. It is about time we got those tax cuts through. I commend the budget that has been handed down by this government and I commend the appropriation bills to the House.

**Ms GEORGE** (Throsby) (11.45 am)—In his budget speech the Treasurer made much of the government's so-called welfare to work reforms, but I think the announced changes are much more to do with the budget bottom line than they are about genuine reform in this important area. Regrettably, the Treasurer's focus was essentially on the growth in the number of people on two forms of income support: the disability pension and sole parents on the parenting payment. The Treasurer made much of rising costs and rising numbers on these benefits but provided no comprehensive analysis of the causes of the growth, nor did he make any attempt to tackle the myths and misinformation that are so commonplace. The main emphasis of the government's changes was centred on tightening the access to these entitlements in the future. The Treasurer argued in his speech:

It will also reduce the obligation on other taxpayers whose taxes pay for the welfare support.

At the end of the day I think it is much more about welfare to welfare on reduced benefits than it is about genuine reform in the transition from welfare to work.

As we know, from 1 July 2006 a person capable of part-time work will no longer be entitled to a disability support pension if they can work more than 15 hours a week. They will be moved to the Newstart allowance, creating for the first time what we refer to as a 'disability dole', which will require recipients in future to meet Job Search activities. The result of this so-called reform will be that people with disabilities will be at least \$77 a fortnight worse off when they move onto this new payment. Similarly, from 1 July 2006 sole parents on the parenting payment will be expected to look for part-time work of at least 15 hours per week when their youngest child turns six. They too will see their entitlements cut. Their current entitlement of \$476.30 per fortnight will be reduced to \$432, which is a cut of \$44.30.

So I say that the announced changes really focus on cutting costs and, regrettably, are driven by a coercion mentality. Cutting benefits does nothing to help people on welfare get the skills they need to find work. None of these changes will have any impact in convincing one single employer to hire a person with a disability. It is really all about the budget bottom line and not what is in the best interests of people with disabilities and lone parents. Merely moving people already on low incomes from one Centrelink payment to another that is less generous is a mean-spirited approach to social wellbeing. Tackling the changes of work force participation and reform in the welfare to work arena requires a coherent range of strategies for the various cohorts. The government has no such strategy.

On this side of the political debate, we support the objective of assisting people to move from welfare to work. We acknowledge the personal and individual benefits that flow and accept that there are macro benefits as well. This is specifically so with an ageing population, where we need to increase labour force participation rates—that is a good economic priority. But welfare reform should be mutual and genuine, not just an exercise in coercion and cost cutting as we see reflected in this budget. The failure of the government to properly address the punitive effective marginal tax rates encountered by people moving from welfare to work is yet another example of their squibbing on the real reform agenda. Currently, there are around 10,000 constituents in the electorate of Throsby who are recipients of either the disability support pension or the single parenting payment. Today I want to specifically focus on one of these groups—the disability pensioners—in order to rebut some of the myths about this payment and the shortcomings of the government's approach to the recipients.

I want to acknowledge the work of one of my constituents, Mr Ken Davis, who suffers from chronic fatigue syndrome. He has organised a national petition and an open letter to the Prime Minister on behalf of all currently disabled people and those who may share his ill fortune into the future. His plea for a fair go for disability pensioners can be found on his web site, [life-directions.net/dsp.php](http://life-directions.net/dsp.php). I want to thank Ken for his efforts on behalf of disability pensioners.

The 6,000 recipients of the DSP in my electorate are part of 700,000 recipients, whose numbers have grown considerably in the past 15 years. Sixty per cent are male; 40 per cent are female. It is true that people aged 55 and over represent 40 per cent of the overall DSP population. What we must remember in this debate is that you can only get the disability support pension if you have a serious medical condition that has been independently assessed by

doctors or other experts. This is not an able-bodied pool of lazy Australians, as some shock jocks would have you believe. The medically verified disabilities of people on DSP are very diverse, ranging from blindness to mental illness, with musculoskeletal and connective tissue conditions accounting for about a third of recipients.

The claim that is often heard in the community that many recipients have nothing more serious than 'a bad back' needs to be challenged. The physical reality for a person with a back injury that would qualify them for a DSP pension is quite different. They would typically have very restricted movement, be unable to sit or stand for any length of time, and often both, and be likely to be suffering severe and often chronic pain, with a history of failed efforts to deal with their condition. These conditions, as I know from constituents in my area, are often associated with depression itself, which is a recognised disability. So I think we need to put to rest some of the myths and misinformation. I was quite shocked to see that the words 'bad back' were even referred to by the Treasurer in his speech to parliament. It is much more than that.

The current test to receive the DSP must be a proven serious medical condition that of itself would prevent the recipient from working 30 hours a week or more in any job paying award wages. It should be noted, as well, that more than a third of all applicants for the DSP are in fact rejected. Disability pensioners have been allowed to engage in part-time work without automatically losing the pension. That is a reform that is genuinely accepted because it helps to encourage people to do some paid work with a view to eventually moving off social security and into full-time employment. I think these facts speak for themselves and debunk a number of myths in this debate. There is no evidence I can find which backs up any of the following impressions that you might hear. First of all, that it is easy to get the disability pension; second, that many people on DSP do not have a 'real disability, just bad backs'; and, third, people who can work part-time do not have a real disability and should not be on the DSP.

Another commonly repeated myth about the DSP is that it has become an early retirement payment for older men and that this is the main reason for the number of recipients doubling in the last 15 years. Again, the evidence and facts disprove this notion. First of all, the fastest-growing category of new recipients of the disability support pension since the early nineties has in fact been mature age women, not mature age men. Why is this so? I think it can be explained because a number of government policies have restricted or abolished other payments—like the widows pension, for example—and this has had the effect of diverting people from other payments on to the DSP. For example, when the government increased the qualifying age of women for the aged pension, this saw many mature age women with disabilities previously on that pension move on to the DSP.

Another substantial cause of the increase in the numbers of people on the DSP is the growth in the overall number of people identified with disabilities. Possible reasons for this include the ageing of the population, the unfortunate growth in the number of people in our community suffering with mental illnesses and—in some ways a positive development—improved identification of disability and reduced mortality rates. At least half the growth in the number of DSP recipients over the 1990s can credibly be explained by these two factors alone. In addition, the direct and indirect effects of the recession of the early 1990s could account for much of the remaining increase. That has certainly been a factor in the electorate that I represent. Many unemployed people with disabilities, especially those with limited

skills, had great difficulty securing a job at the time of economic downturn. Prolonged and long-term unemployment obviously had a negative effect on their wellbeing and their health. Another possible factor is changes in state government policies regarding workers and accident compensation payments. I believe it is a combination of these factors that goes to the heart of explaining the rise in the number of DSP recipients.

We should not, I urge again, fall for the myths and misinformation about this form of welfare support. I point out also that, if you make international comparisons, the percentage of Australians of work force age on the DSP—five per cent—is in fact around the average of other OECD countries; it is not atypical. In both the UK and the US the percentage of disability benefit recipients is higher than it is in Australia. However—and it is here that we diverge from comparable countries—a relatively low proportion of pension recipients in Australia are in paid work. The OECD average is just over 30 per cent and we have just under 10 per cent.

What could be the explanation for this difference? I think it is simply that a relatively low proportion of disability pension recipients in Australia currently receive help with employment or training—a low proportion of the overall numbers. The Australian government itself spends only about two-thirds of the OECD average expenditure on these services in proportion to the size of our economy. Did you know, for example, Mr Deputy Speaker, that the services of and number of places available in the main specialist program of employment assistance for people with disabilities—Disability Open Employment Services—are capped? It is no wonder there are queues of people who would be willing to move into paid employment with some assistance. In my experience, most people of work force age who have disabilities want to go out to work, providing they are able to find employment within their capacity. But, as we all know, there are significant barriers to employment, including community attitudes to people with disabilities, employer expectations, lack of jobs and rehabilitation programs, places whose numbers are capped and Job Network funding that is well below that available to the specialist programs.

Employment programs can, of course, help people with disabilities into jobs, but this does require a large investment in rehabilitation, training and job matching and support for people after they find a job. There are no cheap or easy options, and certainly the option that seems to be at the core of the government's policy of cutting entitlements and putting people onto a lower form of support is not the right one. On top of the cuts in their entitlements, we now discover that the pensioner education supplement of \$31.20 will also be axed for these people, making it much harder to study at uni or TAFE.

Employment assistance is a worthwhile investment, but we need to be realistic about the job prospects of disability pensioners in today's labour market. It is a fact that the number of people with disabilities employed by the federal government has dropped from 5.6 per cent to 3.8 per cent. How much harder are the job prospects of people with disabilities in a competitive labour market? If the government rates of employment of people with disabilities are falling, as those figures indicate, we cannot afford to have unreal expectations of people with disabilities going out there and finding work options. Casual work, as we know, does not provide enough regular income for people to make the decision to move off social security.

As I indicated earlier, just over 40 per cent of current recipients of the disability support pension are aged 55 and over. I ask you, Mr Deputy Speaker: how realistic are their prospects of finding employment, on the age factor alone, let alone compounding the age factor with the

disability factor? According to ACOSS, the chance of an average DSP recipient obtaining on-going full-time employment in a mainstream job is less than one in five. I believe this is in fact an overestimate, based on the transition rates for people in my electorate in the Work for the Dole programs. Locally, only one in eight participants in the Work for the Dole programs in our region were able to go on to find full-time employment. The recent Job Network pilot program for people with disabilities had an outcome of less than 10 per cent of participants obtaining a job for more than 15 hours a week and sustaining it for more than three months.

If we genuinely want to help people with disabilities who have a capacity to work—and I think most people of goodwill really want to see that outcome—we need to understand that this will require a big investment in rehabilitation and employment assistance and major changes in the nature of our workplaces. There are no cheap or easy options. In the meantime, I firmly believe that people with disabilities deserve adequate and secure income support through the social security system, not cuts to their entitlements. It is in this context that I believe the government's proposals in the budget for DSP recipients fail the test of adequate support and assistance in their move from welfare to work.

**Mr BAKER** (Braddon) (12.01 pm)—I rise today to speak on the 10th budget for the coalition government since 1996. This is a historic budget, a budget which has met all the government's election commitments and also provided some \$21.7 billion in tax cuts—a remarkable achievement in itself. This budget goes to the core of sound economic management which has resulted in record employment, the lowest interest rates in decades and low inflation. At times in providing sound economic management we can have what we call 'the double', which is low inflation and low unemployment. However, we have the trifecta now, when we throw in the lowest interest rates in decades. This is an outstanding result. Businesses are flourishing and housing demand continues to exceed housing development, and those things translate to the high standard of living that Australians are currently enjoying.

The Australian government is now recognised as a world leader in economic management. The Australian government is only one of a few in the developed world to continually achieve budget surpluses. This budget reveals a surplus of some \$9.2 billion, with plans for an \$8.9 billion surplus next financial year. Sound economic management is to balance the budget, pay for services and reduce tax—that is, tax cuts are a dividend returned to the people as a result of sound economic management. These are responsible tax cuts. This is in direct contrast, for example, with the situation in the United States, where they wish to cut taxes and drive their budget into deep deficit. The current budget that has been sent to congress will leave the United States with a deficit of some \$A608 billion. This type of attitude is one of cutting taxes today and sending the bill tomorrow.

One could argue that this would also be the Australian Labor Party's attitude. For example, their dismal performance in the area of economic management when in government through the 1980s and 1990s is confirmation. During this period of government, interest rates reached record levels, unemployment was over 10 per cent and inflation was out of control. This all resulted in undue pressure on families, where home mortgages spiralled out of control and businesses went into a cycle of survival—not the growth or expansion which currently exists.

The Australian government's attitude is to pay our bill today, then cut our taxes. For example, by 30 June 2006 \$90 billion of the \$96 billion debt left by Labor will have been paid off by the Australian government—in only 10 years. Today, Australia enjoys a AAA credit rating,



whilst under Labor Australia had its credit rating downgraded twice. The current situation means that Australia no longer pays the premium in relation to its interest rates that it was paying in March 1995.

As previously mentioned, this budget is built on previous budgets. For example, the goods and services tax has provided the states with a revenue windfall. Since the GST began, Victoria has been better off financially by some \$272 million, Western Australia by \$252 million, South Australia by \$160 million, New South Wales by \$124 million and Tasmania by \$100 million.

The benefits that will flow to Australian industry as a result of this year's budget will include the removal of the three per cent tariff concession scheme, which will result in industry being better off by \$A1.3 billion over the next five years. This is a major boost to manufacturing. It will save the makers of electrical goods some \$37 million and the makers of textiles some \$6 million. Where there is no locally produced equivalent, imported parts on a whole range of items will be three per cent cheaper. These items range from furniture through to construction equipment. Specifically, in my electorate of Braddon, the wind energy company Vestas International will benefit through cheaper imports of components for its nacelle assembly facility at Wynyard. This will go a long way to securing the company's future in Tasmania and, indeed, Australia.

It is also worth reflecting on the views of some of the industry organisations. For example, the Tyre Manufacturers Association has hailed the move as 'much needed tariff relief for Australia's tyre manufacturers'. The association says that it will assist in 'safeguarding' local manufacturers' jobs. The Australian Industry Group said;

... the Government has got down to business in this Budget. The removal of the 3 per cent tariff tax will be greatly welcomed.

They went on to say that, all round, it is 'a smart effort'. This government has a history of cutting taxes whenever the economic conditions allow it to do so; however, the Australian Labor Party are opposed to tax cuts—they are opposed to tax cuts for individuals and they are opposed to tax cuts for industry. This government will continue to pursue tax cuts for individual Australians and for industry. There will be no l-a-w law tax cuts like those we remember under the Keating government.

Turning specifically to my electorate, I believe it is true to say that regional Australia was the first to feel the effects of Paul Keating's infamous 'recession we had to have'—and obviously the last to recover. Indeed, many regional communities are still battling to recover from those dark days. Nowhere is this more true than in Braddon. The people in my electorate generally look back on the early to mid-1990s as dark days. That period was a time when there was little or no economic development, high unemployment and, sadly, little hope of better times.

However, I must say that today we must not live in the past. What we need to do is to put into context what the Howard government has been able to achieve for the north-west coast of Tasmania over the past 10 years. With a great deal of confidence, I suggest that I am the first member for Braddon for several years to rise in this House and speak positively about how this government has helped my electorate to get back on its feet. Due to the strong and responsible economic management of the coalition, the unemployment rate for Braddon has fallen from 10.9 per cent in March 1996 to just seven per cent as of December last year.

Thanks again to the government's sound economic management of the economy, interest rates remain low, which together with the First Home Owners Scheme has enabled more people to buy their own homes. Ten years ago in my electorate parents worried about whether their teenage children would be able to find jobs when they left school, let alone eventually be able to buy their own homes. Today those same parents are seeing their now adult children in full-time employment and living in their own homes. The Howard government is also helping young families through the maternity payment—or the baby bonus, as it has been dubbed—and through changes to the family tax benefit parts A and B. That is real money and not what the shadow Treasurer continues to portray.

Regional Australia continues to face the challenge of keeping its young people. Once it was all one-way traffic, as young people left regional Australia in search of better opportunities. But today young entrepreneurs are coming to our region with new ideas and new investment. We are seeing the towns of our region transformed by new people, new ideas, new attitudes and, most of all, a positive energy that was missing for far too long. Let us not underestimate the value of a strong national economy, of low interest rates and of high employment, because the benefits do flow on to regional Australia. There is no better evidence of this than the sight of the red and white *Spirit of Tasmania* ferries as they sail up the Mersey River to dock in Devonport. No-one—not even the state Labor government—can deny that it was the Howard government's introduction of the Bass Strait Passenger Vehicle Equalisation Scheme that made possible the purchase of these ferries. The Bass Strait Passenger Vehicle Equalisation Scheme is effectively a subsidy for their operation, estimated to be worth some \$41 million in the coming financial year. Without the scheme, we would simply not have a twin ferry service between Melbourne and Devonport. With the twin ferries we are seeing record tourism visitation figures, and consequently communities across the north-west coast have embraced tourism as 'the growth industry'. From little steps, such as improving visitor facilities, to major new developments, the north-west coast has been a hive of activity. In addition to driving this massive boost in tourism visitation, the Howard government is also providing Tasmanian businesses with substantial assistance to overcome the obstacle of Bass Strait.

The government expect to spend some \$89.4 million in 2005-06 on the Tasmanian freight equalisation scheme which provides targeted funding assistance for freight shipped across Bass Strait. The uncapped scheme is an important boost to the Tasmanian economy because it helps Tasmanian firms to compete in mainland markets by reducing their freight cost disadvantage. Each year the scheme assists Tasmanian firms with the cost of freighting more than 300,000 tonnes of frozen vegetables, 140,000 tonnes of paper, 500 tonnes of confectionery and many other products. The scheme also covers the southbound shipment of Australian made raw materials and equipment used by Tasmania's mining, manufacturing and primary industries—the backbone of Tasmania's economy.

When it comes to upgrading and maintaining our roads infrastructure, the Howard government puts state and territory Labor governments to shame. In this budget the government is providing an additional \$13.2 million to complete stage 1 and commence stage 2 of what is forecast to be a \$68 million project to complete the duplication of the Bass Highway between Burnie and Devonport. The Bass Highway between these two cities is a key road in my electorate and one that I and many north-west residents drive every day. The government's commitment to delivering a four-lane highway between Burnie and Devonport will provide for

safer motoring between our two regional centres. The Howard government is not only looking after its own responsibilities with respect to roads funding but also providing significant funds to assist with state and local government roads. This is a point that is sometimes forgotten. I personally take a lot of pride in the government's commitment of \$15 million over three years to upgrade a notorious section of the Bass Highway between Smithton and Wynyard—a state road. It is a commitment that I, along with Senator Richard Colbeck and Senator elect Stephen Parry—who I look forward to seeing in this parliament—worked hard to secure.

The Sisters Hills Road issue is a great example of why Labor is so out of touch and so unfit to govern. We are, as I said, talking about a state road. There is no argument about that. What happens when the Howard government commits to providing up to \$15 million over three years in matching funding for this dangerous state road? The Premier of Tasmania, Paul Lennon, responds by saying that the Howard government has 'blackmailed' the state Labor government into providing such a matching commitment. That is a strong word. What it actually underlines is that if the Howard government had not required a matching commitment for that state road—remembering the exorbitant amount of GST funding that is coming to the state—then the state Labor government would not have matched the money and therefore we would not have gotten this upgrade. So instead of a long overdue upgrade of this dangerous section of road which will be undertaken over the next two years, we may not have seen the work completed for as long as a decade—if not longer. This is a disgrace, and it just shows how low roads infrastructure rates as a priority for the Labor Party.

I am proud that this funding commitment came with strings attached because it will ensure, much to the dismay of the Labor Party, that this road is made safer sooner rather than later. In addition to this commitment to the Sisters Hills section of road, the government has also committed \$500,000 towards the cost of upgrading the Port Sorell main road between Wrights Lane and Wesley Vale, a section of Tasmania which, if not the fastest, is the second fastest growing residential area in the state. Unlike the state Labor government, this government is also assisting local councils in my electorate in the enormous task of maintaining hundreds of kilometres of rural roads under the Roads to Recovery program. In this budget amounts to be received include: for the Burnie City Council, \$304,469; for the Central Coast Council, \$472,171; for Circular Head Council, \$462,604; for Devonport City Council, \$266,979; for King Island Council \$194,049; for Latrobe Council, \$171,228; and for Waratah-Wynyard Council, \$363,684. That is a tremendous example of how the federal government is assisting state roads.

This funding will make motoring safer for thousands of people in my electorate, and so too will the funding allocated to black spots projects. Braddon will receive a total of \$374,400 from the government next financial year for black spot road safety improvements. The black spot program has been shown to have delivered results in improving safety on our roads. Now its ninth year, the program continues to ensure work is carried out at some of the high-casualty accident areas across the nation. An evaluation indicated that in just its first three years it returned around \$14 in benefit for every \$1 invested, preventing at least 32 fatalities and more than 1,500 serious injuries.

I said earlier that this budget delivers on the coalition's election commitments. In my electorate, funding has been provided as promised for a host of community projects. This includes \$250,000 to the Devonport City Council to assist with its ongoing work to beautify and im-

prove access to the Devonport foreshore, the gateway to Tasmania; \$200,000 to assist the Burnie rhododendron gardens; and \$1 million for both Burnie and Devonport to plan for indoor swimming pools. I can assure you, Mr Deputy Speaker Quick, that it is not much fun in Tasmania in winter to swim in an outdoor pool.

The member for Melbourne will be interested to know that the government has also committed \$150,000 in this budget to assist in the further development of the Australian Axeman's Hall of Fame at Latrobe. I say that because it was the member for Melbourne who, in an article he wrote for a national newspaper in February, singled out this project as an example of 'a petty giveaway'. It is opportune to remind the member for Melbourne that, ironically, the Labor Party made the same funding commitment for the Axeman's Hall of Fame during the election campaign. I should also note for the record that the Axeman's Hall of Fame is operated by world champion axeman Mr David Foster and his family. He was not all that impressed with the insinuation that this project was somehow undeserving. Mr Foster is a friend that I would like to keep; he is certainly not someone I would argue with.

Only days after this budget was handed down I was honoured to host the Prime Minister at a community event at the hall of fame attended by 300 people. I am sure he would agree that this is a great community asset. The Prime Minister spoke at that event of another major election commitment of the coalition government—a commitment that he had just signed, sealed and delivered that morning. Of course, I speak of the Tasmanian Community Forest Agreement, an investment of over \$250 million which delivers on our commitment of protecting jobs while also significantly enhancing the protection of native forests in Tasmania. There will now be over one million hectares of forests protected in Tasmania, which accounts for some 42 per cent of Tasmania's landmass. When one uses the calculation of 100 trees per hectare, that is 100 million trees. Surely the argument that Tasmania does not look after its forests or its environment can now be put to rest. In stark contrast, Labor's Tasmanian forest plan was an attempt to win marginal seats in Sydney and Melbourne at the expense of Tasmanian jobs and to the devastation of rural communities, especially the Smithton and Circular Head areas in my electorate, which are part of Tasmania's heritage.

What should not be overlooked, as we mentioned previously, are the personal income tax cuts. They are the centrepiece of this budget and will deliver huge windfalls in local communities all over Australia. In Braddon alone we estimate that an extra \$312 in the hands of around 37,000 taxpayers on the coast will total approximately \$11.4 million. Using what could be said is a lower level economic multiplier, two times, that amounts to a benefit of over \$20 million to our region. Given that this is based on 2001-02 taxation figures, it will probably be closer to \$30 million. These are the tax cuts that Labor oppose—or do they? I guess we will have to wait and see. It is telling that Labor's own response on the handing down of this budget by the Treasurer was to say, 'Oh, well, we'll distribute the tax cuts differently.' This phoney argument that the tax cuts should be applied more equitably was, as the Prime Minister said, intellectually dishonest.

It must be hard for a member of the opposite side of the House to be reminded every year of how badly the Hawke and Keating governments managed the economy. I know, because I was in business at the time assisting small business. It was devastating for them. It must be even harder to try to find reasons to criticise this budget. I think we are seeing that with the contributions from members opposite. In closing, this is a budget that delivers on our election

commitments and it is a budget that delivers on the results of strong economic management. For the people of my electorate on the north-west coast of Tasmania this is a budget that builds on the achievements of the Howard government in giving regional Australia a hand-up and putting Australia at the forefront of world economic management.

**Ms ANNETTE ELLIS** (Canberra) (12.19 pm)—It is a pleasure for me to have the opportunity to speak this morning on Appropriation Bill (No. 1) 2005-2006 and related bills. It is more with sadness than with anger that, in rising here today, I am again speaking in opposition to the proposed changes to the disability support pension eligibility work test. Since I have been a member in this place, the government has attempted on three occasions to reduce the number of hours an Australian disability support pension recipient can work each week before their benefits are reduced. On each occasion I have spoken against the relevant bill and have observed government members bitterly criticising the Senate for blocking the legislation, but at the same time never have they considered that perhaps the legislation was wrong.

Around 700,000 Australians currently rely on the DSP to retain a lifestyle that has some level of dignity. Many DSP recipients have a disability that occasionally will allow them to work up to 30 hours a week but that on odd occasions may confine them to bed. The system currently accommodates these people, if not perfectly, enough to allow them to manage their disability as best they can. The proposed changes to the DSP work test will take away much of that current flexibility that encourages disabled Australians to test their limits and to try to return to the work force. DSP recipients have seen similar bills pass through this place three times in the past few years and have been dreading the prospect of one of them successfully passing through the Senate. Now, with the coalition about to control the upper house and the fourth attempt due any time, that fear is likely to become a reality.

Under the current system, Australians who were DSP recipients prior to 11 May 2005 can work up to 30 hours per week without losing their benefit. Anyone applying for the DSP after 1 July 2006 will face a 15-hour per week work test both initially and during reviews every two or five years. In practice, that means new DSP applicants will be able to work for up to 15 hours per week. If they exceed that limit, they will be taken off the DSP and placed on enhanced newstart—otherwise known as the ‘disability dole’. As if a two-tiered system is not bad enough, the government has managed to further complicate things with a third category of DSP recipient. Anyone applying for the DSP between 11 May 2005 and 30 June 2006 will be assessed initially according to the current 30-hour per week eligibility test. After 1 July 2006, they will be assessed every two or five years according to the new 15-hour per week test.

The government’s proposed changes to the DSP will create three systems with different standards: the old system, the new system and the half-and-half system. The different standards applied will be based on the timing of the application and not the severity of the disability. Anyone found to be capable of working for more hours per week than allowed under their version of the DSP eligibility test will be removed from the DSP and placed on the disability dole.

Compared to the DSP, the disability dole has harsher restrictions on the number of hours worked per week. Under current arrangements, a single person who supplements the DSP with \$700 a fortnight from part-time work can receive \$250.90 per fortnight in DSP benefits. Under the new arrangements to take effect from 1 July 2006, a disability dole recipient earn-

ing \$700 per fortnight from part-time work will only receive \$35.30 per fortnight in benefits and will face tougher Centrelink obligations. I need to repeat that difference: the current system allows that person to receive \$250.90 per fortnight in DSP benefits while earning \$700 a fortnight from part-time work. After these changes, that \$250.90 drops to \$35.30.

The government has attempted to balance the new work restrictions with extra Jobsearch support in the form of an increase in Job Network places. I would never speak—ever—against extra support for job seekers, but these extra Job Network places do not change the fact that you have people with similar disabilities facing different rules and different work tests. These measures seem to imply that existing DSP recipients should be relieved because they will keep the 30-hour per week work test, while the new DSP people can be thankful for the extra Job Network places. Nobody seems to have thought of providing this extra support without reducing the work test. I fail to see why providing extra support to disabled job seekers has to go hand in hand with punitive changes to the DSP eligibility requirements. I think we could do much better than that.

One of the most disappointing elements of this debate is the government's apparent determination to vilify and demonise Australian DSP recipients. It appears that some members opposite actually believe that disabled Australians would prefer to rely on government benefits than to participate as active members of the work force. I have even heard media reports of government members, including the Minister for Workforce Participation, throwing around words like 'coercion' as a method of getting people from welfare to work. An old and popular analogy of coercion refers to using a carrot and a stick as motivational tools. The problem is that it describes a method of getting a stubborn donkey to move. That is where that saying comes from. DSP recipients are not that. They are people with families, friends, ambition and motivation, and they deserve to be treated as such.

Far from fitting into the stereotypes bandied about by the government, DSP recipients come from a wide range of backgrounds, cultures and lifestyles and have an equally wide range of reasons for being unable to work full time. Many people receiving the DSP were amongst the hardest workers in their former professions. When representatives from the Multiple Sclerosis Society visited Parliament House last year, they shared their personal stories and described the contrast between their lives before and after the onset of that particular affliction. Their backgrounds, ages, personalities and career paths all varied, but they did appear to have one common theme: all the MS sufferers who visited parliament had led extremely active lives up until the time they were forced to slow down by MS. There was a mother who was raising several children while attending university, there was a successful business executive whose promising career was cut short and there was an extremely energetic chef with a bright future.

All of these people were hardworking, committed people who may never have met if their careers had not been halted, if their lives had not been changed, by the news that they had MS. They had come to parliament to plead with parliamentarians on behalf of the multiple sclerosis sufferers around Australia not to go ahead with the threatened restrictions to the DSP. Now it seems that their fears have been realised. Their arguments fell on deaf ears, and this government remains determined to make life even harder for them.

The government has tried in this place and in the media to use the results of a pilot study to justify restricting access to the DSP. I have already spoken at length in this place about the

results of that study and the holes in coalition members' arguments that rely on that study and I do not wish to rehash the entire report here again today. There is, however, one finding in that report that I believe has a lot of relevance to this argument and is worth revisiting. Apart from the revelation that DSP recipients would prefer to be in paid employment, the pilot study revealed that many DSP people are wary of re-entering the work force because of possible difficulties regaining their benefits. A significant number of the pilot participants demonstrated a fear that, if their pension is cancelled upon their return to the work force and if their illness or disability later forces them to leave the work force, they may have trouble regaining that support. The coalition's legislation will make that fear very realistic. The creation of such a complicated system in which DSP recipients who go off the pension and then need to reapply are faced with a tougher work test can only serve as a massive disincentive to disabled job seekers.

Nothing could be sadder for me than to have to consider this fact. When disabled people find themselves able, with the support they require, to get out there and access the work force, we should be congratulating them and supporting them. Throughout that period of their life they may experience an illness that sits alongside their disability. It is not unusual for this to happen at all. I have known of many cases where the effort of maintaining full-time work becomes just too hard. Sometimes it becomes too difficult to live with the disability and the ancillary health issues and they are forced to give in to that pressure. At the moment they face a 30-hour work test to get back that support. In the future they are going to be looking at a quite different punitive work test in order to get back the support they may need.

But let me be absolutely clear: if that former DSP recipient reapplies for their benefits, they will potentially face far tougher work tests than they previously had to deal with. The fear of restricted benefits will create, in my view, a massive disincentive for many of these disabled Australians to try and find that work. I have outlined the reasons why the government's attacks on DSP recipients are unfair, illogical and based, I believe, purely on an ideology. I have spoken in this place on several occasions and argued against changing the DSP eligibility work test from 30 to 15 hours.

I want to talk about the people that will be affected by the legislation in question. I want to talk about Clare. She is a 25-year-old woman living in the electorate of Canberra. She is intelligent, articulate and hardworking. She also happens to have Down syndrome. In an effort to take some of the pressure off her mother, who has health issues of her own, and also because she is a 25-year-old woman who wants her independence, Clare decided to move into a share house with a friend. She has completed skills courses and stays in constant contact with her job agency in the search for additional work. Clare's disability support pension is supplemented by eight hours of paid employment per week. After paying her rent and other weekly expenses, she is left with just \$7 per month. Clare would like to work and earn more, and has the same dreams and aspirations as you and I. Unfortunately, if she manages to increase her paid employment, she could in fact eventually face those penalties and be penalised by the changes to the DSP plans to be introduced by this government.

Now I want to talk about Andrew. Andrew was receiving the disability support pension until he achieved that which most DSP recipients do not: a return to full-time work. Andrew is a bright, qualified and experienced lawyer whose return to the workforce must have been a great source of pride. Unfortunately, the workload and the stress levels exacerbated secondary

health issues associated with his disability, and he was eventually forced to once again step down from that full-time work. It is possible that Andrew will manage to return to full-time work again sometime in the future, and I hope, and he hopes, that he can. It is also possible that, if he returns to work, he will again be forced out of that full-time workforce by his disability or those related health issues to which I have already referred. If that happens, Andrew could potentially be penalised through a tougher work capacity test when he attempts to regain the support of the DSP.

Ten years ago Rachelle was an energetic young chef working between 60 and 80 hours per week when her future plans were cast asunder by MS. The symptoms presented themselves quickly, and she became tired and started having accidents at work. She, too, had to leave full-time work and find an alternative career path while dealing with the emotional and physical effects of MS. Since then Rachelle seems to have coped remarkably well, and I must attribute that to her extraordinarily positive outlook. Rachelle has now managed to find part-time work with a supportive employer. She came to Parliament House earlier this year, and she spoke about her illness, her desire to remain in part-time work and the difficulties the disabled job seekers face, in a far more eloquent manner than paraphrasing could do justice to, so I would like to quote, if I may, part of her story. She said:

... having MS can make getting a job harder. Potential employers don't deliberately practice discrimination because of MS. Rather it is our unpredictability in being able to work that throws out their schedules. Part time work is also a key as people with MS experience fatigue and in many places cannot work full time. In my case, working part time enables me to have a normal life outside of work; my episodes are decreased as the stress and the fatigue are easier to manage ...

She goes on to say:

People with MS want to work. We want to be part of society and valued by society, even if that means a part time role in a completely different capacity to the training and profession that was chosen originally. In my case, cooking. I am lucky in that I have found working on the phones or dealing with people in what I like to call a 'sit down job' is what I like to do.

I can only imagine the amount of courage and strength of character that it must take to face up to a disease like MS, and I am in awe of people like Rachelle.

In 2003, when the coalition was trying to change the DSP work test from 30 to 15 hours, I stood in this place and I read a letter received from Brain Injury Australia. The point made then is still just as valid and worth revisiting. That letter said:

In 1992 a brain injury in the form of a brain haemorrhage nearly ended my life ... I have been fighting ever since ... to get my life back. It has been hard—learning to walk, speak, read and write and all with no memory of my life prior to the haemorrhage. My day-to-day memory is still patchy and I need reminder notes.

It has been a desperately distressing 10 years that is not helped by the attitude of some health professionals and my country's Government. I supported myself all my adult life and I now work part-time, with my income supplemented by the Disability Support Pension. I WANT TO WORK FULL TIME! It makes me very angry when those of us who depend on the DSP are portrayed as either a drain on society or bludgers!

I have a mountain of applications—over 100 in recent years—to testify to my attempts to find full-time work or other part-time work. I have been on the books of a disability employment service for some years. BUT I still have to depend on my pension. In fact, I could not survive solely on the DSP ...



Now, I am treated by parts of the media and people within my country's Government as though I want handouts! In fact it is a very confusing portrayal—on the one hand I should be grateful for the handouts, but at the same time I should feel guilty and should accept punishment for needing help!

I used to be open about my brain injury but learnt it was a mistake. Tell a potential employer and you are out of the office so fast it makes your head spin.

For people newly needing the DSP the situation is much worse—if they can work 15 hours a week they are deemed not worthy of the support of a pension. I presume this means a new neglected group of people to be punished by being condemned to a never-ending poverty trap.

As I said, I referred to that letter back in 2003 during a very similar debate to the one we are having now. The point that the government needs to understand very clearly is that, while it can say that the 700,000 people currently on DSP are not affected, they are not unique in the sense that they are the only ones who will ever be in a similar situation to theirs. These sorts of cases continue to come and these sorts of instances continue to occur. People with a story like that of the young person with the brain injury or people with MS or car accident victims or people with a whole range of issues will continue to present. They will continue to need flexibility in the way that they can exist financially and socially into the future.

The 15 hours a week work test is so limiting. There are so many people out there currently—and there will be more people out there in the future—with a disability or a chronic illness. When they are well they can probably work for more than 30 hours a week, but when they are not well they can barely function. The 15-hours test is so punitive. It is so distressing to those people, and it is actually putting disincentives right in front of them when they consider whether or not they are going to take that risk of going out and working.

All of this talk in the budget papers about how many extra training places have been created gives the impression that they are only for the new people. If they are also for the current 700,000—who deserve no more or less to get a chance to work as well—then that number of places is so inadequate. It is so frustrating that the government cannot see the logic behind this. I implore them to think more about it, because they are dealing with people's lives and they are playing with social decisions that are going to have implications that reach far beyond today.

It just distresses me so much that there seems to be this absolute lack of understanding of what policies are really needed when we are talking about people in our community with disabilities and chronic illness and how we can support them, encourage them and congratulate them when they actually achieve employment. Most of them are in the position where they would wish to do nothing more than to walk in our shoes. What I think every member in this place should consider doing is walking for a day or two in their shoes.

I would like to throw out a challenge—and I throw this challenge to myself as well. I do not currently employ a person with a disability. I should, but I do not. I have had people from the Commonwealth Rehabilitation Service through my office. They have achieved employment as a result, and I am pleased about that. But if we are going to put these demands on everybody out there, the Commonwealth Public Service should also be increasing the number of people with disabilities that it employs—not decreasing the number, as it is currently doing. We should all seriously look at how each one of us could influence the outcomes for this particular situation, let alone preach at others. There may be incentives in this package for employers, but I have barely heard a word from government in respect of its relationship with the

employer base and what sorts of initiatives are going to be taken to remove overt and covert discrimination in the employment area for all people with disabilities. (*Time expired*)

**Ms GAMBARO** (Petrie—Parliamentary Secretary to the Minister for Defence) (12.40 pm)—I rise to speak on Appropriation Bill (No. 5) 2004-2005 and Appropriation Bill (No. 6) 2004-2005. I want to acknowledge the wonderful work that the honourable Treasurer has done in bringing down such a good budget. I particularly want to thank him for what it will mean for the constituents of my electorate of Petrie in Queensland. As their representative, it is pleasing to note that since 1996, when the Howard government was first elected, the debt left by Labor after their years of fiscal neglect and irresponsibility has fallen from \$96 billion to an estimated \$6 billion by the end of this financial year. While this may seem irrelevant to the high-spending, big-taxing people of the Labor Party, it has had a dramatic effect on the everyday lives of people in my electorate with regard to interest rates and the availability of future funding for projects of significance. Without sustainable low interest rates it would be impossible for families to plan for the future or for their individual needs with any degree of certainty and it would be impossible for them to be confident that the exorbitantly high rates of the eighties and nineties will not be revisited upon them.

The budget gives the people of the Redcliffe peninsula, Aspley, Stafford, Bald Hills, Bracken Ridge and all of the suburbs in my electorate an opportunity to save for the future. It creates economic opportunities for those who follow, and it provides for our ageing population—a section of our community that we really should place a huge emphasis on. It is against this background that the government is able to deliver responsible cuts in personal taxation rates. The budget measures will see a fall in the marginal tax rate and, importantly, a substantial rise in the 42 per cent and 47 per cent tax thresholds. This is of great importance to the working constituents in my electorate, who have long complained about bracket creep being a disincentive to them working that bit harder to make life easier for themselves and their families. It is pleasing to note that these tax thresholds will rise further in the following year—another example of how the Howard government plans for the long-term future of Australian families and gives them a secure pathway of financial security in the years to come.

This is indeed a contrast to the cobbled together, rambling, ‘maybe one day in the future; don’t hold us to it’ approach of those opposite. It is sad that the opposition have no real plan for the future other than to return to their favourite strategy of the small-target approach to politics that they have tried unsuccessfully time and time again. Members opposite find themselves being dragged back to these age-old traditions by their recycled leader, who, quite frankly, makes Lazarus look like a newborn. Lowering taxes has long been a goal of mine to assist the people of Petrie, and I am pleased that those workers on low incomes will truly benefit from a cut in the tax rate from 17 per cent to 15 per cent from 1 July this year. Putting more money into the back pockets of people living in my electorate simply translates into local community growth when people have more money to spend on themselves and in the local community.

The people in my electorate realise that the federal government is trying its hardest to reduce income tax levels across the board for the benefit of all people. They are not fooled by the divisive politics of envy—the tool of last resort employed so ineffectively by those on the other side of this House. Why the Labor Party wants to hurt my constituents in Petrie by need-

lessly and pointlessly delaying their tax cuts is well beyond me. The editorial in the *Courier Mail* of Wednesday, 1 June was spot-on when it observed:

Business is the hapless observer in all this—along with the PAYE taxpayer. The former wants to know with certainty how much should be withheld from the pay packets of salaried staff after July 1. And the latter wants to know what the weekly budget will look like next month. There is only one thing holding back the absolute certainty of this—Labor's pig-headed intransigence.

The people of Australia want the tax cuts and they want them from 1 July. As a government we will deliver them without fail, but why the Labor Party wants to punish wage earners by making them wait is one of the great mysteries of this year to me. As the editorial in the *Courier-Mail* of 1 June concluded:

... the Opposition should get out of the way of what is a well-earned tax cut for all wage-earners.

I can only agree with that sentiment. The Australian government has continued to honour its commitment to our families by committing more than \$1.4 billion to the family and community services portfolio. Families in my electorate will benefit from the \$24 a fortnight boost in the family tax benefit part A payment. The lower income threshold for family tax benefit part A will be increased from 1 July 2006 to allow low-income earners to increase their earnings without affecting family assistance payments. I know that these measures will benefit many families. They demonstrate this government's recognition of Australian parents and their contribution to life in this great country of ours.

With a view to the ongoing problems that will present themselves to us in years to come with an ageing population, I am really pleased to see that the Australian government will abolish the superannuation surcharge on contributions and termination payments made or received from 1 July 2005. This move encourages private savings and, of course, enhances investment.

Child care is a big issue in the Petrie electorate and a lot of the people who live there commute very long distances to work on a daily basis. I am pleased that the government's 30 per cent child-care rebate assists them in being able to work either full- or part-time and to provide a better quality of care for their children. It is also a very positive move by this government to provide additional child-care places in this financial year, to the benefit of many Australian families. In fact, over the next four years, more than 84,000 outside school hours places, 1,000 in-home care places and 2,500 family day care places will be created, enabling more parents to have the opportunity to participate to their fullest capabilities in the work force.

Another large percentage of my electorate is made up of more senior Australians, and this government's commitment is to look after those who have contributed to the growth of this country throughout their working lives. An additional \$79 million has been allocated to veterans health services and it will be comforting for many of those in the more senior sections of my community to know that there will be a little bit of extra help for early intervention, care services and carer training. This will greatly improve the quality of life of those unfortunate enough to contract dementia. As our population ages through medical advances, it is a cruel irony that more Australians will contract dementia than ever before. I believe that the improvement in funding for these early intervention programs is not only desirable but absolutely essential. The seniors concession allowance will be extended to more than 44,000 gold card holders who are over veteran pension age and do not already receive the seniors concessions allowance or the twice-yearly utilities allowance.

This non-taxable allowance of \$200 per annum is designed to assist with the cost of such things as council rates and electricity charges and is to be paid in two instalments, in June and December. That is the difference between those on our side of politics and those on the other side of politics: we listen and deliver. I am pleased to note that this allowance is to be indexed twice yearly so that the more vulnerable members of our community are more adequately protected.

The Howard government is also helping to look after the dental health of gold and white card holders in the Petrie electorate by increasing the fee payments made to local dental officers for the provision of these services. From 1 July, this fee increase will be phased in each year for the next four years to a total increase of 13.6 per cent—and this is in addition to the normal indexation process. The coalition government is going to almost triple the annual monetary limit for high-cost dental items, raising it to \$2,000 a year and thereby reducing the amount veteran patients will have to contribute for these services.

I have also received many calls of grateful support from those recipients of the carer payment who will receive a tax-free bonus of \$1,000. Those who get the carer allowance will receive a bonus of \$600. These may sound like modest amounts to the high flyers in our community but for the people on the ground who will benefit from them they are a substantial injection of tax-free dollars to those who need it most—those who, by their act of caring, save the government and taxpayers that amount many times over.

In total, the Australian government will spend \$45 billion on health and aged care in the 2005-06 financial year. It is easy to say that figure; it slips off the tongue really quickly. You can say '45 billion dollars', but to say '45,000 millions of dollars' allows us a greater perspective of how much money that really is. It is this commitment to health across the spectrum that greatly benefits us all. Measures such as increasing the Medicare rebate to 100 per cent of the schedule fee will benefit my electorate greatly and improve the affordability of private health insurance by increasing the rebate for older Australians, and that is very much a welcome move.

The Howard government are committed to helping skill Petrie's work force in the future. We have committed \$20 million to delivering vocational places throughout Australia and an additional \$26 million to create more school based apprenticeships. I am really pleased to say that this will result in fulfilling an election commitment to establish an Australian technical college in the northern Brisbane area, which will be of great benefit to families in my electorate and also neighbouring electorates such as Dickson and Longman. A key component of this college is the leading role that local industry representatives will play in its governance. The north Brisbane technical college will provide students with the ability to undertake a traditional trade school based new apprenticeship, which will lead them to a nationally recognised vocational and technical education qualification at the same time as completing the academic requirements for their year 12 graduation. It will mean that future students living in the Petrie electorate will leave this college with real heart and a real head start to their future working life.

Education looms very largely in this year's budget for Australian families, with over \$3 billion being allocated for state schools and students, or nearly double the figure of 10 years ago. The Investing in our Schools program has been funded to the tune of \$163.3 million in this

year alone to empower state school communities wishing to determine their own funding priorities to apply directly to the Australian government for funding.

I am pleased to say that small businesses in my electorate of Petrie have again been acknowledged as a major contributor to the Australian economy through measures aimed at making them stronger, providing assistance and making them grow to realise their full potential. Many of them will receive the 25 per cent entrepreneurs tax discount, where businesses in the simplified tax system with an annual turnover of \$50,000 or less will be eligible for a discount on their income tax liability in respect of their business incomes. The budget also has measures to ensure that businesses can claim tax relief for a much wider range of expenses that are not normally recognised in taxation law. It is great to see the continuation of the small business mentoring and succession program, which will continue to provide assistance in this very important area.

As part of the 2005-06 budget, the Australian government has honoured its \$280,000 election commitment to improve sporting club facilities in the Petrie electorate. It will enable clubs in my electorate to better provide amenities for their members. I speak in particular of the \$150,000 allocated to the Ridge Hill United Football Club, which will assist this club to construct a clubhouse for the mutual benefit of their membership and the community in general. Filmer Park at Woody Point has also been upgraded through the addition of a second storey to the existing clubhouse facilities. It is only through the continuing strong economic management of the Howard government that it has been possible to make additional funds available to local sporting clubs to improve their facilities. The value to the community of the good work of these sporting bodies, particularly to the younger members of the community, is often underestimated. I want to thank their families and the community, and I know that they will benefit greatly from this funding.

On the subject of younger people in our community, I wish to strongly endorse the allocation of nearly \$22 million in new funding to help our younger people say no to illegal drugs and to provide more treatment and rehabilitation to drug users. As a mother of two teenage children, one of the things that terrify me is the tragic consequence of allowing this problem to go unchecked in the community, with a lack of funding to target it. I am really proud that, since 1996, this government has provided more than a billion dollars in funding for its Tough on Drugs strategy. An additional \$850,000 is being provided in this financial year to be spent on national advertising, public relations activities, booklets, a web site and a telephone information line.

The budget measures I have been able to speak about in the time that has been allocated to me are just some of the many economic moves that are being made by this government that will add to the security of people living in my electorate of Petrie. There are many more aspects of the budget that will impact on my constituents in a positive way. I urge those opposite to disengage from the pointless, time-wasting activity of opposing us for the sake of opposition. I ask Labor to allow us to get on with the business of governing this country for the majority of people in this country. The people in my electorate of Petrie want their tax cuts desperately. They have been promised them, and the best thing that the opposition can do is to get out of the way and join with us in delivering those tax cuts. My constituents definitely do not deserve to be financially punished or made to wait any longer than they need to by the Labor opposition, which seems hell bent on making some kind of political point, regardless of the

damage that it is going to inflict on ordinary Australians. The budget is very worth while. It is a roadmap to the future, and it deserves to be passed by this parliament without needless delay.

**Ms BURKE** (Chisholm) (12.56 pm)—In researching information on the bills before the chamber today, I came across a very interesting effect in social terms that I had not seen written out before as an actual policy. It is known as the Robin Hood effect, where wealth is distributed from the wealthy to the poor to ensure that we have an equitable society. Sadly, the Appropriation Bill (No. 1) 2005-2006 and related bills—which are the enactment of this year's budget—are a complete reversal of this Robin Hood effect. This budget will not help the poor in our society; it will help the wealthy.

I joined parliament because I believed we could make a change to our society and that we were here to represent those who were the most downtrodden, the most poor, the most oppressed. That was why we all came here, I thought: to do better for those who cannot do it for themselves. But not this government; this government is here for the wealthy. It is here to punish the poor. This budget is such an indication of that that it is shocking.

The Treasurer has conspired to take money from the poorest of the poor and give it to the wealthy by way of massive tax cuts. Those on the other side will argue that the 'economic miracle' of the Howard-Costello government—you do not hear the phrase 'Howard-Costello government' much now; you do not hear sentences being rounded off with it anymore—has produced such an abundance of riches that there are plenty to splash around. If that is so, why hasn't this budget in any way, shape, size or form addressed the issue of services? I am really quite fascinated that this time we have not heard much from the talkback callers about how the government have gone for tax cuts rather than services. There are still issues with our hospitals, we certainly have a crisis in higher education and we have issues in our schools; but the government have not done anything in this budget in respect of services. They certainly also have not done anything in this budget in respect of infrastructure spending.

If the government are awash with cash, they could have done things as well as give tax cuts. They could have done things where they were not penalising the most marginal in our society—those on sole parent incomes and those on disability support pensions. This is not a budget of reform, a word that is much misused in our parliament. 'Reform' means 'to make or become better, to abolish or cure'. I do not see much in the government's announcements that will make a lot of sole parents and those on disability support pensions better. I do not see in any way, shape, size or form measures in this budget that will make their lot better; rather, the budget will make it a lot harder.

Not only are the government putting in place punitive measures to strip them of their meagre benefits; they are not even giving them the support they need to assist them from welfare into work. Nobody in this place argues with the idea that the best thing you can give somebody is a job. We would all be in support of that. However, I do not understand how you can say to a disability support pensioner, 'You've got to go and get a job or we're going to cut your benefits,' while, at the same time, defunding and undercutting the very essence of the support services that are out there and that are meant to be aiding them and assisting them.

You have to ask yourself: why do governments and some people seem to accept that, in order to work harder, the rich need more money while the poor need more penalties? This budget speaks volumes about that. It is continually saying that the rich need more money in

order to work harder but the poor need penalties in order to work harder. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

#### ADJOURNMENT

**Mrs Gash** (Gilmore) (1.00 pm)—I move:

That the House do now adjourn.

#### Nursing Homes: People with Disabilities

**Mr QUICK** (Franklin) (1.00 pm)—Today I would like to raise an issue that causes me and, I would imagine, all members in this place great concern. It is the issue of the number of young people with disabilities who are residing in nursing homes. They are residing there because they have no other option when it comes to finding other housing and care alternatives. These are the forgotten people—not forgotten by their frustrated families but out of sight and out of mind from both the state and federal government agencies that should be caring for their needs. These young people—and I use the word ‘young’ advisedly, because they are a lot younger than I am—have a variety of medical problems ranging from acquired brain injury to progressive illnesses like multiple sclerosis. Many of these people are 40 or more years younger than the average nursing home clients they are forced to share their existence with. These are people who miss going to the footy, people who want to watch the matches on TV on Friday night, Saturday arvo and again on Sunday. They miss their mates and their families and want to share a cold beer or two with them. Under the current structure and ethos of nursing homes and hostels—good though it is—and even with the best nursing staff, these people are being discriminated against.

The diversional therapists in many cases are flat out dealing with the needs of their older client base and unable to provide anything like what is required by these much younger and needier clients. As usual, it is a case of: whose fault is it? Whose jurisdictional responsibility is it? Should the Commonwealth have sole responsibility or should the state government, through its housing department, find the money to come up with imaginative and client needs based options and remove these people from this totally inappropriate setting?

It is hard to believe that there are close to 50 Tasmanians with multiple sclerosis who are forced into living in totally inappropriate aged care facilities. I want to read into *Hansard* today just one example of what I am talking about. The Hobart *Mercury* newspaper this week highlighted the case of Hobart’s Peter Giomataris, 44, who was diagnosed with multiple sclerosis 10 years ago. He is one of over 400 Tasmanians with MS. The article says:

Mr Giomataris ... went from seven-day weeks in his own business to total dependence on others for the most basic tasks.

The severity of his MS and the deterioration led doctors to advise he live in a nursing home.

He moved into a Hobart home more than two years ago and also spends long periods at the Royal Hobart Hospital.

Wife Libby said while the move was a painful decision, they couldn’t see an alternative.

I repeat that: his wife Libby said that, while the move was a painful decision, they could not see an alternative. She is quoted as saying:

“All the nursing homes really cater for are people 80-plus. All he really can do is watch television. Most of the time he sits in the courtyard and there’s not really anything to look at.”

This is a guy who is 44 years of age. The article continues:

Mrs Giomataris was loath to be critical of the home but it was clear she felt if she wasn’t there regularly to push her husband’s case, he would be far worse off.

This is an appalling situation that must be addressed immediately not only for Mr Giomataris and his family but also for the thousands of other families who have relatives with disabilities who are inappropriately housed in nursing homes. Just imagine if it were you or I or one of our children. This shameless situation must be addressed and I urge all members in this House to visit their nursing homes in their break to see first hand just how many people are in the same situation as Mr Giomataris.

### **Phillip Island**

**Mr HUNT** (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (1.05 pm)—I want to use today as an opportunity to release a five-point conservation and environmental education plan for Phillip Island. The first point, in protecting the heritage, the environment and the coast of Phillip Island, is that we need to focus more on the issue of water reuse and coast care. To that effect, I recently met with Mr Mike Paine, the extremely competent and forward-thinking CEO of Westernport Water, and talked about the way in which Westernport Water could be involved in the recycling of water—whether for golf courses, for agricultural use or for industrial use—which is currently waste that is discharged at the outfall at Pyramid Rock.

To date the Commonwealth has provided over \$200,000 to Westernport Water, to assist with water recycling, but what I want to do is to encourage Mike Paine and other members of the Phillip Island community to look at ways in which they can benefit from the Australian water fund and in particular the community water grants of up to \$50,000 for encouraging water recycling programs. Perhaps Westernport Water could go further and seek significant infrastructure funding as a lead Victorian project under the water infrastructure component of the Australian water fund.

The second thing I wish to do is to talk about land care. Land care on Phillip Island, an area with wonderful natural beauty and an extraordinary array of indigenous flora and fauna, is a very important element going forwards. To that extent there are three elements to what we must do in relation to land care. Firstly, there is the process of native revegetation. Secondly, there is fencing—making sure we fence in appropriate places. Thirdly, there is education and assistance for land-holders. To that effect, I am delighted that we were recently able to announce a grant of \$228,500 to Bass Valley Landcare to work not just on Phillip Island, with Phillip Island Landcare, but on Bass Coast as well. Those two organisations together will play a critical role in helping with the care and maintenance of land care on Phillip Island.

The third element of the plan I am talking about today relates to dealing with the Phillip Island Nature Park, an organisation that does a tremendous job. I am currently working with Mark Manteit, the chief executive officer of the park, about ways in which the Commonwealth can assist in their koala conservation program. So we are assisting in the protection of indigenous fauna.



The fourth element, which also relates to the Phillip Island Nature Park, is the future use of Seal Rocks. Obviously the way that area was treated by the state of Victoria—having brought the project to a complete halt, the state failed for three years to demolish it or to provide a constructive use for it—was a disaster. Now we move forward, given that the state has turned the area of Seal Rocks over to the Phillip Island Nature Park. I will be meeting with the nature park, and in particular Mr Manteit, and my view is that this should not be just some small commercial area but a source of marine education. An ideal outcome for Seal Rocks, given that the state has made the decision not to demolish the buildings there but to have them used, would be to have that area used for marine education and, in particular, to tie it in as part of a network of organisations ringing Westernport. You could have, firstly, the Point Nepean marine education facility, which will be managed by the Australian Maritime College; secondly, the Dolphin Research Institute at Hastings; thirdly, the Tooradin Marine Life Centre, which is currently being developed by the City of Casey; and, fourthly, Seal Rocks at Phillip Island, which could be a wonderful place for genuine marine education, in cooperation with all these organisations. So we would have a cooperative Westernport and Victorian marine education program.

The last and fifth element of the plan I am talking about today is the area of Summerlands, which borders both Seal Rocks and the penguin conservation areas. Summerlands has for too long been a football. The state must make up its mind to either let the residents stay and improve their houses or offer them just compensation. To leave them in a halfway house is no good for the environment and it is unfair on the Summerlands residents and on the residents of Phillip Island more generally.

#### **Robert Kennedy Jnr**

**Mr DANBY** (Melbourne Ports) (1.10 pm)—Robert Kennedy Jnr, the son of the late Senator Robert F Kennedy and nephew of the great US President, John Fitzgerald Kennedy, inspired 800 people at a JNF dinner last Sunday at the Carlton Crest Hotel. Robert Kennedy Jnr is the Chief Attorney for the Riverkeepers, an environmental group which began in New York and which has now spread to many countries, including Australia. In the presence of Dr Miriam Haran, the Director-General of the Israeli Environment Department, Victorian Deputy Premier John Thwaites announced an agreement with Dr Haran to exchange information on the environmental problems of the Yarra and the Yarkon rivers. The Yarkon flows through Tel Aviv and has significant pollution problems similar to those of the Yarra. This was made tragically evident by the Maccabiah Games disaster in 1997, where four young Australians, members of Australia's team, died after a bridge over the river collapsed and they were exposed to its toxic pollutants. This sad event was responded to positively by JNF leaders like Lisa Borowick, Joe Krycer and Tom Borsky, in their great efforts to rehabilitate the Yarkon.

Robert Kennedy Jnr is known as 'the man who saved the Hudson'. The Hudson River flows through New York City and used to have a reputation as one of the most polluted rivers in the world. The Riverkeepers were founded by Hudson River residents and fishermen who wanted to reclaim the river from polluters. They hired Robert Kennedy, and he has achieved amazing legal victories over polluters, winning damages worth millions of dollars for local communities, helping to pay for the clean-up of the Hudson.

He made it clear in his remarks that there is no contradiction between the kind of capitalist, or mixed, economy we have now and environmentalism. In his remarks, he said:

There's no stronger advocate for free market capitalism than myself. I believe the free market is the most efficient and democratic way to distribute the goods of the land. It would be also the best thing that could happen to the environment if we had true market capitalism, because the free market encourages efficiency, and efficiency means the elimination of waste, and pollution of course is waste. And the free market would also encourage us to properly value our natural resources. The undervaluation of those resources causes us to use them wastefully. In a true free market economy, you can't make yourself rich without making your neighbours rich and without enriching your community. What polluters do is that they make themselves rich by making everybody else poor. They raise standards of living for themselves by lowering the quality of life for everybody else. You show me a polluter, I'll show you a subsidy. I'll show you a fat cat using political clout to escape the discipline of the free market and force the public to pay his production costs. That's what pollution is: corporations are externalising machines; they're constantly figuring out how to externalise the cost for somebody else to pay their production costs. And one of the best ways to do that is through pollution, a way of shifting costs to the public.

I cannot think of a better way of expressing the ability of our current economy and environment policy to cooperate together than those remarks. Kennedy went on to describe what has happened to the environment in countries like the former Soviet Union, where there is no political democracy and no free market and where, as a result, so many lakes and rivers are biologically dead, ruining communities who depend on those waterways for their livelihood.

The kind of environmental activism that Kennedy says strengthens our mixed economy is also more responsive to the needs of the people. This is a very radical philosophy in its own way, but it is quite different from the kind of radicalism espoused by our own deep Greens, who seem to have a nostalgia for 1970s anticapitalism as a way of solving all environmental problems. It is one thing to track down corporate polluters and make them pay the costs of their environmental damage; it is quite another to spend one's time engaging in mindless and reactionary antiglobalisation demonstrations which achieve nothing for the environment. This kind of movement, in my view, is not a genuine environmental movement. It is an antidemocratic and irrational movement which only serves to discredit genuine environmentalism. It is a pity that none of our local Greens got to hear Robert Kennedy Jnr's inspiring speech last week; it would have given them a few things to think about. With the permission of the government, I seek leave to table Mr Kennedy's brilliant speech.

#### **Anzac Day**

##### **Kangaroo Valley Public School**

**Mrs GASH** (Gilmore) (1.14 pm)—As a prelude to last Anzac Day, the pupils of Kangaroo Valley Public School wrote essays on the theme 'We will remember them'. Each Anzac Day in towns and villages right across Australia we see more and more of our young people joining in the ceremonies celebrating the legend of Anzac, something which was instrumental in creating for us our proud heritage. It is important that we do remember them—those who have fought for us—and the most appropriate way is for the story to be passed on to successive generations.

I would like to read onto the record excerpts from some of the essays that were given me. Laura Kent is a year 4 student, and she wrote:

We should lay flowers down on their memorials and give them some of our time because they gave us years of their time—so we will remember them.

Declan Moore wrote:

We should commemorate Anzac Day by marching down the street with pride.

I, Declan Moore, do this every year with more than pride and honour but memory of the soldiers that died—I wasn't alive then but our class saw the movie about the Anzacs.

Year 3 pupil Max Warren talked about Lone Pine, which he said:

... was called that because the Turkish cut down all the trees for rooves of the trenches, except for one.

4000 Turks died and 2700 Anzacs died in that battle.

At the battle of the Nek, wave after wave of Anzacs got shot.

At the end together, the Anzacs and Turks buried their dead.

Rebekah Radic of year 5 took a different perspective. She wrote about the home front and the diaries of one woman who kept the home fires burning. She wrote:

A strange man in a black suit came and knocked on our door.

My mother opened it and said; Can I help you?

He answered, "Here is a note from the Kokoda Trail."

My mother sat down and read the letter.

She re-read it about three times.

Finally she turned to me and said, "Your father died in action".

I was shocked. I had no hope now.

I missed him dearly but now I don't know. I ran out and cried.

Rory of year 3 wrote about Gallipoli and was moved enough to write:

When I grow up I'll do anything to stop war.

Maisie Cohen of year 6 took a philosophical view by asking:

... why do we have wars against different cultures?

Many people who went to war thought that it would be an adventure, a journey to becoming a real man.

But really, how would they become a man if they didn't make it back alive?

Jacob Radic is in year 1, and his submission is in the form of a certificate. He, too, wrote about Gallipoli:

Some of the Australians did not get shot so they were lucky.

Many of them came home without legs or arms.

Haydn Martin, in year 2, did something similar. Haydn chose to quote an extract from a soldier's diary:

I had to dodge the bullets and it was hard.

I had to dig. They found me. Oh no!

My gun didn't work and the Turks were shooting their machine guns.

Year 6 pupil Kari Mather was awarded first prize for her contribution. After writing about the experiences of a young girl during war time, Kari finished with a statement of her own:

I wish we didn't have war.

It's supposed to solve problems but it doesn't.

It just makes the problems worse.

Campbell Harvey was another to make a contribution. He is in year 5, and his essay is a story tinged with imagination. I found it a very good read, and he obviously put a lot of effort into it.

These young children's stories are part of the passage of life. They are just beginning to appreciate what war is all about. Hopefully they will never have to face the full horrors of war in their lifetimes, but if they do they need to be spiritually ready to confront that challenge. It is our duty to ensure they are prepared. I congratulate the Kangaroo Valley Public School for organising these essays about Gallipoli. I was very impressed with the number of submissions that were presented by the school.

#### **Pharmaceutical Benefits Scheme**

**Mr GEORGANAS** (Hindmarsh) (1.18 pm)—I rise to speak on an issue which is of particular importance to the people who live in the electorate of Hindmarsh. Many of the people in the western metropolitan area of Adelaide are pensioners. About 20 per cent of them are 65 or over, and so it is not surprising that they depend a great deal on the PBS and on PBS concessions. I have had quite a few letters from people who explain that they have cut back their medications because they cannot afford to take all of the medicine that they have been diagnosed as needing. They go to their GP and say, 'Which one of these do I absolutely have to take, because I can't afford the rest of them?' Instead of responding to that, this government has cut \$1.3 billion from the PBS. People will now have to pay for an additional two prescriptions each year from their own pockets before the safety net kicks in. As well, scripts resupplied within 20 days will not count toward the PBS safety net. This measure comes from a government that last year claimed, through the Minister for Health and Ageing, that the 'government does not believe in cutting health spending'.

In addition, the Howard government has cut back on a crucial health prevention measure by taking calcium tablets off the PBS so that it can save \$35.9 million over four years. Those who got calcium on the PBS will now have to pay around \$13 a bottle instead of the \$4.60 it cost under the PBS. Given the cost of osteoporosis in Australia, this measure is at best short-sighted. Osteoporosis costs Australia \$1.9 billion each year in health costs and another \$5.6 billion in indirect costs. Savings of less than \$9 million a year look pretty measly next to those figures. For the elderly, a fall is often the beginning of the end. As an example, about 20 per cent of elderly people who suffer a hip fracture die in the first 12 months after that event.

But it is not just the elderly who are at risk of osteoporosis. Cancer survivors, people with kidney conditions and people who have been on corticosteroids for a long time to treat conditions like asthma, allergies and rheumatoid arthritis also need calcium tablets. The PBS concession buys less than it did a few years ago, leading people to cut back on their scripts. I would like to read to you part of an email I received from a constituent on a disability services pension who receives a pharmaceutical allowance of \$5.80 per fortnight. She said:

I do not have a problem with paying something towards my medication ... when co-payments were first brought in the pharmaceutical allowance was enough for two scripts, back then \$2.60 each. The amount we pay as a co-payment has kept increasing ... so now you can just get one script per fortnight ... and decide which one is most important.

It currently costs a pensioner \$239.20 a year for 52 scripts before the safety net comes into effect. Next year it will cost them \$248.40, in 2007 it will be \$257.60 and by 2011 it will be almost \$300 a year, assuming this government does not increase the co-payments again. After

the Medicare safety net issue, and given the government's attitude on health funding, I do not feel at all confident of that.

I would also like to mention the effect of the PBS on pharmacists. It is estimated by the government that there will be a 29 per cent increase in the number of prescriptions under the PBS over the period of the next five-year agreement. Far from being a windfall for pharmacists, this represents an increase in workload along with an increase in costs such as wages and rent. There has been the curious comment that pharmacists enjoy a generous mark-up on PBS medications. I do not know what is meant by the government when it says 'generous', but I do know that the 10 per cent mark-up which usually applies is very modest by retail standards. In some cases, the mark-up is as little as four per cent. Pharmacists also hold stock which is expensive, has a limited shelf life and is rarely needed but which could make all the difference in an emergency.

Community pharmacists who carefully advise patients of the possible side-effects of their medication and how to correctly take it are a vital part of an effective health system. The Pharmacy Guild of Australia points out that Australia has half the rate of hospital admissions from medicine misuse as the United States, where 42 per cent of people receive some information about their medication. To say that pharmacies make some sort of remarkable profit out of the PBS ignores the fact that in the past 12 months 20 pharmacies around Australia have gone into receivership or have closed. The Pharmacy Guild estimates that any further pressure on pharmacies will put between 20 and 30 per cent of pharmacies around the country at risk. I have about 34 community pharmacies in the electorate of Hindmarsh, so, assuming that scenario was played out evenly across Australia, between seven and 11 of those pharmacies in the electorate could be faced with closure.

In a country that can afford \$21.7 billion in tax cuts and have \$9 billion to spare, it is amazing that basic health care for people who are struggling to make ends meet is not a priority. It is affordable for this country to provide a cost-effective PBS system which meets the needs of Australians but we are not doing it, and I do not know how to turn to the people in the electorate of Hindmarsh and explain why on earth that is the case.

### **Drought**

**Dr STONE** (Murray—Parliamentary Secretary to the Minister for Finance and Administration) (1.22 pm)—We all know that much of Australia is experiencing the worst drought on record. The John Howard government has responded magnificently to the problem with an announcement on Monday of increased exceptional circumstances support to keep food on the table for the affected families. Australia is no stranger to climate and season variability, but in recent times our scientists have confirmed that climate change is evident in higher minimum temperatures and lower rainfall and snowfalls in some areas. These changes are likely to make life on the land even more challenging in the future as primary producers work to produce food or fibre.

At the same time as farmers fight to maintain the productive values of their soils and water, they unwittingly or very consciously produce ecosystem or environmental services for all of us. These environmental services may include the protection or creation of habitat for endangered flora or fauna; the protection of ground and surface water quality and quantity; protection against the exposure of acid sulfate soils; the destruction of feral animals and weeds which endanger native species; and the protection of the soil from nutrient depletion or ero-

sion, protection which not only sustains the vegetation but also guards against the silting up of water supplies and wetlands and reduces airborne dust. Then there is the protection or replacement of vegetation which creates carbon sinks; the proper management of fire so that native ecosystems are protected, along with air quality and a reduction of greenhouse emissions; and the protection of natural pollination services through the management of flowering vegetation, feral insects and chemical use. These are just some of the ecosystem or environmental services which efficient land managers create or sustain or, on the flip side, which they cannot sustain or even may destroy if they do not have the funds or the capacity to do the active management that these ecosystems require to remain healthy.

Primary producers do not always earn sufficient from their food and fibre production to cross-subsidise their ecosystem service management. They are the unsubsidised price takers in the export markets where the competition is usually heavily subsidised and the competitor's product is often dumped. Or they have to compete in the domestic markets in Australia where the duopoly who dominate the retail food and beverage markets often squeeze the prices of suppliers to at or near the costs of production, or suddenly cancel future contracts for well-known company brands—for example, Murray Goulburn's Devondale cheeses—because they can make far more out of their no-name or home brands when their ingredients are tendered out to the lowest possible domestic or import supplier.

Life can be very precarious for the man or woman on the land. However, someone has to pay for the management of the ecosystem services which underpin the wellbeing of our society—indeed, its very survival. We cannot continue to expect some of the poorest paid, the price takers, the least powerful in the value chain, to do this ecosystem service work which may not deliver immediate and direct benefit to them but rather to those down-basin or on the seaboard or in the cities—or maybe to the next generation.

I am proposing that we change the paradigm so that society recognises that primary producers not only create food and fibre but also produce ecosystem services essential for life. Along with this recognition would come a transfer of payment from taxpayer revenue to those who have competed through a tender process to do the eco-system work specified, for the time agreed, on the parts of their properties which produce the specified ecosystem services. We have numerous sources of information about where in the landscape the priorities are for protecting or enhancing the different environmental or ecosystem services. The NHT mark 2 has produced in each region vegetation, water, biodiversity and other assessments and plans. The National Salinity Action Plan has funded salinity mapping across areas in Australia that are affected. The CSIRO and others have mapped the biodiversity hotspots. We have an enormous amount of detail about vegetation extent and needs from our greenhouse emissions work. We know where the vegetation sinks need to be.

A national ecosystems services unit working with the states could identify the priorities in the landscape where we need to introduce the first tenders for the ecosystem services management on properties across Australia. This is an important paradigm shift in understanding how we are to sustain our society as we want it in this country. We must take action now.

#### **Newcastle Electorate: Industrial Action**

**Ms GRIERSON** (Newcastle) (1.27 pm)—I wish to draw the attention of the House to an industrial relations dispute happening in my region that I think illustrates why the government's industrial relations reform agenda will not work. The dispute is between Boeing and its

mechanical engineers. They work in the vital aerospace industry, maintaining the FA18 fighter jets, and they will be essential to the Joint Strike Fighter project which will be based at Williamtown air base.

Sixty-seven mechanical engineers are working there. Forty-three of those mechanical engineers approached the AWU for a collective agreement. They are under individual agreements which they find absolutely unsatisfactory. These mechanical engineers are mostly ex-RAAF members, many of whom have never been in a union. But they know that their individual agreements are not gaining productivity, that they are not gaining fairness and equity, and that they certainly are not being rewarded for their very high skills and their genuine commitment to this country. During this dispute they have given an undertaking that, should there be any national security risk, they will maintain the jets free of charge—at any time, 24 hours a day. All they want is the right to collectively bargain for agreements that recognise their skills and the contribution they make.

The region itself has invested in the aerospace industry. The stand-out labs that have been put into our TAFE facilities are state of the art and the best in the country, as I am told by envious other states. The commitment to the region from Hunter Net, the cluster industry of manufacturers, has been outstanding. This is a region that supports the aerospace industry. I call on the management of Boeing to negotiate correctly with these skilled men so that we do not lose and we do not compromise the aerospace industry that is so vital to the future of the Hunter region.

**Main Committee adjourned at 1.29 pm**

## QUESTIONS IN WRITING

### Maritime Transport Security

#### (Question No. 377)

**Mr Danby** asked the Minister for Transport and Regional Services, in writing, on 9 December 2004:

- (1) For each of the last ten years, (a) how many tonnes of ammonia nitrate were carried around the Australian coast by single-voyage permit ships, (b) what was the (i) name, and (ii) country of origin of each ship that carried ammonia nitrate, (c) which ships that carried ammonia nitrate were granted unrestricted access to Australian ports, and (d) does his department or any other agency have a record of the crew on each ship that carried ammonia nitrate; if so, what was the (i) name, (ii) nationality, and (iii) security status of each crew member.
- (2) What security measures were employed for handling ammonia nitrate on these ships and what assurances can he give about their integrity.
- (3) Can he say how Australian security measures for single-voyage permit ships carrying ammonia nitrate compare with those in other Western countries, such as the United States of America.
- (4) Is he aware that only 2,300 tonnes of ammonia nitrate caused untold destruction in the Port of Texas City in New Mexico and 145 people died.
- (5) Does he intend to review current security arrangements to ensure the safety of Australian ports.

**Mr Anderson**—The answer to the honourable member's question is as follows:

- (1) (a) and (b) The tabulation below is abstracted from the available electronic data and covers the years from 2000 onwards to 6 December 2004. The extraction of data for earlier years would require considerable resources which I am not prepared to commit.

Year	Tonnes	Ships and nationality (flag)
2004	11,780	<i>CEC Fantasy</i> (Bahamas), <i>CEC Leader</i> (Bahamas), <i>Etyl Danielsen</i> (Bahamas), <i>Socol 2</i> (Malta), <i>Edisongracht</i> (Netherlands).
2003	17,480	<i>Alblasgracht</i> (Netherlands), <i>Atlasgracht</i> (Netherlands), <i>CEC Fantasy</i> (Bahamas), <i>Elandsgracht</i> (Netherlands), <i>Lemmergracht</i> (Netherlands).
2002	4,500	<i>Egelantiersgracht</i> (Netherlands), <i>Atlasgracht</i> (Netherlands).
2001	4,450	<i>CEC Fantasy</i> (Bahamas), <i>Coral Trader</i> (Bahamas).
2000	19,400	<i>CEC Fantasy</i> (Bahamas), <i>Leliegracht</i> (Netherlands), <i>Levantgracht</i> (Netherlands), <i>Parksgracht</i> (Netherlands).

- (c) In addition to the security-specific regulation, all ships seeking to enter an Australian port, including those carrying ammonium nitrate referred to under (2) below, are subject to Australia's system of Port State Control. Under this system, Australia, as Port State, undertakes risk assessments and can impose, where required, measures to ensure the ship meets Australia's requirements with respect to a range of matters including safety and security.
  - (d) The Australian Customs Service records the identity of all crew entering Australia from a port overseas, and maintains records on its database. Thus foreign crew engaged on single-voyage permit vessels would be recorded in that database. Privacy considerations preclude the provision of the specific information requested.
- (2) Following implementation of the Maritime Transport Security Act 2003, every ship seeking entry to Australia is subject to a comprehensive risk assessment, regardless of the flag it flies. The risk assessment takes all relevant factors into account, including all information about the ship, its crew,

## QUESTIONS IN WRITING



and its cargo. Security measures are implemented to address identified risks. These risk assessments are taken into account when issuing single voyage permits.

In addition to the security regime implemented under the Maritime Transport Security Act 2003, every ship carrying ammonium nitrate in Australian waters is subject to a rigorous regulatory regime under the Navigation Act 1912. This regime implements the requirements of the International Maritime Organization's International Maritime Dangerous Goods Code and the Code of Safe Practice for Solid Bulk Cargoes.

Our preventive security regime is not built around the flag that the ship flies but around a comprehensive risk assessment process.

- (3) Australia's regulatory framework for carriage of ammonium nitrate, together with our preventive security framework for maritime transport, have been recognised as being among the world's best.
- (4) Yes. Shipping of ammonium nitrate is now regulated internationally by the International Maritime Organization, and Australia is fully compliant with the international regulatory regime. Among other things, the regime prohibits the storage of ammonium nitrate with other volatile products, as had occurred on the Grandcamp.
- (5) The Government recently undertook a comprehensive assessment of Australia's maritime security framework, including of its ports. The Government continues to review its security settings to ensure that they are adequate to address the level of threat faced by the maritime sector.

#### **Abortion**

#### **(Question No. 534)**

**Mr Murphy** asked the Minister for Health and Ageing, in writing, on 9 February 2005:

- (1) Further to the answer to question No. 39, can he confirm that it is possible for services performed under item nos 16525, 35639, 35640 and 35643 in the General Medical Services Table to include the performance of procedures intended, and intended only, to cause an abortion.
- (2) Can he alter the description of item nos 16525, 35639, 35640 and 35643 by regulation to require that services under those items are not performed solely for the purpose of causing an abortion and to provide a new item to specifically cover services performed to cause an abortion while ensuring the privacy of the patient; if so, would the changes eventually establish an authoritative information base on the number of abortions performed in Australia.
- (3) Will he require his department to develop initiatives to provide additional practical support to pregnant women who would otherwise choose an abortion; if so, what are the details; if not, why not.

**Mr Abbott**—The answer to the honourable member's question is as follows:

- (1) Services performed under Medicare items 16525 and 35643 can include, but are not exclusive to, abortion procedures. Items 35639 and 35640 provide for curettage of the uterus for reasons other than abortion, including treatment for incomplete miscarriage.
- (2) Technically, the item descriptions for items 16525, 35639, 35640 and 35643 could be altered by regulation to specifically preclude abortion and a new item introduced to exclusively cover this procedure. This could provide an authoritative information base for privately billed services against Medicare. However, it would not include those services provided through the public hospital system or other public clinics. In addition, the risk would be that in order to protect their privacy, some women may choose not to submit a claim to Medicare.
- (3) A range of organisations are already funded to provide support for sexual health and family planning.

In 2004-05 the Australian Government has committed to provide funding of \$16.78 million to a range of sexual and reproductive health services under the Family Planning Program. This comprises \$15.4 million through the Public Health Outcome Funding Agreements (PHOFAs) between the Commonwealth and individual states and territories and \$1.378 million to non-government organisations.

The objective of the Family Planning Program is to provide a balanced approach to differing family planning service models, aimed at promoting responsible sexual and reproductive behaviours, rather than focussing on one particular strategy or program. This aims to increase choices for women who wish to seek advice from different perspectives.

Prior to 2004-05, the Australian Government funded six state and territory-based family planning organisations directly, and only two through the PHOFAs. During 2004-05, all jurisdictions will receive funding for family planning through the PHOFAs.

In regard to non-government organisations, funding is provided to:

- Sexual Health and Family Planning Australia Inc (SHFPA) - a national peak body for the Family Planning Organisations. SHFPA provides the Australian Government and Family Planning Organisations with information and advice on current and future trends affecting sexual and reproductive health.

- The Australian Episcopal Conference of the Roman Catholic Church (AECRCC) - provides vocational training and education to health and other professionals as well as sexual and reproductive health and education services to high need population groups. They also provide information about natural family planning methods.

Working Women's Health (WWH) - a Melbourne-based organisation which provides culturally appropriate sexual and reproductive health training to bilingual community and health educators as well as sexual and reproductive education services in the workplace to newly arrived or isolated women from diverse cultures.

- The Australian Federation of Pregnancy Support Services (AFPSS) - provides support for women experiencing difficulties with pregnancy. AFPSS also provides sexual health counselling services for women requiring support for an unplanned pregnancy, vocational training and education for counsellors in pregnancy support services and community outreach for high need population groups. The AFPSS provides information on the range of options available in relation to unplanned pregnancy.

- The following table identifies the funds provided to each of the above organisations in 2004-05.

Funding to non-government organisations under the Family Planning Program, 2004-2005 (estimated)

Non-Government Organisations	2004-05
Sexual Health and Family Planning Australia	\$100,165
Working Women's Health	\$113,867
Australian Episcopal Conference of the Roman Catholic Church	\$918,826
Australian Federation of Pregnancy Support Services	\$245,580
TOTAL (GST exclusive)	\$1,378,438

### **Family Planning Organisations**

**(Question No. 909)**

**Mr Murphy** asked the Minister for Health and Ageing, in writing, on 17 March 2005:

- (1) Can he confirm that the allocation for 2004-2005 for the various state and territory Public Health Outcome Funding Agreements is \$15.4 million.
- (2) Which Family Planning Organisations (FPOs) will be recipients of this funding.
- (3) What are the reporting requirements and performance indicators relating to family and reproductive health specified in the agreements.
- (4) Is one of the clinical services provided by the FPOs the provision of 'consultations counselling and provision of contraceptives'; if so, which contraceptives do the FPOs recommend.
- (5) Do the FPO's provide community education programs focussing on informing the community about (a) reproduction, (b) contraceptive methods, and (c) relationships and self esteem; if so, what are the details.
- (6) Which Commonwealth funded FPOs provide advice and counseling on (a) abstinence of sex outside of marriage as a preferred lifestyle choice, (b) alternatives to all forms of abortion, including physical and chemical abortion, including adoption and single parent child rearing, and (c) the high risks associated with sexually transmitted diseases irrespective of use of 'safe sex' practices; if no FPOs provide these services, why not.
- (7) Will he act to ensure that FPOs only receive Commonwealth funding on the condition that they provide the advice and counselling in part (6); if not, why not.
- (8) What advice and counselling services do FPOs provide to prevent and reduce the high incidence of abortion in Australia; if no advice and counselling services are provided, why not.

**Mr Abbott**—The answer to the honourable member's question is as follows:

- (1) The allocation for 2004-05 for all the State and Territory Public Health Outcome Funding Agreements (PHOFAs) is some \$152.4 million.

In 2004-05 the Australian Government has committed to provide funding of \$16.78 million to a range of sexual and reproductive health services. This comprises \$15.4 million through the PHOFAs between the Commonwealth and individual states and territories and \$1.378 million to non-government organisations.

The Australian Government decided on 29 March 2004 that funding for all Family Planning Organisations would be incorporated within the PHOFAs for the period 2004-05 to 2008-09. All states and territories have now signed the new agreements. The level of funding allocated by the state or territory government for this purpose can not be disaggregated. However, funding provided to support Family Planning Organisations by states and territories is expected to be at levels similar to the previous year.

- (2) The following Family Planning Organisations are now funded under the PHOFAs.

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Family Planning Organisations

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FPA Health (NSW)

Family Planning Victoria

Family Planning Queensland

Family Planning Western Australia

Family Planning Tasmania

Family Planning Welfare Northern Territory

Sexual Health and Family Planning ACT

Sexual Health Information, Networking and Education (SHINE) (Formerly known as Family Planning South Australia)

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- (3) The generic reporting requirements for the PHOFAs (2004-09) on sexual and reproductive health are: 1) State/territory to report on the delivery and key results of PHOFA funded activities relating

to the provision of nationally recognised or accredited specialist education and training on sexual health and reproductive health, including clinical training and practicums; 2) State/territory to report on the delivery and key results of PHOFA funded health promotion/education activities to communities and consumers with a focus on sexual and reproductive health; and 3) State/territory to report on PHOFA funded occasions of service for sexual and reproductive health, including counselling and advice on the full range of options. Options include, for example, pregnancy support, advice on the viability of single parenthood and adoption.

- (4) Yes. The Family Planning Organisations provide independent counselling and advice on all forms of contraception.
- (5) (a) (b) and (c) Yes. The Family Planning Organisations provide health promotion/education programs to the community and consumers on sexual and reproductive health. The organisations are expected to provide a balanced approach to differing family planning service models, aimed at promoting responsible sexual and reproductive behaviours, rather than focusing on one particular strategy or program.
- (6) (a) (b) and (c) Family Planning Organisations should aim to provide a balanced approach to differing family planning service models, aimed at promoting responsible sexual and reproductive behaviours, rather than focusing on one particular strategy or program. This aims to increase choices for women who wish to seek advice from different perspectives.

This includes assisting women to review options available to them in the light of their own circumstances and assisting and referring them for support when they wish to avoid abortion.

The Family Planning Organisations, funded by the Australian Government through the PHOFAs are required to provide independent, non-directive counselling for unplanned pregnancy. The PHOFAs contain performance indicators for the provision of sexual and reproductive health, including providing "counselling and advice on the full range of options". Options are defined to include, "for example, pregnancy support, advice on the viability of single parenthood and adoption".

- (7) The Australian Government decided on 29 March 2004 that funding for all Family Planning Organisations would be incorporated within the PHOFAs for the period 2004-05 to 2008-09. The PHOFAs ensure that such services are provided through the inclusion of specific performance indicators against which jurisdictions are required to report. The PHOFAs (2004-09) contain performance indicators for the provision of sexual and reproductive health, including providing "counselling and advice on the full range of options". Options are defined to include, "for example, pregnancy support, advice on the viability of single parenthood and adoption".
- (8) Family Planning Organisations funded under the national Family Planning Program provide independent non-directive counselling for unplanned pregnancy.

#### **Australian Pesticides and Veterinary Medicines Authority**

#### **(Question No. 956)**

**Mr Kerr** asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 10 May 2005:

- (1) When will the Australian Pesticides and Veterinary Medicines Authority release a draft 1080 review report for public comment.
- (2) Will he explain the reasons for the delay by the Australian Pesticides and Veterinary Medicines Authority in issuing a 1080 review report as a review report had been scheduled for release in 2003.

**Mr Truss**—The answer to the honourable member's question is as follows:

- (1) The Australian Pesticides and Veterinary Medicines Authority (APVMA) released the draft 1080 review report for public comment on Monday 23 May 2005.

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- (2) The APVMA's scoping document of July 2002 referred to an estimated date of December 2003 for the release of the draft report. In October 2004, the APVMA announced that the release of this report had been delayed until early 2005 to allow sufficient time to consider the sheer volume of relevant information received by the APVMA.

**Therapeutic Goods Administration**

**(Question No. 1241)**

**Ms Corcoran** asked the Minister for Health and Ageing, in writing, on 10 May 2005:

- (1) Who is conducting the review to examine how best to implement the recommendations in the report by the Australian National Audit Office (ANAO) on the Therapeutic Goods Administration.
- (2) When is the review expected to be completed.
- (3) Will the review be examining all the recommendations in the ANAO report; if not, which recommendations are being examined by the review.
- (4) Have any of the recommendations been implemented; if so which ones.
- (5) How is the review being funded.

**Mr Abbott**—The answer to the honourable member's question is as follows:

- (1) The Department of Health and Ageing has engaged Deloitte Touche Tohmatsu (Deloitte).
- (2) By mid to late June 2005.
- (3) The review will examine all the ANAO recommendations.
- (4) Recommendations are being progressively implemented; Deloitte will provide a report on progress at the conclusion of the review.
- (5) The review is being funded from departmental funds appropriated to the Department of Health and Ageing.